
Amphitheater Unified School District No. 10

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2025



Amphitheater Unified School District No. 10

Tucson, Arizona

**Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2025**

Issued by:
Finance Department

Amphitheater Unified School District No. 10

Table of Contents

	Page
<u>Introductory Section</u>	
Letter of Transmittal	1
ASBO Certificate of Excellence	6
Organizational Chart	7
List of Principal Officials	8
<u>Financial Section</u>	
Independent Auditor's Report	11
Management's Discussion and Analysis (MD&A)	17
Basic Financial Statements	
Government-Wide Financial Statements:	
Statement of Net Position	30
Statement of Activities	31
Fund Financial Statements:	
Balance Sheet – Governmental Funds	34
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	37
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	38
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities	40
Statement of Net Position – Proprietary Funds	41
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds	42
Statement of Cash Flows – Proprietary Funds	43
Notes to Financial Statements	44
Required Supplementary Information	
Schedule of Revenues Expenditures and Changes in Fund Balances – Budget and Actual:	
General	69
Classroom Site	70
Federal and State Grants	71
Pension Schedules	72
Notes to Required Supplementary Information	74
Combining and Individual Fund Financial Statements and Schedules	
Governmental Funds:	
Combining Balance Sheet – All Non-Major Governmental Funds	80
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – All Non-Major Governmental Funds	82
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:	
Instructional Improvement	84
Food Service	85
Other Special Revenue	86

Amphitheater Unified School District No. 10

Table of Contents

<u>Financial Section</u>	<u>Page</u>
Combining and Individual Fund Financial Statements and Schedules	
Governmental Funds:	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:	
Debt Service	87
Adjacent Ways	88
Bond Building	89
Other Capital Projects	90
Internal Service Funds:	
Combining Statement of Net Position	92
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	93
Combining Statement of Cash Flows	94
<u>Statistical Section</u>	
Financial Trends:	
Net Position by Component	97
Expenses, Program Revenues, and Net (Expense)/Revenue	98
General Revenues and Total Changes in Net Position	100
Fund Balances – Governmental Funds	102
Governmental Funds Revenues	104
Governmental Funds Expenditures and Debt Service Ratio	106
Other Financing Sources and Uses and Net Changes in Fund Balances – Governmental Funds	108
Revenue Capacity:	
Net Limited Assessed Value and Full Cash Value of Taxable Property by Class	109
Net Full Cash Assessed Value of Taxable Property by Class	110
Property Tax Assessment Ratios	111
Direct and Overlapping Property Tax Rates	112
Principal Property Taxpayers	113
Property Tax Levies and Collections	114
Debt Capacity:	
Outstanding Debt by Type	115
Direct and Overlapping Governmental Activities Debt	116
Direct and Overlapping General Bonded Debt Ratios	116
Legal Debt Margin Information	117
Demographic and Economic Information:	
County-Wide Demographic and Economic Statistics	118
Principal Employers	119
Operating Information:	
Full-Time Equivalent District Employees by Type	120
Operating Statistics	122
Capital Assets Information	123

(This page intentionally left blank)

Introductory Section

(This page intentionally left blank)



FINANCE & ACCOUNTING

Scott Little

Chief Financial Officer

(520) 696-5130 • Fax (520) 696-5065

701 W. Wetmore Road • Tucson, AZ 85705 • (520) 696-5000 • www.amphi.com

GOVERNING BOARD MEMBERS

Susan Zibrat
President

Deanna M. Day, M.Ed.
Vice President

Vicki Cox Golder

Michael Gemma, Ed.D.

Matthew A. Kopec

SUPERINTENDENT

Todd A. Jaeger, J.D.

March 31, 2026

Citizens and Governing Board
Amphitheater Unified School District No. 10
701 West Wetmore Road
Tucson, Arizona 85705-1547

State law mandates that school districts are required to undergo an annual single audit and publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States by a certified public accounting firm licensed in the State of Arizona. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the Amphitheater Unified School District No. 10 (District) for the fiscal year ended June 30, 2025.

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, 2025, are free of material misstatement.

Amphitheater High School • Canyon del Oro High School • Ironwood Ridge High School
Amphitheater Middle School • Coronado K-8 School • Cross Middle School • La Cima Middle School • Wilson K-8 School
Copper Creek Elementary • Donaldson Elementary • Harelson Elementary • Holaway Elementary • Innovation Academy • Keeling Elementary
Mesa Verde Elementary • Nash Elementary • Painted Sky Elementary • Prince Elementary • Rio Vista Elementary • Walker Elementary • Rillito Center •
Amphi Academy Online

Amphitheater Unified School District does not discriminate on the basis of race, color, religion/religious beliefs, gender, sex, age, national origin, sexual orientation, creed, citizenship status, marital status, political beliefs/affiliation, disability, home language, family, social or cultural background in its programs or activities and provides equal access to the Boy Scouts and other designated youth groups. Inquiries regarding the District's non-discrimination policies are handled at 701 W. Wetmore Road, Tucson, Arizona 85705 by the Equity & Safety Compliance Officer and Title IX Coordinator, (520) 696-5164, TitleIXCoordinator@amphi.com, or the Executive Director of Student Services, (520) 696-5230, studentservices@amphi.com.

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, 2025, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

Profile of the District

The District is one of 18 public school districts located in Pima County, Arizona. It provides a program of public education from preschool through grade 12, with an average daily membership of 10,816. The projected average daily membership for fiscal year 2026 is 10,600.

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, food services, bookstore, and athletic functions.

The Amphitheater Unified School District No. 10 of Pima County, Arizona is situated in the northeastern portion of Pima County, Arizona, which is in south central Arizona. The boundaries of the District encompass an area of approximately 108 square miles, lying within and to the north of the City of Tucson. To the north of the City of Tucson is the Town of Oro Valley, which is totally within the District. Tucson is the County seat and is the population and economic center of southern Arizona.

The economy of the District is primarily based on light manufacturing, retail trade, automobile sales and tourism, and is supplemented by government, medical, and health services. During the 2024-25 school year, the District had a net limited property valuation of \$1,968,042,183, an increase of 4.5 percent over the previous year. The District expects the recent pattern of slight economic development and assessed valuations growth to continue in 2025. Arizona's property valuation system is based upon property valuations that are delayed approximately two years.

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 legal level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is established at the individual fund level for all funds. Funds that are not required to legally adopt a budget may have overexpenditures of budgeted funds, as the budgets for these funds are simply an estimate and does not prevent the District from exceeding the budget as long as the necessary revenue is earned. 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 is not required to prepare an annual budget of revenue; therefore, a deficit budgeted fund balance may be presented.

The District has 272 buildings containing approximately 2,646,557 square feet. Even with construction of new buildings over the last ten years, the average building age is 49 years old.

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. Tucson is the major city located in the center of eastern Pima County, which encompasses an area of approximately 9,200 square miles in southeastern Arizona. Approximately 70 percent of Pima County consists of Federal, State and Indian-owned lands. The region is well positioned geographically and culturally for trade with Mexico.

Tucson has been a favorite destination for tourists and a mining hub, in the past twenty years, Tucson's economy has become a more diverse economy expanding to include such industries as health care, education, and manufacturing. In its strategic plan, the City of Tucson outlines its plan for the development of a clear economic identity for the metropolitan area, by emphasizing continued diversification of the current manufacturing base and encouraging an increase of jobs in international trade. The number of manufacturing and wholesale businesses located in the Tucson area continues to grow and has been stimulated by a combination of a warm climate, a substantial well-educated labor pool, and a governmental climate that has been supportive of economic growth and investment.

A few of the major firms represented in Tucson include manufacturing employers such as Raytheon Missile Systems, Freeport McMoran Copper & Gold, Inc., Intuit Incorporated, IBM Corporation, Sunquest Information Systems, Tucson Newspapers, Kalil Bottling Company, and Sargent Control & Aerospace. This diverse group is joined by various non-manufacturing employers such as Walmart Stores, TMC Healthcare, Carondelet Health Network, as well as Davis-Monthan Air Force Base.

In addition, the Tucson area provides excellent educational and training opportunities through educational institutions such as the University of Arizona, the University of Phoenix, Pima Community College, and other providers of educational services, including Amphitheater Unified School District. For 126 years, Amphitheater Public Schools have contributed to the educational development of the residents of northwest Tucson. The District also recognizes the need for growth and diversification in the economy and continues to review its curriculum to prepare its students for the future economic opportunities that the region and the world will offer.

Long-term Financial Planning. Amphitheater Unified School District continues to experience slight declines in student populations despite new home construction in the northern end of the District and in Pima County. The District expects new commercial property development to increase slightly during the 2025-26 fiscal year.

Major Initiatives. On November 5, 2024, the voters of Amphitheater Unified School District authorized a new \$84.0 million bond program. This bond program was designed to address facility maintenance and technology needs. These needs are the result of the Arizona Legislature cutting funding to schools for facility maintenance and other capital needs.

The funding of school building maintenance and school capital needs continues to be one of the most significant issues facing the school district. In addition, Arizona ranks in the bottom for per pupil expenditures in the nation. A recent Bureau of Labor Statistics report indicated that Arizona's average elementary teacher salary of \$42,730 is \$13,070 below the U.S. average of \$55,800. These fiscal pressures are driving the low teacher wages in the state and are significantly impacting the recruitment of teachers.

On November 5, 2024, the voters of Amphitheater Unified School District authorized an increased budget to reduce class sizes in Grades Kindergarten through Third grades as well as renewing the budget increases first authorized in 2007.

COVID-19.

Amphitheater experienced a significant drop in enrollment during the 2020-21 school year. The average daily membership dropped from 12,776 in 2020 to 10,874 in 2021. The average daily membership in 2024-25 was 10,816.

The District continues to struggle with declining enrollment as the result of declining birthrates and the expansion of Arizona’s school voucher program. The District expects to close or consolidate up to five schools during the 2026-27 school year.

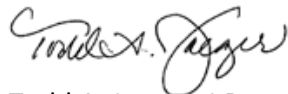
Awards and Acknowledgments

Awards. The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its annual comprehensive financial report for the fiscal year ended June 30, 2024. This was the twenty-eighth consecutive year that the District has received this prestigious award. In order to be awarded this certificate, 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. This certificate is valid for a period of one year only.

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 Finance Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

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

Respectfully submitted,



Todd A. Jaeger, J.D.
Superintendent



Scott Little
Chief Financial Officer



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Amphitheater School District No. 10

for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2024.

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



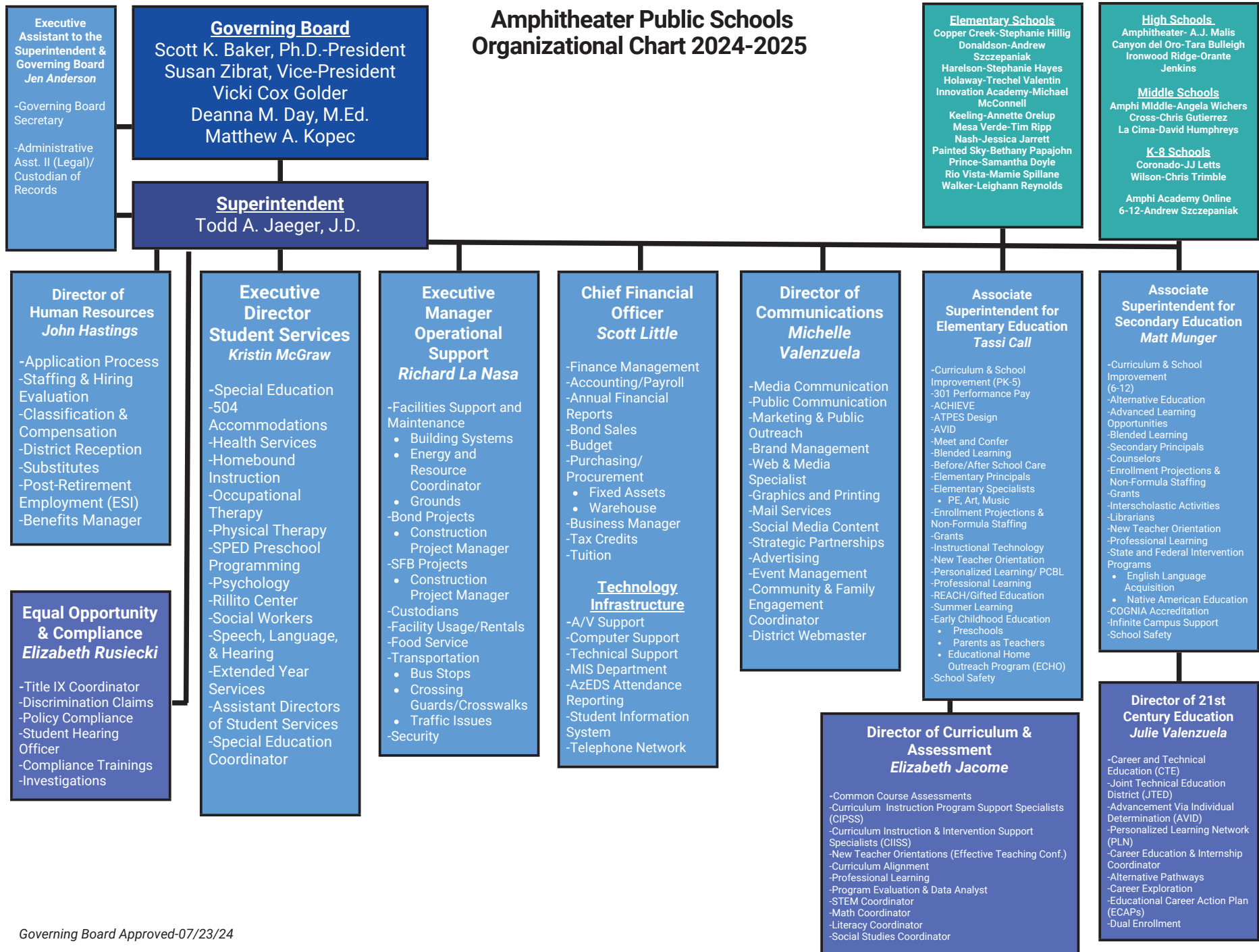
A handwritten signature in black ink, reading 'Ryan S. Stechsulte'. The signature is written in a cursive style and is positioned above a horizontal line.

Ryan S. Stechsulte
President

A handwritten signature in black ink, reading 'James M. Rowan'. The signature is written in a cursive style and is positioned above a horizontal line.

James M. Rowan, CAE, SFO
CEO/Executive Director

Amphitheater Public Schools Organizational Chart 2024-2025



Amphitheater Unified School District No. 10

List of Principal Officials

Governing Board

Susan Zibrat, President

Deanna M. Day, M.Ed., Vice President

Vickie Cox Golder, Member

Matthew A. Kopec, Member

Michael Gemma, Ed.D., Member

Administrative Staff

Todd A. Jaeger, J.D., Superintendent

Scott Little, Chief Financial Officer

Financial Section

(This page intentionally left blank)

Independent Auditor's Report

Governing Board
Amphitheater Unified School District No. 10

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 Amphitheater Unified School District No. 10 (District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the 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 Amphitheater Unified School District No. 10, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows 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 Amphitheater Unified School District No. 10 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 to the financial statements, the District implemented the provisions of GASB Statement No. 101, *Compensated Absences*, for the year ended June 30, 2025. 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 March 31, 2026, on our consideration of Amphitheater Unified School District No. 10'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 Amphitheater Unified School District No. 10'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 Amphitheater Unified School District No. 10's internal control over financial reporting and compliance.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.

Tucson, Arizona

March 31, 2026

(This page intentionally left blank)

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

(This page intentionally left blank)

**Amphitheater Unified School District No. 10
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025**

As management of the Amphitheater Unified School District No. 10 (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, 2025. 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 decreased \$6.2 million which represents a four percent decrease from the prior fiscal year as a result of a decrease in grants and contributions.
- General revenues accounted for \$139.4 million in revenue, or 79 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$36.8 million or 21 percent of total current fiscal year revenues.
- The District had approximately \$182.3 million in expenses related to governmental activities, an increase of four percent from the prior fiscal year.
- Among major funds, the General Fund had \$113.9 million current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$126.3 million in expenditures. The General Fund's fund balance decrease from \$30.4 million at the prior fiscal year end to \$18.4 million at the end of the current fiscal year was primarily due to a decrease in state aid and an increase in salary and employee benefit costs.
- Net position for the Internal Service Funds decreased \$294,189 from the prior fiscal year. Operating expenses of \$10.2 million exceeded operating revenues of \$9.6 million at the end of the current fiscal year.

Overview of Financial Statements

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

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

Amphitheater Unified School District No. 10
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025

Overview of 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 can be divided into two categories: governmental funds and proprietary 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.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Classroom Site, Federal and State Grants, Debt Service, 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.

Amphitheater Unified School District No. 10
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025

Overview of Financial Statements

Proprietary funds. The District maintains one type of proprietary fund. The internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses its internal service funds to account for its self-insurance program. Other internal service funds include district service funds which account for the operation of District functions that provide goods or services to other District departments on a cost reimbursement basis. Because these activities benefit the governmental functions, they have been included within governmental activities in the government-wide financial statements.

The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

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 \$138.9 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, however, as discussed below, this balance is in the deficit position.

**Amphitheater Unified School District No. 10
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025**

Government-Wide Financial Analysis

The following table presents a summary of the District's net position for the fiscal years ended June 30, 2025 and June 30, 2024. The cash and investment balances and net position for the year-ended June 30, 2024 have been restated for the reclassification of expenditures as investments and related activity for the establishment of a self-insurance program.

	As of June 30, 2025	As of June 30, 2024 (as restated)
Current and other assets	\$ 84,506,308	\$ 97,782,604
Capital assets, net	226,304,142	228,106,724
Total assets	<u>310,810,450</u>	<u>325,889,328</u>
Deferred outflows	<u>22,926,818</u>	<u>13,628,947</u>
Current liabilities	10,590,796	11,772,184
Long-term liabilities	172,755,813	173,483,536
Total liabilities	<u>183,346,609</u>	<u>185,255,720</u>
Deferred inflows	<u>11,532,240</u>	<u>9,250,813</u>
Net position:		
Net investment in capital assets	167,806,078	166,519,350
Restricted	41,910,323	36,418,622
Unrestricted	<u>(70,857,982)</u>	<u>(57,926,230)</u>
Total net position	<u>\$ 138,858,419</u>	<u>\$ 145,011,742</u>

At the end of the current fiscal year the District reported a negative unrestricted net position of \$70.9 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 fiscal 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 principal retirement of \$9.1 million of bonds and \$688,760 of bond premium.
- The addition of \$16.4 million in capital assets through land and school improvements and purchases of vehicles, furniture, and equipment.
- The increase of \$7.0 million in pension liabilities and \$9.5 million in pension deferred outflows of resources.
- The disposal of \$11.7 million of school improvements and vehicles, furniture, and equipment, along with \$9.1 million in accumulated depreciation.
- The addition of \$15.5 million in accumulated depreciation as a result of current fiscal year depreciation expense.

**Amphitheater Unified School District No. 10
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025**

Government-Wide Financial Analysis

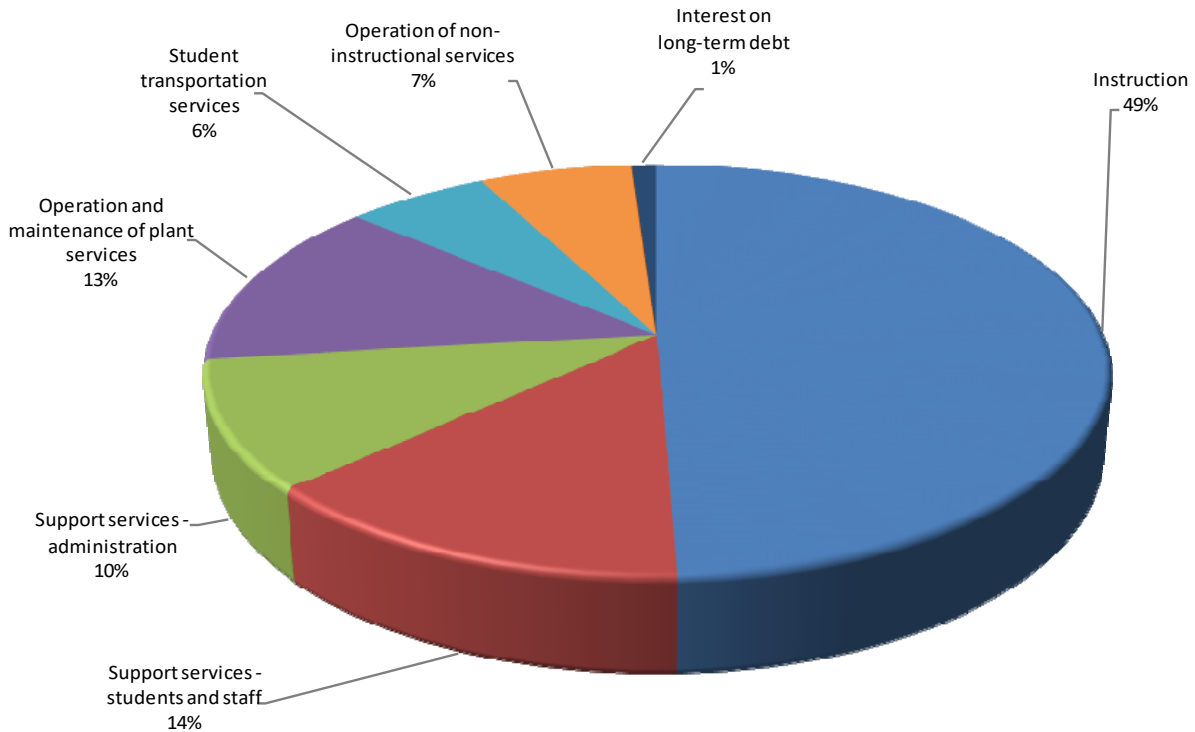
Changes in net position. The District's total revenues for the current fiscal year were \$176.2 million. The total cost of all programs and services was \$182.3 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2025 and June 30, 2024. The expenditures and net position for the year-ended June 30, 2024 have been restated for the reclassification of expenditures as investments and related activity for the establishment of a self-insurance program.

	<u>Fiscal Year Ended June 30, 2025</u>	<u>Fiscal Year Ended June 30, 2024 (as restated)</u>
Revenues:		
Program revenues:		
Charges for services	\$ 10,762,597	\$ 11,342,887
Operating grants and contributions	17,596,515	27,073,009
Capital grants and contributions	8,392,802	11,725,120
General revenues:		
Property taxes	80,009,972	76,320,896
Investment income	2,687,983	3,057,743
Unrestricted state aid	54,769,568	57,829,866
Unrestricted federal aid	1,965,309	2,227,723
Total revenues	<u>176,184,746</u>	<u>189,577,244</u>
Expenses:		
Instruction	90,070,281	86,859,561
Support services - students and staff	24,984,768	24,364,314
Support services - administration	18,304,086	15,205,004
Operation and maintenance of plant services	24,268,274	23,400,347
Student transportation services	11,024,813	11,612,183
Operation of non-instructional services	11,798,126	11,496,292
Interest on long-term debt	1,887,721	2,223,523
Total expenses	<u>182,338,069</u>	<u>175,161,224</u>
Changes in net position	<u>(6,153,323)</u>	<u>14,416,020</u>
Net position, beginning	<u>145,011,742</u>	<u>130,595,722</u>
Net position, ending	<u>\$ 138,858,419</u>	<u>\$ 145,011,742</u>

**Amphitheater Unified School District No. 10
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025**

Government-Wide Financial Analysis

Expenses - Fiscal Year 2025



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

- The decrease of \$12.8 million in grants and contributions was primarily due to the lapse of COVID-19 funding.
- Instruction expenses increased \$3.2 million due to increased salaries and benefits costs.

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.

**Amphitheater Unified School District No. 10
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025**

Government-Wide Financial Analysis

	Year Ended June 30, 2025		Year Ended June 30, 2024	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses (as restated)	Net (Expense)/ Revenue (as restated)
Instruction	\$ 90,070,281	\$ (77,946,055)	\$ 86,859,561	\$ (63,113,598)
Support services - students and staff	24,984,768	(19,694,875)	24,364,314	(16,087,064)
Support services - administration	18,304,086	(17,654,024)	15,205,004	(14,632,505)
Operation and maintenance of plant services	24,268,274	(16,908,870)	23,400,347	(16,758,879)
Student transportation services	11,024,813	(10,879,213)	11,612,183	(11,490,461)
Operation of non-instructional services	11,798,126	(615,397)	11,496,292	(714,178)
Interest on long-term debt	1,887,721	(1,887,721)	2,223,523	(2,223,523)
Total	\$ 182,338,069	\$ (145,586,155)	\$ 175,161,224	\$ (125,020,208)

- The cost of all governmental activities this year was \$182.3 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$36.8 million.
- Net cost of governmental activities of \$145.6 million was financed by general revenues, which are made up of primarily property taxes of \$80.0 million and state aid of \$54.8 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 \$56.5 million, an increase of \$6.3 million due primarily to the receipt of prior year outstanding federal grant reimbursements.

**Amphitheater Unified School District No. 10
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025**

Financial Analysis of the District's Funds

The General Fund comprises 33 percent of the total fund balance. Approximately \$18.3 million of the General Fund's fund balance is unassigned.

The General Fund is the principal operating fund of the District. The decrease in fund balance of \$12.0 million to \$18.4 million as of fiscal year end was a result of decreased revenues and increased expenses. General Fund revenues decreased \$4.2 million as a result of a decrease in unrestricted state aid. General Fund expenditures increased \$2.6 million as a result of increases in employee salaries and related benefits.

The Classroom Site Fund balance increased \$727,516 to \$8.3 million at fiscal year end. Classroom Site Fund revenues increased \$82,064 and expenditures increased \$282,467.

The Federal and State Grants Fund balance increased \$20.4 million to a deficit fund balance of \$1.2 million at fiscal year end due to the receipt of prior year pending federal grant reimbursements. Federal and State Grants Fund revenues increased \$20.6 million due to the receipt of outstanding federal grant reimbursements and expenditures decreased \$13.9 million primarily due to the decrease in availability of COVID-19 federal funding utilized in prior years.

The Debt Service's fund balance increased \$2.9 million to \$16.2 million at fiscal year end. Debt Service Fund revenues decreased \$306,223 and expenditures decreased \$802.

The Other Capital Projects Fund balance decreased \$251,218 to \$135,225 at fiscal year end. Other Capital Projects Fund revenues increased \$74,644 and expenditures increased \$549,041.

Proprietary funds. Net position of the Internal Service Funds at the end of the fiscal year amounted to \$8.9 million. The decrease of \$294,189 from the prior fiscal year was primarily due to the establishment of a self-insurance program.

Budgetary Highlights

Over the course of the year, the District revised the General Fund annual expenditure budget primarily due to changes in estimated student enrollment. The difference between the original budget and the final amended budget was a \$3.5 million decrease, or three 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 overall favorable variance of \$3.2 million in expenses was a result of budgeting to the maximum general budget limit to provide capacity in future years.

**Amphitheater Unified School District No. 10
Management’s Discussion and Analysis (MD&A)
Year Ended June 30, 2025**

Capital Assets and Debt Administration

Capital Assets. At year end, the District had invested \$372.8 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 \$4.6 million from the prior fiscal year, primarily due to various building and improvement projects. Total depreciation expense for the current fiscal year was \$15.5 million.

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2025 and June 30, 2024.

	As of June 30, 2025	As of June 30, 2024
Capital assets - non-depreciable	\$ 14,507,152	\$ 14,404,637
Capital assets - depreciable, net	211,796,990	213,702,087
Total	\$ 226,304,142	\$ 228,106,724

The estimated cost to complete current construction projects is \$2.4 million.

Additional information on the District’s capital assets can be found in Note 7.

Debt Administration. At year end, the District had \$60.8 million in long-term debt outstanding, \$9.4 million due within one year. Long-term debt decreased by \$9.8 million.

The District’s general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds (up to 30 percent of the total net full cash assessed valuation) and the statutory debt limit on Class B bonds (the greater of 20 percent of the net full cash assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$833.5 million and the Class B debt limit is \$555.6 million, which are more than the District’s total outstanding general obligation and Class B debt, respectively. Additional information on the District’s long-term debt can be found in Notes 8 and 9.

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 2025-26 budget. Among them:

- District student population (estimated 10,790).
- Employee salaries.

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

**Amphitheater Unified School District No. 10
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025**

Economic Factors and Next Year's Budget and Rates

Budgeted expenditures in the General Fund decreased seven percent to \$104.6 million in fiscal year 2025-26. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2025-26 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 Finance Department, Amphitheater Unified School District No. 10, 701 West Wetmore Road, Tucson, Arizona 85705-1547.

Basic Financial Statements

(This page intentionally left blank)

Government-Wide Financial Statements

Amphitheater Unified School District No. 10
Statement of Net Position
June 30, 2025

	Governmental Activities
Assets	
Current assets:	
Cash and investments	\$ 59,879,287
Property taxes receivable	1,380,466
Accounts receivable	815,879
Due from governmental entities	16,498,088
Inventory	82,754
Leases receivable	<u>1,893,468</u>
Total current assets	<u>80,549,942</u>
Noncurrent assets:	
Net other postemployment benefit plan assets	3,956,366
Capital assets not being depreciated	14,507,152
Capital assets, net accumulated depreciation	<u>211,796,990</u>
Total noncurrent assets	<u>230,260,508</u>
Total assets	<u>310,810,450</u>
Deferred outflows of resources	
Deferred charge on refunding	302,792
Pension plan items	22,414,208
Other postemployment benefit plan items	<u>209,818</u>
Total deferred outflows of resources	<u>22,926,818</u>
Liabilities	
Current liabilities:	
Accounts payable	4,801,435
Claims payable	1,416,466
Accrued payroll and employee benefits	3,825,574
Unearned revenues	547,321
Compensated absences payable	2,186,100
Bonds payable	<u>9,445,000</u>
Total current liabilities	<u>22,221,896</u>
Noncurrent liabilities:	
Non-current portion of long-term obligations	<u>161,124,713</u>
Total noncurrent liabilities	<u>161,124,713</u>
Total liabilities	<u>183,346,609</u>
Deferred inflows of resources	
Deferred charge on refunding	143,407
Pension plan items	8,166,559
Other postemployment benefit plan items	1,370,262
Leases	<u>1,852,012</u>
Total deferred inflows of resources	<u>11,532,240</u>
Net position	
Net investment in capital assets	167,806,078
Restricted for:	
Instruction	14,068,239
Food service	4,346,151
Non-instructional purposes	1,888,113
Debt service	16,330,070
Capital outlay	1,321,384
Other postemployment benefit plan assets	3,956,366
Unrestricted	<u>(70,857,982)</u>
Total net position	<u>\$ 138,858,419</u>

Amphitheater Unified School District No. 10
Statement of Activities
For the Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenue			Net (Expense)
		Charges for	Operating Grants	Capital Grants	Revenue and
			Services	and	and
			Contributions	Contributions	Position
			and	Contributions	Governmental
			Contributions		Activities
Governmental activities					
Instruction	\$ 90,070,281	\$ 3,655,390	\$ 7,121,031	\$ 1,347,805	\$ (77,946,055)
Support services - students and staff	24,984,768	1,551,562	3,738,331		(19,694,875)
Support services - administration	18,304,086	420,819	229,243		(17,654,024)
Operation and maintenance of plant services	24,268,274	249,262	286,634	6,823,508	(16,908,870)
Student transportation services	11,024,813	103,383	42,217		(10,879,213)
Operation of non-instructional services	11,798,126	4,782,181	6,179,059	221,489	(615,397)
Interest on long-term debt	1,887,721				(1,887,721)
Total governmental activities	<u>\$ 182,338,069</u>	<u>\$ 10,762,597</u>	<u>\$ 17,596,515</u>	<u>\$ 8,392,802</u>	<u>(145,586,155)</u>
General revenues					
Property taxes					80,009,972
Investment income					2,687,983
Unrestricted state aid					54,769,568
Unrestricted federal aid					1,965,309
Total general revenues					<u>139,432,832</u>
Changes in net position					
					(6,153,323)
Net position, beginning of year, previously reported					
					138,954,464
Adjustments to beginning net position					6,057,278
Net position, beginning of year, as restated					<u>145,011,742</u>
Net position, end of year					
					<u>\$ 138,858,419</u>

(This page intentionally left blank)

Fund Financial Statements

Amphitheater Unified School District No. 10
Balance Sheet
Governmental Funds
June 30, 2025

	Federal and State			
	General	Classroom Site	Grants	Debt Service
Assets				
Cash and investments	\$ 10,863,036	\$ 8,324,597	\$	\$ 16,110,763
Property taxes receivable	1,154,042			219,307
Accounts receivable				
Due from governmental entities	9,466,186		4,838,640	
Due from other funds	3,044,005			
Inventory	82,754			
Leases receivable	1,893,468			
Total assets	\$ 26,503,491	\$ 8,324,597	\$ 4,838,640	\$ 16,330,070
Liabilities				
Accounts payable	\$ 2,087,852	\$	\$ 627,110	\$
Due to other funds			3,044,005	
Accrued payroll and employee benefits	3,311,880	25,195	355,142	
Unearned revenues			547,321	
Total liabilities	5,399,732	25,195	4,573,578	
Deferred inflows of resources				
Unavailable revenues - property taxes	884,038			150,432
Unavailable revenues - intergovernmental			1,480,482	
Leases	1,852,012			
Total deferred inflows of resources	2,736,050		1,480,482	150,432
Fund balances				
Nonspendable	82,754			
Restricted		8,299,402		16,179,638
Unassigned	18,284,955		(1,215,420)	
Total fund balances	18,367,709	8,299,402	(1,215,420)	16,179,638
Total liabilities, deferred inflows of resources and fund balances	\$ 26,503,491	\$ 8,324,597	\$ 4,838,640	\$ 16,330,070

Other Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
\$ 267,326	\$ 14,605,283	\$ 50,171,005
	7,117	1,380,466
	297,975	297,975
1,759,547	433,715	16,498,088
		3,044,005
		82,754
		1,893,468
<u>\$ 2,026,873</u>	<u>\$ 15,344,090</u>	<u>\$ 73,367,761</u>
\$ 1,569,344	\$ 511,577	\$ 4,795,883
		3,044,005
	133,357	3,825,574
		547,321
<u>1,569,344</u>	<u>644,934</u>	<u>12,212,783</u>
	4,820	1,039,290
322,304		1,802,786
		1,852,012
<u>322,304</u>	<u>4,820</u>	<u>4,694,088</u>
		82,754
135,225	14,694,336	39,308,601
		17,069,535
<u>135,225</u>	<u>14,694,336</u>	<u>56,460,890</u>
<u>\$ 2,026,873</u>	<u>\$ 15,344,090</u>	<u>\$ 73,367,761</u>

(This page intentionally left blank)

Amphitheater Unified School District No. 10
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2025

Total fund balances - governmental funds **\$ 56,460,890**

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	\$ 372,582,271	
Less accumulated depreciation	<u>(146,394,440)</u>	
		226,187,831

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

Property taxes	1,039,290	
Intergovernmental	<u>1,802,786</u>	
		2,842,076

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

159,385

The net OPEB assets are not a current financial resource and, therefore, are not reported in the funds.

3,956,366

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

Deferred outflows of resources related to pensions/OPEB	22,624,026	
Deferred inflows of resources related to pensions/OPEB	<u>(9,536,821)</u>	
		13,087,205

The Internal Service Funds are used by management to charge the cost of insurance and other district services to the individual funds. The assets and liabilities of the Internal Service Funds are included in the Statement of Net Position.

8,920,479

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

Compensated absences payable	(5,140,930)	
Bonds payable	(60,788,834)	
Net pension liability	<u>(106,826,049)</u>	
		<u>(172,755,813)</u>

Net position of governmental activities **\$ 138,858,419**

Amphitheater Unified School District No. 10
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

	Federal and State			
	General	Classroom Site	Grants	Debt Service
Revenues				
Other local	\$ 3,240,205	\$ 154,147	\$	\$ 684,315
Property taxes	65,996,007			13,477,937
State aid and grants	42,664,286	11,206,489	1,407,760	
Federal aid, grants and reimbursements	1,965,309		30,840,881	
Total revenues	<u>113,865,807</u>	<u>11,360,636</u>	<u>32,248,641</u>	<u>14,162,252</u>
Expenditures				
Current:				
Instruction	54,140,263	9,017,317	6,156,305	
Support services - students and staff	17,582,011	1,615,803	3,614,238	
Support services - administration	15,146,997		221,633	
Operation and maintenance of plant services	22,701,287		142,491	
Student transportation services	7,919,751		40,816	
Operation of non-instructional services	575,035			
Capital outlay	8,228,134		1,347,805	
Debt service:				
Principal retirement				9,080,000
Interest and fiscal charges				2,475,162
Total expenditures	<u>126,293,478</u>	<u>10,633,120</u>	<u>11,523,288</u>	<u>11,555,162</u>
Excess (deficiency) of revenues over expenditures	<u>(12,427,671)</u>	<u>727,516</u>	<u>20,725,353</u>	<u>2,607,090</u>
Other financing sources (uses)				
Transfers in	364,400			292,898
Transfers out			(364,400)	
Insurance recoveries	49,922			
Total other financing sources (uses)	<u>414,322</u>		<u>(364,400)</u>	<u>292,898</u>
Changes in fund balances	<u>(12,013,349)</u>	<u>727,516</u>	<u>20,360,953</u>	<u>2,899,988</u>
Fund balances, beginning of year, previously reported	33,056,617		(21,576,373)	13,279,650
Adjustments to beginning fund balances	(2,675,559)	7,571,886		
Fund balances, beginning of year, as restated	<u>30,381,058</u>	<u>7,571,886</u>	<u>(21,576,373)</u>	<u>13,279,650</u>
Fund balances, end of year	<u>\$ 18,367,709</u>	<u>\$ 8,299,402</u>	<u>\$ (1,215,420)</u>	<u>\$ 16,179,638</u>

Other Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
\$ 21,963	\$ 10,161,297	\$ 14,261,927
	448,462	79,922,406
6,591,612	905,446	62,775,593
	5,896,147	38,702,337
<u>6,613,575</u>	<u>17,411,352</u>	<u>195,662,263</u>
	1,606,953	70,920,838
	1,619,031	24,431,083
	151,150	15,519,780
	270,952	23,114,730
	303,457	8,264,024
	10,376,623	10,951,658
6,864,893	8,246,182	24,687,014
		9,080,000
		<u>2,475,162</u>
<u>6,864,893</u>	<u>22,574,348</u>	<u>189,444,289</u>
<u>(251,318)</u>	<u>(5,162,996)</u>	<u>6,217,974</u>
		657,298
	(292,898)	(657,298)
		<u>49,922</u>
	<u>(292,898)</u>	<u>49,922</u>
<u>(251,318)</u>	<u>(5,455,894)</u>	<u>6,267,896</u>
	28,108,659	52,868,553
386,543	(7,958,429)	(2,675,559)
<u>386,543</u>	<u>20,150,230</u>	<u>50,192,994</u>
<u>\$ 135,225</u>	<u>\$ 14,694,336</u>	<u>\$ 56,460,890</u>

Amphitheater Unified School District No. 10
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, 2025

Changes in fund balances - total governmental funds **\$ 6,267,896**

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 expense.

Expenditures for capitalized assets	\$ 16,364,795	
Less current year depreciation	<u>(15,485,988)</u>	
		878,807

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

Property taxes	87,566	
Intergovernmental	<u>(20,004,836)</u>	
		(19,917,270)

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.

Bond principal retirement		9,080,000
---------------------------	--	-----------

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

Current year pension/OPEB contributions	11,092,018	
Pension/OPEB expense	<u>(9,140,761)</u>	
		1,951,257

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

Loss on disposal of assets	(2,654,380)	
Amortization of deferred bond items	587,441	
Compensated absences	<u>(2,052,885)</u>	
		(4,119,824)

The Internal Service Funds are used by management to charge the cost of insurance and other district services to the individual funds. The changes in net position of the Internal Service Funds are reported with governmental activities in the Statement of Activities.

		<u>(294,189)</u>
Changes in net position in governmental activities		<u>\$ (6,153,323)</u>

Amphitheater Unified School District No. 10
Statement of Net Position
Proprietary Funds
June 30, 2025

	Governmental
	Activities
	Internal Service
	Funds
Assets	
Current assets:	
Cash and investments	\$ 9,708,282
Accounts receivable	517,904
Total current assets	10,226,186
Noncurrent assets:	
Capital assets, net accumulated depreciation	116,311
Total noncurrent assets	116,311
Total assets	10,342,497
Liabilities	
Current liabilities:	
Accounts payable	5,552
Claims payable	1,416,466
Total current liabilities	1,422,018
Total liabilities	1,422,018
Net position	
Investment in capital assets	116,311
Unrestricted	8,804,168
Total net position	\$ 8,920,479

Amphitheater Unified School District No. 10
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2025

	Governmental Activities
	Internal Service Funds
Operating revenues	
Charges for services	\$ 403,258
Contributions	9,151,557
Total operating revenues	9,554,815
Operating expenses	
Claims	8,963,973
Cost of services	413,228
Premiums	539,718
Administrative fees	294,907
Depreciation	27,009
Total operating expenses	10,238,835
Operating income (loss)	(684,020)
Nonoperating revenues (expenses)	
Investment income	389,831
Total nonoperating revenue (expenses)	389,831
Changes in net position	(294,189)
Net position, beginning of year, previously reported	481,831
Adjustments to beginning net position	8,732,837
Net position, beginning of year, as restated	9,214,668
Net position, end of year	\$ 8,920,479

Amphitheater Unified School District No. 10
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2025

	Governmental Activities Internal Service Funds
<u>Increase/Decrease in Cash and Cash Equivalents</u>	
Cash flows from operating activities	
Cash received for services	\$ 403,258
Cash received from contributions	8,633,653
Cash payments to employees for services	(195,602)
Cash payments to suppliers for goods and services	(1,046,699)
Cash payments for claims	(7,547,507)
Net cash provided by/used for operating activities	247,103
Cash flows from investing activities	
Investment income	389,831
Net cash provided by investing activities	389,831
Net increase/decrease in cash and cash equivalents	636,934
Cash and cash equivalents, beginning of year	9,071,348
Cash and cash equivalents, end of year	\$ 9,708,282
<u>Reconciliation of Operating Income/Loss to Net Cash Provided by/Used for Operating Activities</u>	
Operating income/loss	\$ (684,020)
Adjustments to reconcile operating income/loss to net cash provided by/used for operating activities:	
Depreciation expense	27,009
Changes in assets and liabilities:	
Increase/decrease in accounts receivable	(517,904)
Increase/decrease in accounts payable	5,552
Increase/decrease in claims payable	1,416,466
Total adjustments	931,123
Net cash provided by/used for operating activities	\$ 247,103

Amphitheater Unified School District No. 10
Notes to Financial Statements
June 30, 2025

Note 1 – Summary of Significant Accounting Policies

The financial statements of the Amphitheater Unified School District No. 10 (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, 2025, the District implemented the provisions of GASB Statement No. 101, *Compensated Absences*. This Statement updates the recognition and measurement guidance for compensated absences. Liabilities are recognized for leave that has not been used, as well as leave that has been used but not yet paid in cash or settled through noncash means. The District's analysis of compensated absences 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.

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

Amphitheater Unified School District No. 10
Notes to Financial Statements
June 30, 2025

Note 1 – Summary of Significant Accounting Policies

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. The District does not allocate indirect expenses to programs of functions. 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 and 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.

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.

Amphitheater Unified School District No. 10
Notes to Financial Statements
June 30, 2025

Note 1 – Summary of Significant Accounting Policies

However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Issuances of long-term debt and acquisitions under lease contracts and subscription-based information technology arrangements are reported as other financing sources.

Property taxes, federal and 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.

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

The District reports the following major governmental funds:

General – The General Fund is the District’s primary operating fund. It accounts for all resources used to finance District maintenance and operation except those required to be accounted for in other funds. The General Fund includes the District’s Maintenance and Operation Fund and the Unrestricted Capital Outlay Fund, as well as other funds that do not meet the criteria for separate reporting in the financial statements.

Classroom Site – The Classroom Site Fund accounts for the financial activity for the portion of state sales tax collections and permanent state school fund earnings.

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

Amphitheater Unified School District No. 10
Notes to Financial Statements
June 30, 2025

Note 1 – Summary of Significant Accounting Policies

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

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

Additionally, the District reports the following fund type:

Proprietary Funds – The Proprietary Funds are Internal Service Funds that account for activities related to the District’s self-insurance program, and for activities related to the operation of District functions that provides goods and services to other District departments on a cost reimbursement basis.

The Proprietary Fund financial statements are reported using the economic resources measurement focus and accrual basis of accounting and are presented in a single column.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the District’s internal service funds are charges for health and welfare benefits and charges to District departments for goods and services. Operating expenses for the internal service funds include the cost of goods and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Cash and Investments

For purposes of the Statement of Cash Flows, the District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents at year end were cash and investments held by the County Treasurer and Kairos.

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.

Amphitheater Unified School District No. 10
Notes to Financial Statements
June 30, 2025

Note 1 – Summary of Significant Accounting Policies

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

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

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

E. Investment Income

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

Amphitheater Unified School District No. 10
Notes to Financial Statements
June 30, 2025

Note 1 – Summary of Significant Accounting Policies

G. Property Tax Calendar

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

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

H. Inventory

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

I. Prepaid Items

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

J. Capital Assets

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

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

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

Amphitheater Unified School District No. 10
Notes to Financial Statements
June 30, 2025

Note 1 – Summary of Significant Accounting Policies

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. Amortization of right-to-use assets is included with depreciation expense. The estimated useful lives and amortization periods are as follows:

Land improvements	7 - 70 years
Buildings and improvements	15 - 70 years
Vehicles, furniture and equipment	5 - 20 years

K. Deferred Outflows/Inflows of Resources

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

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

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 more likely than not to be used or paid 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.

M. Leases

As lessor, if there is no stated rate in the lease contract (or if the stated rate is not the rate the District charges the lessee) and the implicit rate cannot be determined, the District uses its own estimated incremental borrowing rate as the discount rate to measure lease receivables. The District's estimated incremental borrowing rate is calculated based on the Applicable Federal Rate.

Amphitheater Unified School District No. 10
Notes to Financial Statements
June 30, 2025

Note 1 – Summary of Significant Accounting Policies

N. Pensions and Other Postemployment Benefits

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

O. Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund 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.

P. Interfund Activity

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

Q. Net Position Flow Assumption

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

Amphitheater Unified School District No. 10
Notes to Financial Statements
June 30, 2025

Note 1 – Summary of Significant Accounting Policies

R. Estimates

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

Note 2 – Fund Balance Classifications

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

Nonspendable. The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form, or are 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 through a resolution approved at a Board meeting. Those committed amounts cannot be used for any other purpose unless the Governing Board removes or changes the specified use by taking the same action it employed to previously commit those amounts.

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 Governing Board has delegated the Chief Financial Officer that authority through formal Governing Board action.

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

Amphitheater Unified School District No. 10
Notes to Financial Statements
June 30, 2025

Note 2 – Fund Balance Classifications

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

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

	General	Classroom Site	Federal and State Grants	Debt Service	Other Capital Projects	Non-Major Governmental Funds
Fund Balances:						
Nonspendable:						
Inventory	\$ 82,754	\$	\$	\$	\$	\$
Restricted:						
Debt service				16,179,638		
Capital projects					135,225	859,035
Bond building projects						2,131,385
Voter approved initiatives		8,299,402				1,599,183
Food service						4,346,151
Civic center						1,332,496
Community schools						498,132
Extracurricular activities						1,231,240
Intergovernmental agreements						50,518
Gifts and donations						1,932,859
Student activities						639,923
Other purposes						73,414
Unassigned	18,284,955		(1,215,420)			
Total fund balances	<u>\$ 18,367,709</u>	<u>\$ 8,299,402</u>	<u>\$ (1,215,420)</u>	<u>\$ 16,179,638</u>	<u>\$ 135,225</u>	<u>\$ 14,694,336</u>

Note 3 – Stewardship, Compliance and Accountability

Individual Deficit Fund Balance – At year end, the Federal and State Grants Fund reported a deficit of \$1.2 million in fund balance. The deficit arose because of operations during the year and pending grant reimbursements. Additional revenues received in fiscal year 2025-26 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.

Amphitheater Unified School District No. 10
Notes to Financial Statements
June 30, 2025

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 \$11.5 million and the bank balance was \$11.6 million. At year end, all the District’s deposits were covered by federal deposit insurance.

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

Valuation Techniques. The Money Market Funds classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

The State Treasurer’s pools are external investment pools, the Local Government Investment Pool (Pool 5) and Local Government Investment Pool-Government (Pool 7), with no regulatory oversight. The pools as an investment company is not registered with the Securities and Exchange Commission. The activity and performance of the pools are reviewed monthly by the State Board of Investment. The fair value of each participant’s position in the State Treasurer investment pools approximates the value of the participant’s shares in the pool and the participants’ shares are not identified with specific investments. Participants in the pool are not required to categorize the value of shares in accordance with the fair value hierarchy.

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

All investments in which the fair value hierarchy is applicable are measured at fair value on a recurring basis. At year end, the District’s investments consisted of the following:

Investment Type	Maturities	Fair Value	Category
Money Market Funds	41 days	\$ 5,840,366	Level 1
Kairos investment pool	135 days	2,609,067	Not Applicable
County Treasurer’s investment pool	92 days	32,929,218	Not Applicable
State Treasurer’s investment pool 7	26 days	7,014,036	Not Applicable
Total		<u>\$ 48,392,687</u>	

Amphitheater Unified School District No. 10
Notes to Financial Statements
June 30, 2025

Note 4 – Cash and Investments

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 and Kairos’ investment pools did not receive a credit quality rating from a national rating agency. The State Treasurer’s Local Government Investment Pool 7 was rated AAA by Moody’s at year end. The Money Market Funds were rated Aaa-mf by Moody's and AAAM by S&P at year end.

Custodial Credit Risk – Investments. The District’s investment in the 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.

Concentration of Credit Risk. The District places no limit on the amount the District may invest in any one issuer. All investments, other than the investment pools, were Money Market Funds.

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:

	General	Federal and State Grants	Other Capital Projects	Non-Major Governmental Funds
Due from other governmental entities:				
Due from federal government	\$	\$ 4,746,110	\$	\$ 1,918
Due from state government	9,466,186	92,530	1,759,547	428,413
Due from other districts				3,384
Net due from governmental entities	<u>\$ 9,466,186</u>	<u>\$ 4,838,640</u>	<u>\$ 1,759,547</u>	<u>\$ 433,715</u>

Amphitheater Unified School District No. 10
Notes to Financial Statements
June 30, 2025

Note 6 – Leases Receivable

The District leases land and property under the provisions of contracts classified as leases. The related receivables under the lease agreements have been recorded at the present value of their future minimum lease payments as of the inception date. Lease revenue of \$102,329 and related interest revenue of \$3,923 are recorded as other local revenue in the General Fund. At June 30, 2025, the lease receivable balance reported in the General Fund was \$1.9 million, with \$1.8 million due greater than one year.

Note 7 – Capital Assets

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

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 12,166,997	\$	\$	\$ 12,166,997
Construction in progress	2,237,640	5,232,489	5,129,974	2,340,155
Total capital assets, not being depreciated	<u>14,404,637</u>	<u>5,232,489</u>	<u>5,129,974</u>	<u>14,507,152</u>
Capital assets, being depreciated:				
Land improvements	30,333,456	954,055	707,404	30,580,107
Buildings and improvements	279,295,807	11,609,674	8,362,939	282,542,542
Vehicles, furniture and equipment	44,115,396	3,698,551	2,645,193	45,168,754
Total capital assets being depreciated	<u>353,744,659</u>	<u>16,262,280</u>	<u>11,715,536</u>	<u>358,291,403</u>
Less accumulated depreciation for:				
Land improvements	(19,118,195)	(1,293,229)	(652,530)	(19,758,894)
Buildings and improvements	(102,258,293)	(10,519,588)	(6,262,721)	(106,515,160)
Vehicles, furniture and equipment	(18,666,084)	(3,700,180)	(2,145,905)	(20,220,359)
Total accumulated depreciation	<u>(140,042,572)</u>	<u>(15,512,997)</u>	<u>(9,061,156)</u>	<u>(146,494,413)</u>
Total capital assets being depreciated, net	<u>213,702,087</u>	<u>749,283</u>	<u>2,654,380</u>	<u>211,796,990</u>
Governmental activities capital assets, net	<u>\$ 228,106,724</u>	<u>\$ 5,981,772</u>	<u>\$ 7,784,354</u>	<u>\$ 226,304,142</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 12,438,185
Support services – students and staff	130,787
Support services – administration	966,242
Operation and maintenance of plant services	384,739
Student transportation services	1,128,377
Operation of non-instructional services	<u>464,667</u>
Total depreciation expense – governmental activities	<u>\$ 15,512,997</u>

Construction Commitments – At year end, the District had contractual commitments related to various capital projects related to building and improvement projects. At year end, the District had spent \$2.3 million on the projects and had estimated remaining contractual commitments of \$2.4 million. These projects are being funded by the Arizona School Facilities Oversight Board and bond proceeds, along with CTED revenues.

Amphitheater Unified School District No. 10
Notes to Financial Statements
June 30, 2025

Note 8 – General Obligation Bonds Payable

Bonds payable at year end consisted of the following outstanding general obligation bonds. Of the total amount originally authorized, \$84.0 million remains unissued. The bonds are both callable and noncallable with interest payable semiannually. Property taxes from the Debt Service Fund are used to pay bonded debt. The District’s legal debt limit is \$833.5 million and the available margin is \$773.6 million.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2025	Due Within One Year
Governmental activities:					
General obligation bonds:					
School Improvement Bonds, Project of 2007, Series D	\$ 41,000,000	4.25-5.00%	7/1/26-27	\$ 6,130,000	\$ 2,990,000
School Improvement Bonds, Project of 2016, Series A	14,300,000	3.50-5.00%	7/1/29-36	4,670,000	
Refunding Bonds, Series 2017 School Improvement Bonds, Project of 2016, Series B	27,290,000	5.00%	7/1/26-27	8,470,000	4,040,000
Private placement bonds:					
School Improvement Bonds, Project of 2016, Series C	14,500,000	2.32%	7/1/28-36	10,600,000	
Refunding Bonds, Series 2021 School Improvement Bonds, Project of 2016, Series D	15,440,000	1.08%	7/1/26-27	4,670,000	2,415,000
Total				<u>\$ 58,450,000</u>	<u>\$ 9,445,000</u>

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

Year ending June 30:	Governmental Activities			
	General Obligation Bonds		Private Placement Bonds	
	Principal	Interest	Principal	Interest
2026	\$ 7,030,000	\$ 1,305,502	\$ 2,415,000	\$ 796,500
2027	7,570,000	954,002	2,255,000	770,418
2028		584,876	10,225,000	746,064
2029	1,080,000	584,876	1,725,000	413,660
2030	1,320,000	534,326	1,575,000	367,720
2031-35	8,315,000	1,695,516	7,750,000	1,219,790
2036-37	3,365,000	185,500	3,825,000	200,864
Total	<u>\$ 28,680,000</u>	<u>\$ 5,844,598</u>	<u>\$ 29,770,000</u>	<u>\$ 4,515,016</u>

Amphitheater Unified School District No. 10
Notes to Financial Statements
June 30, 2025

Note 9 – Changes in Long-Term Liabilities

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 35,495,000	\$	\$ 6,815,000	\$ 28,680,000	\$ 7,030,000
Private placement bonds	32,035,000		2,265,000	29,770,000	2,415,000
Premium	3,027,594		688,760	2,338,834	
Total bonds payable	<u>70,557,594</u>		<u>9,768,760</u>	<u>60,788,834</u>	<u>9,445,000</u>
Net pension liability	99,837,897	6,988,152		106,826,049	
Compensated absences payable	3,088,045	2,052,885		5,140,930	2,186,100
Total long-term liabilities	<u>\$ 173,483,536</u>	<u>\$ 9,041,037</u>	<u>\$ 9,768,760</u>	<u>\$ 172,755,813</u>	<u>\$ 11,631,100</u>

Note 10 – Interfund Receivables, Payables, and Transfers

At year end, interfund balances were as follows:

Due to/from other funds – At year end, the Federal and State Grants Fund had a negative cash balance of \$3.0 million, in the Treasurer’s pooled cash accounts. Negative cash on deposit with the County Treasurer was reduced by interfund borrowing with the General Fund. All interfund balances are expected to be paid within one year.

Interfund transfers – Transfers between funds were used to (1) move investment income of \$292,898 earned in the Bond Building Fund, a non-major governmental fund, that is required by statute to be expended in the Debt Service Fund, and (2) to move federal grant funds of \$364,400 restricted for indirect costs.

Note 11 – Contingent Liabilities

Compliance – The District has received a notice from the Office of the Auditor General that indicated the District had failed to substantially comply with the Uniform System of Financial Records (USFR), the manual which outlines State mandated internal control policies and procedures. According to A.R.S. §15-271, the District has 90 days to implement procedures to correct the deficiencies. The District is currently awaiting the status review report from the Office of the Auditor General. If the Auditor General’s review results in a noncompliance status, the State Board of Education may withhold a portion of the District’s monthly state aid distribution, until such time as the District is found to be in compliance. Upon reaching a substantial compliance status, the State Board of Education will distribute all funds previously withheld. However, it is management’s opinion that the District will be found in compliance upon the next status review.

Amphitheater Unified School District No. 10
Notes to Financial Statements
June 30, 2025

Note 11 – Contingent Liabilities

In addition, 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.

Lawsuits – The District is a party to a number of various types of lawsuits, many of which normally occur in governmental operations. The ultimate outcome of the actions is not determinable, however, District management believes that the outcome of these proceedings, either individually or in the aggregate, will not have a materially adverse effect on the accompanying financial statements.

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

Note 12 – Restatements of Beginning Balances

Correction of an Error – In the current fiscal year, a correction was made for the reclassification of expenditures as investments and related activity for the establishment of a self-insurance program. The change is reflected on the Statement of Activities, and the Proprietary Funds Statement of Revenues, Expenses, and Changes in Fund Net Position.

Change within the Financial Reporting Entity – The Classroom Site and Other Capital Projects Funds were previously reported as non-major governmental funds as they did not meet the criteria to be reported as a major fund. However, current year activity and/or balances for the Classroom Site and Other Capital Projects Funds met the criteria to be reported as major funds. In addition, the District established a self-insurance program and reclassified the balances and activity from the General Fund to the Self-Insurance Internal Service Fund.

Amphitheater Unified School District No. 10
Notes to Financial Statements
June 30, 2025

Note 12 – Restatements of Beginning Balances

The effect of the matter noted above resulted in adjustments to and restatements of beginning net position, fund net position, and fund balance, as follows:

	June 30, 2024, As Previously Reported	Change within the Financial Reporting Entity	Correction of an Error	June 30, 2024, As Restated
Government-Wide				
Governmental activities	\$ 138,954,464	\$	\$ 6,057,278	\$ 145,011,742
Governmental Funds				
Major Funds:				
General Fund	33,056,617	(2,675,559)		30,381,058
Classroom Site Fund		7,571,886		7,571,886
Federal State Grants Fund	(21,576,373)			(21,576,373)
Debt Service Fund	13,279,650			13,279,650
Other Capital Projects Fund		386,543		386,543
Non-Major Governmental Funds	28,108,659	(7,958,429)		20,150,230
Proprietary Funds				
Internal Service Funds	<u>481,831</u>	<u>2,675,559</u>	<u>6,057,278</u>	<u>9,214,668</u>
Total Funds	<u>\$ 53,350,384</u>	<u>\$</u>	<u>\$ 6,057,278</u>	<u>\$ 59,407,662</u>

Note 13 – Risk Management

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

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

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 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.

Amphitheater Unified School District No. 10
Notes to Financial Statements
June 30, 2025

Note 13 – Risk Management

The District established a self-insured health care program through the Kairos Health Arizona, Inc. program. Kairos Health is a public employee benefit pool formed under Arizona Revised Statute 11-952.01. The District pays claims and other costs from the Self-Insurance Internal Service Fund for its employees’ health insurance coverage. All claims handling procedures are performed by a third-party claims administrator. The District has reinsurance that limits exposure of any single claim to \$300,000.

Liabilities of the self-insurance activities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors.

The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate. Changes in the balances of claims liabilities during the past fiscal year is as follows:

	Claims Payable at Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Claims Payable at End of Year
Health and Welfare				
2024-25	\$	\$ 8,963,973	\$ 7,547,507	\$ 1,416,466

Note 14 – Pensions

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

Amphitheater Unified School District No. 10
Notes to Financial Statements
June 30, 2025

Aggregate Amounts. At June 30, 2025, the District reported the following aggregate amounts related to pensions and OPEB for all plans to which it contributes:

	Pension	OPEB	Total
Net assets	\$	\$ 3,956,366	\$ 3,956,366
Net liability	106,826,049		106,826,049
Deferred outflows of resources	22,414,208	209,818	22,624,026
Deferred inflows of resources	8,166,559	1,370,262	9,536,821
Expense	9,717,783	(577,022)	9,140,761
Contributions	11,027,955	64,063	11,092,018

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.

Amphitheater Unified School District No. 10
Notes to Financial Statements
June 30, 2025

Note 14 – 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 12.27 percent (12.12 percent for retirement and 0.15 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 12.27 percent (12.05 percent for retirement, 0.07 percent for health insurance premium benefit, and 0.15 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, 2025 were \$11.0 million.

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 10.19 percent (10.14 for retirement and 0.05 percent for long-term disability). ACR contributions are included in employer contributions presented above.

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

Pension Liability. The net pension liability was measured as of June 30, 2024. 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, 2023, to the measurement date of June 30, 2024. 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, 2024.

At June 30, 2024, the District reported the following amounts for its proportionate share of the pension plan net liability. In addition, at June 30, 2024, the District’s percentage proportion for the plan and the related change from its proportion measured as of June 30, 2023 was:

Net Liability	District % Proportion	Increase (Decrease)
\$ 106,826,049	0.668	0.051

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, 2025 was \$9.7 million.

Amphitheater Unified School District No. 10
Notes to Financial Statements
June 30, 2025

Note 14 – Pensions

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,962,930	\$
Net difference between projected and actual earnings on pension investments		6,822,012
Changes in proportion and differences between contributions and proportionate share of contributions	5,423,323	1,344,547
Contributions subsequent to the measurement date	11,027,955	
Total	\$ 22,414,208	\$ 8,166,559

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, 2026. 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:	
2026	\$ (1,596,112)
2027	7,794,602
2028	(1,726,876)
2029	(1,251,920)

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

Actuarial valuation date	June 30, 2023
Actuarial roll forward date	June 30, 2024
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

Amphitheater Unified School District No. 10
Notes to Financial Statements
June 30, 2025

Note 14 – Pensions

The actuarial assumptions used in the June 30, 2023, 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
Public equity	44%	4.48%
Credit	23%	4.40
Interest rate sensitive	6%	(0.45)
Private equity	10%	6.11
Real estate	17%	6.05
Total	100%	

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

Amphitheater Unified School District No. 10
Notes to Financial Statements
June 30, 2025

Note 14 – Pensions

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

	1% Decrease	Current Discount Rate	1% Increase
Rate	6.0%	7.0%	8.0%
Net liability	\$ 163,572,525	\$ 106,826,049	\$ 59,532,816

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

Note 15 – Subsequent Event

On January 13, 2026, the District’s Governing Board approved the closure of the following school sites beginning school year 2026-27: Copper Creek Elementary School, Donaldson Elementary School, Holaway Elementary School, and Nash Elementary School.

On February 6, 2026, the District issued a \$1.3 million school building lease for fiscal year 2026-27, with proceeds to be deposited in the General Fund. The lease agreement offers the tenant the option to renew the lease term for four consecutive one year periods with the base rent increasing 3% each year.

Required Supplementary Information

(This page intentionally left blank)

Amphitheater Unified School District No. 10
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General
For the Year Ended June 30, 2025

	<u>Budget</u>		Non-GAAP Actual	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
Revenues				
Other local	\$	\$	\$ 727,812	\$ 727,812
Property taxes			62,394,398	62,394,398
State aid and grants			39,977,902	39,977,902
Total revenues			<u>103,100,112</u>	<u>103,100,112</u>
Expenditures				
Current:				
Instruction	57,574,283	53,023,090	53,289,661	(266,571)
Support services - students and staff	14,370,909	17,135,570	16,863,709	271,861
Support services - administration	13,603,562	14,415,728	14,533,444	(117,716)
Operation and maintenance of plant services	22,060,137	21,164,677	16,848,110	4,316,567
Student transportation services	8,387,570	6,671,202	7,853,967	(1,182,765)
Operation of non-instructional services	576,181	656,174	490,414	165,760
Total expenditures	<u>116,572,642</u>	<u>113,066,441</u>	<u>109,879,305</u>	<u>3,187,136</u>
Changes in fund balances	<u>(116,572,642)</u>	<u>(113,066,441)</u>	<u>(6,779,193)</u>	<u>106,287,248</u>
Fund balances, beginning of year			<u>8,202,268</u>	<u>8,202,268</u>
Fund balances, end of year	<u>\$ (116,572,642)</u>	<u>\$ (113,066,441)</u>	<u>\$ 1,423,075</u>	<u>\$ 114,489,516</u>

Amphitheater Unified School District No. 10
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Classroom Site
For the Year Ended June 30, 2025

	<u>Budget</u>		Variance with Final Budget
	<u>Original and Final</u>	<u>Actual</u>	
Revenues			
Other local	\$	\$ 154,147	\$ 154,147
State aid and grants		11,206,489	11,206,489
Total revenues		<u>11,360,636</u>	<u>11,360,636</u>
Expenditures			
Current:			
Instruction	12,616,896	9,017,317	3,599,579
Support services - students and staff	498,380	1,615,803	(1,117,423)
Total expenditures	<u>13,115,276</u>	<u>10,633,120</u>	<u>2,482,156</u>
Changes in fund balances	<u>(13,115,276)</u>	<u>727,516</u>	<u>13,842,792</u>
Fund balances, beginning of year		<u>7,571,886</u>	<u>7,571,886</u>
Fund balances, end of year	<u>\$ (13,115,276)</u>	<u>\$ 8,299,402</u>	<u>\$ 21,414,678</u>

Amphitheater Unified School District No. 10
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Federal and State Grants
For the Year Ended June 30, 2025

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
State aid and grants	\$	\$	\$ 1,407,760	\$ 1,407,760
Federal aid, grants and reimbursements			30,840,881	30,840,881
Total revenues			<u>32,248,641</u>	<u>32,248,641</u>
Expenditures				
Current:				
Instruction	7,170,118	7,432,000	6,156,305	1,275,695
Support services - students and staff	4,209,427	4,363,172	3,614,238	748,934
Support services - administration	258,131	267,559	221,633	45,926
Operation and maintenance of plant services	165,956	172,018	142,491	29,527
Student transportation services	47,538	49,274	40,816	8,458
Capital outlay	1,569,760	1,627,094	1,347,805	279,289
Total expenditures	<u>13,420,930</u>	<u>13,911,117</u>	<u>11,523,288</u>	<u>2,387,829</u>
Excess (deficiency) of revenues over expenditures	<u>(13,420,930)</u>	<u>(13,911,117)</u>	<u>20,725,353</u>	<u>34,636,470</u>
Other financing sources (uses)				
Transfers out			(364,400)	(364,400)
Total other financing sources (uses)			<u>(364,400)</u>	<u>(364,400)</u>
Changes in fund balances	<u>(13,420,930)</u>	<u>(13,911,117)</u>	<u>20,360,953</u>	<u>34,272,070</u>
Fund balances, beginning of year			<u>(21,576,373)</u>	<u>(21,576,373)</u>
Fund balances, end of year	<u>\$ (13,420,930)</u>	<u>\$ (13,911,117)</u>	<u>\$ (1,215,420)</u>	<u>\$ 12,695,697</u>

Amphitheater Unified School District No. 10
Schedule of the Proportionate Share of the Net Pension Liability
Arizona State Retirement System
Last Ten Fiscal Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Measurement date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
District's proportion of the net pension (assets) liability	0.67%	0.62%	0.65%	0.65%
District's proportionate share of the net pension (assets) liability	\$ 106,826,049	\$ 99,837,897	\$ 105,562,332	\$ 85,976,057
District's covered payroll	\$ 88,257,116	\$ 85,559,371	\$ 77,216,778	\$ 73,461,888
District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	121.04%	116.69%	136.71%	117.03%
Plan fiduciary net position as a percentage of the total pension liability	76.93%	75.47%	74.26%	78.58%

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Actuarially determined contribution	\$ 11,027,955	\$ 10,617,331	\$ 10,198,677	\$ 9,273,735
Contributions in relation to the actuarially determined contribution	<u>11,027,955</u>	<u>10,617,331</u>	<u>10,198,677</u>	<u>9,273,735</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 91,518,299	\$ 88,257,116	\$ 85,559,371	\$ 77,216,778
Contributions as a percentage of covered payroll	12.05%	12.03%	11.92%	12.01%

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
0.67%	0.67%	0.68%	0.69%	0.69%	0.73%
\$ 115,366,901	\$ 97,812,921	\$ 94,402,334	\$ 107,387,293	\$ 111,732,876	\$ 113,705,493
\$ 72,636,314	\$ 68,703,694	\$ 67,324,422	\$ 67,330,519	\$ 64,789,198	\$ 67,115,060
158.83%	142.37%	140.22%	159.49%	172.46%	169.42%
69.33%	73.24%	73.40%	69.92%	67.06%	68.35%

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ 8,558,310	\$ 8,316,858	\$ 7,681,073	\$ 7,338,362	\$ 7,258,230	\$ 7,029,628
<u>8,558,310</u>	<u>8,316,858</u>	<u>7,681,073</u>	<u>7,338,362</u>	<u>7,258,230</u>	<u>7,029,628</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 73,461,888	\$ 72,636,314	\$ 68,703,694	\$ 67,324,422	\$ 67,330,519	\$ 64,789,198
11.65%	11.45%	11.18%	10.90%	10.78%	10.85%

Amphitheater Unified School District No. 10
Notes to Required Supplementary Information
June 30, 2025

Note 1 – Budgetary Basis of Accounting

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

- Prepaid items are budgeted in the year prepaid.
- Employee insurance expenditures are budgeted in the year the employee insurance account is funded.

Additionally, the General Fund includes the Maintenance and Operations Fund and other funds that do not meet the criteria for separate reporting in the financial statements. Arizona Revised Statutes requires the Maintenance and Operations Fund budget, and therefore these other funds must be subtracted to present only the activity of the Maintenance and Operations Fund.

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

	Total	Fund
	Expenditures	Balances
	<u> </u>	<u>End of Year</u>
Statement of Revenues, Expenditures and Changes in		
Fund Balances - Governmental Funds	\$ 126,293,478	\$ 18,367,709
Other funds presented in the General Fund	(13,995,715)	(16,939,214)
Prior-year prepaid items	(2,413,054)	
Employee insurance account	<u>(5,404)</u>	<u>(5,420)</u>
Schedule of Revenue, Expenditures and Changes in		
Fund Balances – Budget and Actual - General Fund	<u>\$ 109,879,305</u>	<u>\$ 1,423,075</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, 2023, 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**

(This page intentionally left blank)

Governmental Funds

(This page intentionally left blank)

Non-Major Governmental Funds

Special Revenue Funds

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

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

Other Special Revenue Funds – to account for the revenues and expenditures of other special revenue activities, including the following: civic center, community school, extracurricular activities fees tax credit, gifts and donations, career technical education, fingerprinting, textbooks, insurance refund, 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.

Bond Building – to account for proceeds from District bond issues that are expended on the acquisition or lease of sites; construction or renovation of school buildings; supplying school buildings with furniture, equipment, and technology; improving school grounds; or purchasing pupil transportation vehicles.

Amphitheater Unified School District No. 10
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2025

	Special Revenue Funds		
	Instructional Improvement	Food Service	Other Special Revenue
Assets			
Cash and investments	\$ 1,196,787	\$ 4,398,646	\$ 5,646,577
Property taxes receivable			
Accounts receivable			297,975
Due from governmental entities	<u>428,413</u>	<u>1,918</u>	<u>3,384</u>
Total assets	<u><u>\$ 1,625,200</u></u>	<u><u>\$ 4,400,564</u></u>	<u><u>\$ 5,947,936</u></u>
Liabilities			
Accounts payable	\$	\$ 54,413	\$ 82,014
Accrued payroll and employee benefits	<u>26,017</u>	<u></u>	<u>107,340</u>
Total liabilities	<u>26,017</u>	<u>54,413</u>	<u>189,354</u>
Deferred inflows of resources			
Unavailable revenues - property taxes	<u></u>	<u></u>	<u></u>
Total deferred inflows of resources	<u></u>	<u></u>	<u></u>
Fund balances			
Restricted	<u>1,599,183</u>	<u>4,346,151</u>	<u>5,758,582</u>
Total fund balances	<u>1,599,183</u>	<u>4,346,151</u>	<u>5,758,582</u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 1,625,200</u></u>	<u><u>\$ 4,400,564</u></u>	<u><u>\$ 5,947,936</u></u>

Capital Projects Funds		Total Non-Major Governmental Funds
Adjacent Ways	Bond Building	
\$ 883,734	\$ 2,479,539	\$ 14,605,283
7,117		7,117
		297,975
		433,715
<u>\$ 890,851</u>	<u>\$ 2,479,539</u>	<u>\$ 15,344,090</u>
\$ 26,996	\$ 348,154	\$ 511,577
		133,357
<u>26,996</u>	<u>348,154</u>	<u>644,934</u>
4,820		4,820
<u>4,820</u>		<u>4,820</u>
859,035	2,131,385	14,694,336
<u>859,035</u>	<u>2,131,385</u>	<u>14,694,336</u>
<u>\$ 890,851</u>	<u>\$ 2,479,539</u>	<u>\$ 15,344,090</u>

Amphitheater Unified School District No. 10
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2025

	<u>Special Revenue Funds</u>			
	<u>Classroom Site</u>	<u>Instructional Improvement</u>	<u>Food Service</u>	<u>Other Special Revenue</u>
Revenues				
Other local	\$	\$ 52,316	\$ 1,296,910	\$ 8,507,810
Property taxes				
State aid and grants		898,793	6,653	
Federal aid, grants and reimbursements			5,896,147	
Total revenues		<u>951,109</u>	<u>7,199,710</u>	<u>8,507,810</u>
Expenditures				
Current:				
Instruction		203,355		1,403,598
Support services - students and staff		301,658		1,317,373
Support services - administration				151,150
Operation and maintenance of plant services			163,308	107,644
Student transportation services				303,457
Operation of non-instructional services			6,073,383	4,303,240
Capital outlay			221,489	1,364,627
Total expenditures		<u>505,013</u>	<u>6,458,180</u>	<u>8,951,089</u>
Excess (deficiency) of revenues over expenditures		<u>446,096</u>	<u>741,530</u>	<u>(443,279)</u>
Other financing sources (uses)				
Transfers out				
Total other financing sources (uses)				
Changes in fund balances		<u>446,096</u>	<u>741,530</u>	<u>(443,279)</u>
Fund balances, beginning of year, previously reported	7,571,886	1,153,087	3,604,621	6,201,861
Adjustments to beginning fund balances	(7,571,886)			
Fund balances, beginning of year, as restated		<u>1,153,087</u>	<u>3,604,621</u>	<u>6,201,861</u>
Fund balances, end of year	<u>\$</u>	<u>\$ 1,599,183</u>	<u>\$ 4,346,151</u>	<u>\$ 5,758,582</u>

Capital Projects Funds

Capital Projects Funds			Total Non-Major
Adjacent Ways	Bond Building	Other Capital	Governmental
		Projects	Funds
\$ 9,740	\$ 294,521	\$	\$ 10,161,297
448,462			448,462
			905,446
			5,896,147
<u>458,202</u>	<u>294,521</u>		<u>17,411,352</u>
			1,606,953
			1,619,031
			151,150
			270,952
			303,457
			10,376,623
<u>80,312</u>	<u>6,579,754</u>		<u>8,246,182</u>
<u>80,312</u>	<u>6,579,754</u>		<u>22,574,348</u>
<u>377,890</u>	<u>(6,285,233)</u>		<u>(5,162,996)</u>
	<u>(292,898)</u>		<u>(292,898)</u>
	<u>(292,898)</u>		<u>(292,898)</u>
<u>377,890</u>	<u>(6,578,131)</u>		<u>(5,455,894)</u>
481,145	8,709,516	386,543	28,108,659
		<u>(386,543)</u>	<u>(7,958,429)</u>
<u>481,145</u>	<u>8,709,516</u>		<u>20,150,230</u>
<u>\$ 859,035</u>	<u>\$ 2,131,385</u>	<u>\$</u>	<u>\$ 14,694,336</u>

Amphitheater Unified School District No. 10
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Instructional Improvement
For the Year Ended June 30, 2025

	<u>Budget</u>		Variance with Final Budget
	<u>Original and Final</u>	<u>Actual</u>	
Revenues			
Other local	\$	\$ 52,316	\$ 52,316
State aid and grants		898,793	898,793
Total revenues		<u>951,109</u>	<u>951,109</u>
Expenditures			
Current:			
Instruction	376,468	203,355	173,113
Support services - students and staff	558,456	301,658	256,798
Total expenditures	<u>934,924</u>	<u>505,013</u>	<u>429,911</u>
Changes in fund balances	<u>(934,924)</u>	<u>446,096</u>	<u>1,381,020</u>
Fund balances, beginning of year		<u>1,153,087</u>	<u>1,153,087</u>
Fund balances, end of year	<u>\$ (934,924)</u>	<u>\$ 1,599,183</u>	<u>\$ 2,534,107</u>

Amphitheater Unified School District No. 10
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Food Service
For the Year Ended June 30, 2025

	<u>Budget</u>		Variance with Final Budget
	<u>Original and Final</u>	<u>Actual</u>	
Revenues			
Other local	\$	\$ 1,296,910	\$ 1,296,910
State aid and grants		6,653	6,653
Federal aid, grants and reimbursements		5,896,147	5,896,147
Total revenues		<u>7,199,710</u>	<u>7,199,710</u>
Expenditures			
Current:			
Operation and maintenance of plant services	151,722	163,308	(11,586)
Operation of non-instructional services	5,642,503	6,073,383	(430,880)
Capital outlay	205,775	221,489	(15,714)
Total expenditures	<u>6,000,000</u>	<u>6,458,180</u>	<u>(458,180)</u>
Changes in fund balances	<u>(6,000,000)</u>	<u>741,530</u>	<u>6,741,530</u>
Fund balances, beginning of year		<u>3,604,621</u>	<u>3,604,621</u>
Fund balances, end of year	<u>\$ (6,000,000)</u>	<u>\$ 4,346,151</u>	<u>\$ 10,346,151</u>

Amphitheater Unified School District No. 10
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Other Special Revenue
For the Year Ended June 30, 2025

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other local	\$	\$	\$ 8,507,810	\$ 8,507,810
Total revenues			<u>8,507,810</u>	<u>8,507,810</u>
Expenditures				
Current:				
Instruction	2,020,746	2,162,237	1,403,598	758,639
Support services - students and staff	1,896,609	2,029,408	1,317,373	712,035
Support services - administration	217,609	232,846	151,150	81,696
Operation and maintenance of plant services	154,974	165,825	107,644	58,181
Student transportation services	436,884	467,474	303,457	164,017
Operation of non-instructional services	6,195,332	6,629,125	4,303,240	2,325,885
Capital outlay	<u>1,964,640</u>	<u>2,102,203</u>	<u>1,364,627</u>	<u>737,576</u>
Total expenditures	<u>12,886,794</u>	<u>13,789,118</u>	<u>8,951,089</u>	<u>4,838,029</u>
Changes in fund balances	<u>(12,886,794)</u>	<u>(13,789,118)</u>	<u>(443,279)</u>	<u>13,345,839</u>
Fund balances, beginning of year			<u>6,201,861</u>	<u>6,201,861</u>
Fund balances, end of year	<u>\$ (12,886,794)</u>	<u>\$ (13,789,118)</u>	<u>\$ 5,758,582</u>	<u>\$ 19,547,700</u>

Amphitheater Unified School District No. 10
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Debt Service
For the Year Ended June 30, 2025

	<u>Budget</u>		Variance with Final Budget
	<u>Original and Final</u>	<u>Actual</u>	
Revenues			
Other local	\$	\$ 684,315	\$ 684,315
Property taxes		<u>13,477,937</u>	<u>13,477,937</u>
Total revenues		<u>14,162,252</u>	<u>14,162,252</u>
Expenditures			
Debt service:			
Principal retirement	9,080,000	9,080,000	
Interest and fiscal charges	<u>6,920,000</u>	<u>2,475,162</u>	<u>4,444,838</u>
Total expenditures	<u>16,000,000</u>	<u>11,555,162</u>	<u>4,444,838</u>
Excess (deficiency) of revenues over expenditures	<u>(16,000,000)</u>	<u>2,607,090</u>	<u>18,607,090</u>
Other financing sources (uses)			
Transfers in		<u>292,898</u>	<u>292,898</u>
Total other financing sources (uses)		<u>292,898</u>	<u>292,898</u>
Changes in fund balances	<u>(16,000,000)</u>	<u>2,899,988</u>	<u>18,899,988</u>
Fund balances, beginning of year		<u>13,279,650</u>	<u>13,279,650</u>
Fund balances, end of year	<u>\$ (16,000,000)</u>	<u>\$ 16,179,638</u>	<u>\$ 32,179,638</u>

Amphitheater Unified School District No. 10
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Adjacent Ways
For the Year Ended June 30, 2025

	<u>Budget</u>		<u>Variance with</u>
	<u>Original and Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues			
Other local	\$	\$ 9,740	\$ 9,740
Property taxes		<u>448,462</u>	<u>448,462</u>
Total revenues		<u>458,202</u>	<u>458,202</u>
 Expenditures			
Capital outlay	<u>901,032</u>	<u>80,312</u>	<u>820,720</u>
Total expenditures	<u>901,032</u>	<u>80,312</u>	<u>820,720</u>
 Changes in fund balances	<u>(901,032)</u>	<u>377,890</u>	<u>1,278,922</u>
 Fund balances, beginning of year		<u>481,145</u>	<u>481,145</u>
 Fund balances, end of year	<u>\$ (901,032)</u>	<u>\$ 859,035</u>	<u>\$ 1,760,067</u>

Amphitheater Unified School District No. 10
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Bond Building
For the Year Ended June 30, 2025

	<u>Budget</u>		Variance with Final Budget
	<u>Original and Final</u>	<u>Actual</u>	
Revenues			
Other local	\$ _____	\$ 294,521	\$ 294,521
Total revenues	<u>_____</u>	<u>294,521</u>	<u>294,521</u>
Expenditures			
Capital outlay	11,120,578	6,579,754	4,540,824
Total expenditures	<u>11,120,578</u>	<u>6,579,754</u>	<u>4,540,824</u>
Excess (deficiency) of revenues over expenditures	<u>(11,120,578)</u>	<u>(6,285,233)</u>	<u>4,835,345</u>
Other financing sources (uses)			
Transfers out	_____	(292,898)	(292,898)
Total other financing sources (uses)	_____	<u>(292,898)</u>	<u>(292,898)</u>
Changes in fund balances	<u>(11,120,578)</u>	<u>(6,578,131)</u>	<u>4,542,447</u>
Fund balances, beginning of year	_____	8,709,516	8,709,516
Fund balances, end of year	<u>\$ (11,120,578)</u>	<u>\$ 2,131,385</u>	<u>\$ 13,251,963</u>

Amphitheater Unified School District No. 10
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Other Capital Projects
For the Year Ended June 30, 2025

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other local	\$	\$	\$ 21,963	\$ 21,963
State aid and grants			6,591,612	6,591,612
Total revenues			<u>6,613,575</u>	<u>6,613,575</u>
Expenditures				
Capital outlay	7,444,668	7,454,865	6,864,893	589,972
Total expenditures	<u>7,444,668</u>	<u>7,454,865</u>	<u>6,864,893</u>	<u>589,972</u>
Changes in fund balances	<u>(7,444,668)</u>	<u>(7,454,865)</u>	<u>(251,318)</u>	<u>7,203,547</u>
Fund balances, beginning of year			<u>386,543</u>	<u>386,543</u>
Fund balances, end of year	<u>\$ (7,444,668)</u>	<u>\$ (7,454,865)</u>	<u>\$ 135,225</u>	<u>\$ 7,590,090</u>

Internal Service Funds

Print Shop - to account for charges to other departments for printing and copying services.

Technology - to account for charges to other departments for technology-related goods and services.

Self-Insurance – to account for the financial activity associated with the District’s self-insurance program for employee health and welfare benefits.

Amphitheater Unified School District No. 10
Combining Statement of Net Position
Internal Service Funds
June 30, 2025

	<u>Print Shop</u>	<u>Technology</u>	<u>Self-Insurance</u>	<u>Total Internal Service Funds</u>
Assets				
Current assets:				
Cash and investments	\$ 182,269	\$ 161,163	\$ 9,364,850	\$ 9,708,282
Accounts receivable			517,904	517,904
Total current assets	<u>182,269</u>	<u>161,163</u>	<u>9,882,754</u>	<u>10,226,186</u>
Noncurrent assets:				
Capital assets, net accumulated depreciation	<u>116,311</u>			<u>116,311</u>
Total noncurrent assets	<u>116,311</u>			<u>116,311</u>
Total assets	<u>298,580</u>	<u>161,163</u>	<u>9,882,754</u>	<u>10,342,497</u>
Liabilities				
Current liabilities:				
Accounts payable			5,552	5,552
Claims payable			1,416,466	1,416,466
Total current liabilities			<u>1,422,018</u>	<u>1,422,018</u>
Total liabilities			<u>1,422,018</u>	<u>1,422,018</u>
Net position				
Investment in capital assets	116,311			116,311
Unrestricted	<u>182,269</u>	<u>161,163</u>	<u>8,460,736</u>	<u>8,804,168</u>
Total net position	<u>\$ 298,580</u>	<u>\$ 161,163</u>	<u>\$ 8,460,736</u>	<u>\$ 8,920,479</u>

Amphitheater Unified School District No. 10
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2025

	<u>Print Shop</u>	<u>Technology</u>	<u>Self-Insurance</u>	<u>Total Internal Service Funds</u>
Operating revenues				
Charges for services	\$ 391,792	\$ 11,466	\$	\$ 403,258
Contributions			9,151,557	9,151,557
Total operating revenues	<u>391,792</u>	<u>11,466</u>	<u>9,151,557</u>	<u>9,554,815</u>
Operating expenses				
Claims			8,963,973	8,963,973
Cost of services	413,228			413,228
Premiums			539,718	539,718
Administrative fees			294,907	294,907
Depreciation	27,009			27,009
Total operating expenses	<u>440,237</u>	<u></u>	<u>9,798,598</u>	<u>10,238,835</u>
Operating income (loss)	<u>(48,445)</u>	<u>11,466</u>	<u>(647,041)</u>	<u>(684,020)</u>
Nonoperating revenues (expenses)				
Investment income	8,556	6,335	374,940	389,831
Total nonoperating revenue (expenses)	<u>8,556</u>	<u>6,335</u>	<u>374,940</u>	<u>389,831</u>
Changes in net position	<u>(39,889)</u>	<u>17,801</u>	<u>(272,101)</u>	<u>(294,189)</u>
Net position, beginning of year, previously reported	338,469	143,362		481,831
Adjustments to beginning net position			8,732,837	8,732,837
Net position, beginning of year, as restated	<u>338,469</u>	<u>143,362</u>	<u>8,732,837</u>	<u>9,214,668</u>
Net position, end of year	<u>\$ 298,580</u>	<u>\$ 161,163</u>	<u>\$ 8,460,736</u>	<u>\$ 8,920,479</u>

Amphitheater Unified School District No. 10
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2025

	<u>Print Shop</u>	<u>Technology</u>	<u>Self-Insurance</u>	<u>Total Internal Service Funds</u>
<u>Increase/Decrease in Cash and Cash Equivalents</u>				
Cash flows from operating activities				
Cash received for services	\$ 391,792	\$ 11,466	\$	\$ 403,258
Cash received from contributions			8,633,653	8,633,653
Cash payments to employees for services	(195,602)			(195,602)
Cash payments to suppliers for goods and services	(217,626)		(829,073)	(1,046,699)
Cash payments for claims			(7,547,507)	(7,547,507)
Net cash provided by/used for operating activities	<u>(21,436)</u>	<u>11,466</u>	<u>257,073</u>	<u>247,103</u>
Cash flows from investing activities				
Investment income	8,556	6,335	374,940	389,831
Net cash provided by investing activities	<u>8,556</u>	<u>6,335</u>	<u>374,940</u>	<u>389,831</u>
Net increase/decrease in cash and cash equivalents	(12,880)	17,801	632,013	636,934
Cash and cash equivalents, beginning of year	<u>195,149</u>	<u>143,362</u>	<u>8,732,837</u>	<u>9,071,348</u>
Cash and cash equivalents, end of year	<u>\$ 182,269</u>	<u>\$ 161,163</u>	<u>\$ 9,364,850</u>	<u>\$ 9,708,282</u>
<u>Reconciliation of Operating Income/Loss to Net Cash Provided by/Used for Operating Activities</u>				
Operating income/loss	\$ (48,445)	\$ 11,466	\$ (647,041)	\$ (684,020)
Adjustments to reconcile operating income/loss to net cash provided by/used for operating activities:				
Depreciation expense	27,009			27,009
Changes in assets and liabilities:				
Increase/decrease in accounts receivable			(517,904)	(517,904)
Increase/decrease in accounts payable			5,552	5,552
Increase/decrease in claims payable			1,416,466	1,416,466
Total adjustments	<u>27,009</u>		<u>904,114</u>	<u>931,123</u>
Net cash provided by/used for operating activities	<u>\$ (21,436)</u>	<u>\$ 11,466</u>	<u>\$ 257,073</u>	<u>\$ 247,103</u>

Statistical Section

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

(This page intentionally left blank)

Amphitheater Unified School District No. 10
Net Position by Component
Last Ten Fiscal Years
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Net Position:					
Net investment in capital assets	\$ 167,806,078	\$ 166,519,350	\$ 155,730,414	\$ 157,206,872	\$ 155,680,090
Restricted	41,910,323	36,418,622	29,226,195	30,145,324	25,318,773
Unrestricted	<u>(70,857,982)</u>	<u>(57,926,230)</u>	<u>(54,360,887)</u>	<u>(62,286,383)</u>	<u>(69,758,548)</u>
Total net position	<u><u>\$ 138,858,419</u></u>	<u><u>\$ 145,011,742</u></u>	<u><u>\$ 130,595,722</u></u>	<u><u>\$ 125,065,813</u></u>	<u><u>\$ 111,240,315</u></u>
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Net Position:					
Net investment in capital assets	\$ 148,434,096	\$ 145,985,010	\$ 145,290,583	\$ 138,984,123	\$ 135,581,914
Restricted	19,442,806	18,571,096	16,000,973	18,733,648	24,716,466
Unrestricted	<u>(73,011,901)</u>	<u>(84,313,163)</u>	<u>(90,570,528)</u>	<u>(101,007,463)</u>	<u>(103,484,285)</u>
Total net position	<u><u>\$ 94,865,001</u></u>	<u><u>\$ 80,242,943</u></u>	<u><u>\$ 70,721,028</u></u>	<u><u>\$ 56,710,308</u></u>	<u><u>\$ 56,814,095</u></u>

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

Note: The 2024 amounts have been restated for the error correction in Note 12.

Amphitheater Unified School District No. 10
Expenses, Program Revenues, and Net (Expense)/Revenue
Last Ten Fiscal Years
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Expenses					
Instruction	\$ 90,070,281	\$ 86,859,561	\$ 93,575,256	\$ 81,605,651	\$ 73,832,703
Support services - students and staff	24,984,768	24,364,314	22,509,017	18,833,498	18,214,607
Support services - administration	18,304,086	15,205,004	16,240,372	12,951,302	12,323,316
Operation and maintenance of plant services	24,268,274	23,400,347	21,807,858	17,445,219	17,308,549
Student transportation services	11,024,813	11,612,183	12,115,648	9,351,307	5,499,163
Operation of non-instructional services	11,798,126	11,496,292	10,092,404	7,596,464	6,076,142
Interest on long-term debt	1,887,721	2,223,523	2,110,306	2,365,991	2,582,378
Total expenses	<u>182,338,069</u>	<u>175,161,224</u>	<u>178,450,861</u>	<u>150,149,432</u>	<u>135,836,858</u>
Program Revenues					
Charges for services:					
Instruction	3,655,390	6,522,335	4,834,134	4,282,567	3,162,472
Operation of non-instructional services	4,782,181	2,695,852	3,946,576	2,313,106	911,788
Other activities	2,325,026	2,124,700	1,474,110	1,372,688	534,778
Operating grants and contributions	17,596,515	27,073,009	26,951,153	28,628,647	25,862,114
Capital grants and contributions	8,392,802	11,725,120	12,855,011	8,382,377	6,759,006
Total program revenues	<u>36,751,914</u>	<u>50,141,016</u>	<u>50,060,984</u>	<u>44,979,385</u>	<u>37,230,158</u>
Net (Expense)/Revenue	<u>\$ (145,586,155)</u>	<u>\$ (125,020,208)</u>	<u>\$ (128,389,877)</u>	<u>\$ (105,170,047)</u>	<u>\$ (98,606,700)</u>

(Continued)

Amphitheater Unified School District No. 10
Expenses, Program Revenues, and Net (Expense)/Revenue
Last Ten Fiscal Years
(Accrual basis of accounting)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Expenses					
Instruction	\$ 75,178,071	\$ 68,576,871	\$ 64,280,137	\$ 68,509,202	\$ 64,699,340
Support services - students and staff	16,801,120	14,076,354	14,225,556	15,482,748	15,113,534
Support services - administration	13,129,552	11,865,803	9,542,890	9,425,874	9,198,846
Operation and maintenance of plant services	15,786,257	16,793,432	15,478,990	15,795,161	15,589,812
Student transportation services	8,483,182	8,997,457	7,459,805	7,206,382	6,525,401
Operation of non-instructional services	6,494,204	6,320,225	6,330,864	6,764,596	6,257,346
Interest on long-term debt	3,323,309	3,183,130	3,609,917	3,472,400	3,976,078
Total expenses	<u>139,195,695</u>	<u>129,813,272</u>	<u>120,928,159</u>	<u>126,656,363</u>	<u>121,360,357</u>
Program Revenues					
Charges for services:					
Instruction	5,827,518	6,385,394	5,264,770	5,076,974	4,831,112
Operation of non-instructional services	1,343,400	1,718,322	1,560,600	1,338,273	1,365,170
Other activities	741,979	861,209	632,241	824,126	1,035,334
Operating grants and contributions	15,321,159	14,918,760	13,762,341	15,094,520	15,389,511
Capital grants and contributions	7,819,881	3,643,783	5,223,569	1,782,290	1,185,476
Total program revenues	<u>31,053,937</u>	<u>27,527,468</u>	<u>26,443,521</u>	<u>24,116,183</u>	<u>23,806,603</u>
Net (Expense)/Revenue	<u>\$ (108,141,758)</u>	<u>\$ (102,285,804)</u>	<u>\$ (94,484,638)</u>	<u>\$ (102,540,180)</u>	<u>\$ (97,553,754)</u>

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

Note: The 2024 amounts have been restated for the error correction in Note 12.

(Concluded)

Amphitheater Unified School District No. 10
General Revenues and Total Changes in Net Position
Last Ten Fiscal Years
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Net (Expense)/Revenue	\$ (145,586,155)	\$ (125,020,208)	\$ (128,389,877)	\$ (105,170,047)	\$ (98,606,700)
General Revenues:					
Property taxes	80,009,972	76,320,896	79,283,250	75,763,433	78,314,972
Investment income	2,687,983	3,057,743	1,900,284	148,545	197,604
Unrestricted county aid				1,432,542	1,832,458
Unrestricted state aid	54,769,568	57,829,866	51,731,936	40,343,873	33,713,426
Unrestricted federal aid	1,965,309	2,227,723	1,004,316	1,307,152	923,554
Total general revenues	<u>139,432,832</u>	<u>139,436,228</u>	<u>133,919,786</u>	<u>118,995,545</u>	<u>114,982,014</u>
Changes in Net Position	<u>\$ (6,153,323)</u>	<u>\$ 14,416,020</u>	<u>\$ 5,529,909</u>	<u>\$ 13,825,498</u>	<u>\$ 16,375,314</u>

(Continued)

Amphitheater Unified School District No. 10
General Revenues and Total Changes in Net Position
Last Ten Fiscal Years
(Accrual basis of accounting)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Net (Expense)/Revenue	\$ (108,141,758)	\$ (102,285,804)	\$ (94,484,638)	\$ (102,540,180)	\$ (97,553,754)
General Revenues:					
Property taxes	74,223,834	71,653,687	70,954,347	66,800,313	69,021,348
Investment income	601,318	573,220	424,032	330,972	227,321
Unrestricted county aid	1,791,215	1,824,109	1,840,851	1,826,036	1,683,607
Unrestricted state aid	40,277,329	36,837,971	34,398,608	32,761,002	31,772,975
Unrestricted federal aid	967,715	918,732	859,543	718,070	669,198
Total general revenues	<u>117,861,411</u>	<u>111,807,719</u>	<u>108,477,381</u>	<u>102,436,393</u>	<u>103,374,449</u>
Changes in Net Position	<u>\$ 9,719,653</u>	<u>\$ 9,521,915</u>	<u>\$ 13,992,743</u>	<u>\$ (103,787)</u>	<u>\$ 5,820,695</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.

Note: The 2024 amounts have been restated for the error correction in Note 12.

(Concluded)

Amphitheater Unified School District No. 10
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
General Fund:					
Nonspendable	\$ 82,754	\$ 38,467	\$ 81,916	\$ 58,041	\$ 73,321
Unassigned	18,284,955	33,018,150	38,156,214	29,483,339	24,597,480
Total General Fund	<u>\$ 18,367,709</u>	<u>\$ 33,056,617</u>	<u>\$ 38,238,130</u>	<u>\$ 29,541,380</u>	<u>\$ 24,670,801</u>
All Other Governmental Funds:					
Restricted	\$ 39,308,601	\$ 41,388,309	\$ 42,183,444	\$ 38,009,348	\$ 38,201,673
Unassigned	(1,215,420)	(21,576,373)	(7,503,711)	(5,671,330)	(2,171,446)
Total all other governmental funds	<u>\$ 38,093,181</u>	<u>\$ 19,811,936</u>	<u>\$ 34,679,733</u>	<u>\$ 32,338,018</u>	<u>\$ 36,030,227</u>

(Continued)

Amphitheater Unified School District No. 10
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
General Fund:					
Nonspendable	\$ 73,398	\$ 98,841	\$ 71,112	\$ 1,159,762	\$ 80,646
Unassigned	20,601,738	10,011,786	13,792,578	10,426,549	13,075,774
Total General Fund	<u>\$ 20,675,136</u>	<u>\$ 10,110,627</u>	<u>\$ 13,863,690</u>	<u>\$ 11,586,311</u>	<u>\$ 13,156,420</u>
All Other Governmental Funds:					
Restricted	\$ 24,721,577	\$ 29,171,458	\$ 20,859,254	\$ 32,085,623	\$ 51,402,180
Unassigned	(351,930)	(467,174)	(569,642)	(247,809)	
Total all other governmental funds	<u>\$ 24,369,647</u>	<u>\$ 28,704,284</u>	<u>\$ 20,289,612</u>	<u>\$ 31,837,814</u>	<u>\$ 51,402,180</u>

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

(Concluded)

Amphitheater Unified School District No. 10
Governmental Funds Revenues
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Federal sources:					
Federal grants	\$ 32,806,190	\$ 12,744,759	\$ 26,199,415	\$ 20,171,738	\$ 18,545,229
National School Lunch Program	5,896,147	5,704,250	5,251,168	7,312,522	5,879,805
Total federal sources	<u>38,702,337</u>	<u>18,449,009</u>	<u>31,450,583</u>	<u>27,484,260</u>	<u>24,425,034</u>
State sources:					
State equalization assistance	42,664,286	46,013,163	40,473,436	28,838,312	26,441,345
State grants	1,407,760	1,145,669	1,222,890	1,134,845	1,193,656
School Facilities Oversight Board	6,591,612	6,523,982	3,549,936	4,574,400	5,239,130
Other revenues	12,111,935	11,816,703	11,258,500	11,505,561	7,272,081
Total state sources	<u>62,775,593</u>	<u>65,499,517</u>	<u>56,504,762</u>	<u>46,053,118</u>	<u>40,146,212</u>
Local sources:					
Property taxes	79,922,406	79,800,337	79,132,415	76,048,068	78,142,790
County aid				1,432,542	1,832,458
Food service sales	1,127,757	874,960	1,203,502	430,137	30,872
Investment income	2,298,152	2,988,795	1,889,219	146,716	194,642
Other revenues	10,836,018	12,078,838	10,403,487	8,862,680	5,510,768
Total local sources	<u>94,184,333</u>	<u>95,742,930</u>	<u>92,628,623</u>	<u>86,920,143</u>	<u>85,711,530</u>
Total revenues	<u><u>\$ 195,662,263</u></u>	<u><u>\$ 179,691,456</u></u>	<u><u>\$ 180,583,968</u></u>	<u><u>\$ 160,457,521</u></u>	<u><u>\$ 150,282,776</u></u>

(Continued)

Amphitheater Unified School District No. 10
Governmental Funds Revenues
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Federal sources:					
Federal grants	\$ 10,776,638	\$ 8,967,493	\$ 11,343,855	\$ 10,152,924	\$ 9,831,367
National School Lunch Program	4,596,499	4,479,307	4,407,206	4,686,766	4,445,662
Total federal sources	<u>15,373,137</u>	<u>13,446,800</u>	<u>15,751,061</u>	<u>14,839,690</u>	<u>14,277,029</u>
State sources:					
State equalization assistance	32,680,242	29,332,793	27,427,626	26,460,101	25,836,111
State grants	1,201,969	1,057,166	1,046,070	381,261	339,060
School Facilities Oversight Board	6,165,705	3,244,794	964,212	175,644	384,315
Other revenues	7,597,087	7,505,178	6,970,982	6,300,901	5,936,864
Total state sources	<u>47,645,003</u>	<u>41,139,931</u>	<u>36,408,890</u>	<u>33,317,907</u>	<u>32,496,350</u>
Local sources:					
Property taxes	73,605,709	71,207,640	70,584,386	66,654,193	68,128,648
County aid	1,791,215	1,824,109	1,840,851	1,826,036	1,683,607
Food service sales	1,145,008	1,451,958	1,418,894	1,242,655	1,291,554
Investment income	592,653	565,235	424,032	327,939	225,318
Other revenues	8,172,189	9,370,745	7,835,941	7,879,032	8,210,997
Total local sources	<u>85,306,774</u>	<u>84,419,687</u>	<u>82,104,104</u>	<u>77,929,855</u>	<u>79,540,124</u>
Total revenues	<u>\$ 148,324,914</u>	<u>\$ 139,006,418</u>	<u>\$ 134,264,055</u>	<u>\$ 126,087,452</u>	<u>\$ 126,313,503</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)

Amphitheater Unified School District No. 10
Governmental Funds Expenditures and Debt Service Ratio
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Expenditures:					
Current -					
Instruction	\$ 70,920,838	\$ 71,844,472	\$ 72,708,354	\$ 66,956,293	\$ 63,049,934
Support services - students and staff	24,431,083	24,156,202	21,770,438	18,854,560	17,683,149
Support services - administration	15,519,780	18,882,518	12,760,441	11,195,540	10,804,591
Operation and maintenance of plant services	23,114,730	22,559,861	20,557,082	17,025,182	16,768,269
Student transportation services	8,264,024	9,008,405	8,552,529	7,323,835	3,754,356
Operation of non-instructional services	10,951,658	10,733,619	8,994,801	7,125,790	5,569,389
Capital outlay	24,687,014	31,120,055	27,144,350	18,386,165	18,615,520
Debt service -					
Principal retirement	9,080,000	8,745,000	9,025,000	9,710,000	9,620,000
Interest and fiscal charges	2,475,162	2,810,964	2,697,747	2,941,765	3,303,726
Bond issuance costs			198,300		394,848
Total expenditures	<u>\$ 189,444,289</u>	<u>\$ 199,861,096</u>	<u>\$ 184,409,042</u>	<u>\$ 159,519,130</u>	<u>\$ 149,563,782</u>
Expenditures for capitalized assets	\$ 16,364,795	\$ 22,805,243	\$ 13,428,067	\$ 11,866,794	\$ 14,030,526
Debt service as a percentage of noncapital expenditures	7%	7%	7%	9%	10%

(Continued)

Amphitheater Unified School District No. 10
Governmental Funds Expenditures and Debt Service Ratio
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Expenditures:					
Current -					
Instruction	\$ 63,236,444	\$ 62,855,094	\$ 58,844,436	\$ 59,602,757	\$ 56,457,965
Support services - students and staff	16,282,378	14,912,991	14,631,346	15,335,287	14,824,748
Support services - administration	11,158,307	10,506,100	9,561,881	9,344,373	8,475,159
Operation and maintenance of plant services	15,106,227	16,793,596	14,453,618	16,672,302	15,364,929
Student transportation services	6,215,482	7,177,518	6,147,710	6,200,130	5,526,585
Operation of non-instructional services	5,882,895	5,936,927	5,667,634	6,112,991	6,123,997
Capital outlay	16,262,628	17,759,201	17,330,407	33,765,869	12,657,218
Debt service -					
Principal retirement	8,995,000	9,180,000	11,615,000	11,955,000	6,495,000
Interest and fiscal charges	3,962,763	3,805,883	4,230,412	3,878,087	4,310,162
Bond issuance costs		206,555		487,720	
Total expenditures	<u>\$ 147,102,124</u>	<u>\$ 149,133,865</u>	<u>\$ 142,482,444</u>	<u>\$ 163,354,516</u>	<u>\$ 130,235,763</u>
Expenditures for capitalized assets	\$ 8,721,738	\$ 10,191,285	\$ 13,658,687	\$ 28,397,281	\$ 9,673,062
Debt service as a percentage of noncapital expenditures	9%	9%	12%	12%	9%

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

(Concluded)

Amphitheater Unified School District No. 10
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>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Excess (deficiency) of revenues over expenditures	\$ 6,217,974	\$ (20,169,640)	\$ (3,825,074)	\$ 938,391	\$ 718,994
Other financing sources (uses):					
Issuance of school improvement bonds			14,500,000		14,500,000
Issuance of refunding bonds					15,440,000
Premium on sale of bonds			175,000		163,003
Payment to refunded bond escrow agent					(15,231,505)
Insurance recoveries	49,922	95,115	188,539	255,259	65,830
Proceeds from sale of capital assets		25,215			
Transfers in	657,298	1,023,273	485,386	1,218,056	229,520
Transfers out	(657,298)	(1,023,273)	(485,386)	(1,218,056)	(229,520)
Total other financing sources (uses)	<u>49,922</u>	<u>120,330</u>	<u>14,863,539</u>	<u>255,259</u>	<u>14,937,328</u>
Changes in fund balances	<u>\$ 6,267,896</u>	<u>\$ (20,049,310)</u>	<u>\$ 11,038,465</u>	<u>\$ 1,193,650</u>	<u>\$ 15,656,322</u>
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Excess (deficiency) of revenues over expenditures	\$ 1,222,790	\$ (10,127,447)	\$ (8,218,389)	\$ (37,267,064)	\$ (3,922,260)
Other financing sources (uses):					
Issuance of school improvement bonds		13,370,000		14,300,000	
Issuance of refunding bonds				27,290,000	
Premium on sale of bonds		1,303,705		4,757,628	
Payment to refunded bond escrow agent				(31,375,474)	
Insurance recoveries	130,120	87,622	36,216	81,319	
Transfers in	908,560	837,197	491,472	475,461	1,460,941
Transfers out	(908,560)	(837,197)	(491,472)	(475,461)	(1,460,941)
Total other financing sources (uses)	<u>130,120</u>	<u>14,761,327</u>	<u>36,216</u>	<u>15,053,473</u>	
Changes in fund balances	<u>\$ 1,352,910</u>	<u>\$ 4,633,880</u>	<u>\$ (8,182,173)</u>	<u>\$ (22,213,591)</u>	<u>\$ (3,922,260)</u>

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

Amphitheater Unified School District No. 10
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>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Commercial, Industrial, Utilities and Mining	\$ 431,968,550	\$ 431,870,938	\$ 429,868,304	\$ 429,990,276	\$ 400,567,419
Agricultural and Vacant	52,169,443	53,242,324	55,769,777	57,947,114	59,892,258
Residential (Owner Occupied)	1,047,489,997	968,389,065	906,963,875	868,014,646	824,839,513
Residential (Rental)	435,690,674	429,232,278	411,148,800	394,631,224	372,892,194
Historical Property	723,519	635,535	31,957	30,792	29,504
Certain Government Property Improvements			63,757	62,782	59,793
Total	\$ 1,968,042,183	\$ 1,883,370,140	\$ 1,803,846,470	\$ 1,750,676,834	\$ 1,658,280,681
Gross Full Cash Value	\$ 26,612,570,270	\$ 21,846,958,858	\$ 18,499,625,463	\$ 17,800,355,898	\$ 16,889,466,055
Ratio of Net Limited Assessed Value to Gross Full Cash Value	7%	9%	10%	10%	10%
Total Direct Rate	4.83	5.01	5.16	5.10	5.45

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Commercial, Industrial, Utilities and Mining	\$ 401,513,871	\$ 399,048,666	\$ 390,330,020	\$ 386,492,477	\$ 393,112,482
Agricultural and Vacant	58,382,807	59,919,527	60,223,017	60,414,179	66,188,518
Residential (Owner Occupied)	796,449,750	748,702,169	706,536,397	680,141,297	646,731,996
Residential (Rental)	334,509,179	322,927,262	316,980,477	311,120,233	297,590,115
Historical Property	8,426	7,303	7,120	7,467	7,467
Certain Government Property Improvements	56,946	54,234			
Total	\$ 1,590,920,979	\$ 1,530,659,161	\$ 1,474,077,031	\$ 1,438,175,653	\$ 1,403,630,578
Gross Full Cash Value	\$ 16,051,648,676	\$ 15,197,101,709	\$ 14,277,613,844	\$ 13,982,826,990	\$ 13,296,921,889
Ratio of Net Limited Assessed Value to Gross Full Cash Value	10%	10%	10%	10%	11%
Total Direct Rate	5.45	5.49	5.63	5.49	5.67

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

Amphitheater Unified School District No. 10
Net Full Cash Assessed Value of Taxable Property by Class
Last Ten Fiscal Years

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Commercial, Industrial, Utilities and Mining	\$ 516,171,230	\$ 479,420,125	\$ 472,813,462	\$ 478,289,753	\$ 451,929,466
Agricultural and Vacant	72,845,754	65,625,399	64,893,923	68,284,229	68,245,448
Residential (Owner Occupied)	1,445,215,595	1,165,195,056	952,796,762	915,393,400	878,377,675
Residential (Rental)	742,832,855	599,263,447	497,019,913	470,132,857	430,484,651
Historical Property	1,140,790	800,441	38,389	38,363	34,242
Certain Government Property Improvements			63,757	63,757	63,757
Total	\$ 2,778,206,224	\$ 2,310,304,468	\$ 1,987,626,206	\$ 1,932,202,359	\$ 1,829,135,239
Gross Full Cash Value	\$ 26,612,570,270	\$ 21,846,958,858	\$ 18,499,625,463	\$ 17,800,355,898	\$ 16,889,466,055
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	10%	11%	11%	11%	11%
Estimated Net Full Cash Value	\$ 25,123,587,880	\$ 20,590,655,932	\$ 17,345,273,758	\$ 16,694,217,289	\$ 15,776,378,922
Total Direct Rate	4.83	5.01	5.16	5.10	5.45

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Commercial, Industrial, Utilities and Mining	\$ 439,304,373	\$ 432,399,906	\$ 405,120,089	\$ 399,841,473	\$ 407,546,091
Agricultural and Vacant	66,057,812	66,889,053	64,618,058	62,730,922	67,740,311
Residential (Owner Occupied)	841,545,407	772,504,479	727,895,923	715,602,915	672,118,932
Residential (Rental)	393,891,450	381,144,926	344,403,919	331,184,580	309,393,855
Historical Property	8,856	7,303	7,120	7,467	7,467
Certain Government Property Improvements	63,405	63,405			
Total	\$ 1,740,871,303	\$ 1,653,009,072	\$ 1,542,045,109	\$ 1,509,367,357	\$ 1,456,806,656
Gross Full Cash Value	\$ 16,051,648,676	\$ 15,197,101,709	\$ 14,277,613,844	\$ 13,982,826,990	\$ 13,296,921,889
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	11%	11%	11%	11%	11%
Estimated Net Full Cash Value	\$ 14,970,099,543	\$ 14,128,652,788	\$ 13,128,581,326	\$ 12,836,251,850	\$ 12,143,851,114
Total Direct Rate	5.45	5.49	5.63	5.49	5.67

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

Amphitheater Unified School District No. 10
Property Tax Assessment Ratios
Last Ten Fiscal Years

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Commercial, Industrial, Utilities and Mining	17 %	17 %	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	14	14	15	15	15

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Commercial, Industrial, Utilities and Mining	18 %	18 %	18 %	18 %	19 %
Agricultural and Vacant	15	15	15	15	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	15	14	15	14	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.

Amphitheater Unified School District No. 10
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Fiscal Year Ended June 30	Overlapping Rates										
	State Equalization	County	County Free Library	Flood Control District	Community College District	Fire District Assistance	Central Arizona Water	City of Tucson	District Direct Rates		
									Primary	Secondary	Total
2025	0.00	4.22	0.55	0.33	1.25	0.04	0.14	1.03	3.34	1.49	4.83
2024	0.00	4.23	0.55	0.33	1.28	0.04	0.14	1.05	3.46	1.55	5.01
2023	0.00	4.20	0.55	0.32	1.29	0.04	0.14	1.43	3.58	1.58	5.16
2022	0.43	4.33	0.54	0.33	1.27	0.04	0.14	1.31	3.60	1.50	5.10
2021	0.44	4.44	0.54	0.33	1.34	0.04	0.14	1.36	4.00	1.45	5.45
2020	0.46	4.69	0.54	0.33	1.38	0.04	0.14	1.38	4.13	1.32	5.45
2019	0.47	4.76	0.52	0.33	1.40	0.04	0.14	1.48	3.88	1.61	5.49
2018	0.49	5.16	0.51	0.31	1.39	0.05	0.14	1.43	4.26	1.37	5.63
2017	0.50	4.98	0.52	0.33	1.37	0.05	0.14	1.60	4.11	1.38	5.49
2016	0.51	5.09	0.52	0.31	1.37	0.05	0.14	1.60	4.25	1.42	5.67

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

**Amphitheater Unified School District No. 10
Principal Property Taxpayers
Current Fiscal Year and Fiscal Year Nine Years Prior**

Taxpayer	2025		2016	
	Net Limited Assessed Valuation	Percentage of District's Net Limited Assessed Valuation	Net Full Cash Assessed Valuation	Percentage of District's Net Full Cash Assessed Valuation
Northwest Hospital LLC	\$ 31,457,716	1.60 %	\$ 31,688,244	2.18 %
Unisource Energy Corporation	28,686,535	1.46	20,508,254	1.41
Southwest Gas Corporation	17,385,608	0.88	8,349,734	0.57
DND Neffson Company	15,920,890	0.81	16,111,998	1.11
HSL Properties	15,553,392	0.79		
Ventana Medical Systems	11,407,981	0.58	8,722,683	0.60
Vestar OVM LLC	8,661,873	0.44	8,172,564	0.56
Honeywell International	5,087,734	0.26	4,965,102	0.34
Scotia Group Management	4,894,239	0.25		
Uptown Group LLC	4,484,418	0.23		
Weingarten Nostat Inc			7,683,723	0.53
J Foothills LLC			6,915,073	0.47
Tucson Mather Plaza LLC			4,965,102	0.34
Total	<u>\$ 143,540,386</u>	<u>7.30 %</u>	<u>\$ 118,082,477</u>	<u>8.11 %</u>

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

Amphitheater Unified School District No. 10
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
2025	\$ 78,909,714	\$ 77,710,233	98.48 %	\$ 941,046	\$ 77,710,233	98.48 %
2024	78,128,131	77,177,512	98.78	2,018,430	78,118,558	99.99
2023	77,498,386	75,471,068	97.38	1,384,010	77,489,498	99.99
2022	74,452,623	73,063,958	98.13	1,506,931	74,447,968	99.99
2021	76,571,727	75,059,990	98.03	1,620,908	76,566,921	99.99
2020	72,082,917	70,457,630	97.75	1,271,944	72,078,538	99.99
2019	66,481,561	65,204,984	98.08	1,341,822	66,476,928	99.99
2018	70,644,375	69,294,240	98.09	1,294,631	70,636,062	99.99
2017	65,065,801	63,766,444	98.00	2,113,353	65,061,075	99.99
2016	66,319,241	64,200,699	96.81		66,314,052	99.99

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

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

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

Amphitheater Unified School District No. 10
Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended	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/ Leases/ SBITAs	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Percentage of Personal Income
2025	\$ 60,788,834	\$ 16,330,070	\$ 44,458,764	0.17 %	\$ 297	\$	\$ 60,788,834	0.23 %	\$ 406	N/A %
2024	70,557,594	13,408,065	57,149,529	0.26	383		70,557,594	0.32	473	0.11
2023	79,991,354	10,311,765	69,679,589	0.38	470		79,991,354	0.43	540	0.14
2022	75,030,114	7,414,992	67,615,122	0.38	463		75,030,114	0.42	514	0.13
2021	85,417,207	6,170,905	79,246,302	0.47	545		85,417,207	0.51	587	0.17
2020	81,490,308	5,196,311	76,293,997	0.48	528		81,490,308	0.51	564	0.17
2019	91,297,786	4,585,656	86,712,130	0.57	634		91,297,786	0.60	668	0.20
2018	86,599,858	4,140,226	82,459,632	0.58	581		86,599,858	0.61	610	0.20
2017	99,008,377	6,787,782	92,220,595	0.66	657		99,008,377	0.71	705	0.25
2016	94,709,926	6,672,019	88,037,907	0.66	754		94,709,926	0.71	811	0.24

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

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 2016-2021 information within this column relates to the transactions previously designated as capital leases.

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

Amphitheater Unified School District No. 10
Direct and Overlapping Governmental Activities Debt
June 30, 2025

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Overlapping:			
Pima County	\$ 44,590,000	18.37 %	\$ 8,191,183
Golder Ranch Fire Department	27,279,000	88.37	24,106,452
Northwest Fire District	25,730,000	25.84	<u>6,648,632</u>
Subtotal, Overlapping Debt			<u>38,946,267</u>
Direct:			
Amphitheater Unified School District No. 10			<u>60,788,834</u>
Total Direct and Overlapping Governmental Activities Debt			<u>\$ 99,735,101</u>

Direct and Overlapping General Bonded Debt Ratios

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation		2.26 %
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 557	
As a Percentage of Net Limited Assessed Valuation		4.24 %
As a Percentage of Gross Full Cash Value		0.31 %

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, 2024 is presented for the overlapping governments as this is the most recent available information.

Amphitheater Unified School District No. 10
Legal Debt Margin Information
Last Ten Fiscal Years

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

Net full cash assessed valuation	\$ 2,778,206,224
Debt limit (20% of assessed value)	555,641,245
Debt applicable to limit	<u>59,903,431</u>
Legal debt margin	<u><u>\$ 495,737,814</u></u>

Total Legal Debt Margin Calculation for Fiscal Year 2025:

Net full cash assessed valuation	\$ 2,778,206,224
Debt limit (30% of assessed value)	833,461,867
Debt applicable to limit	<u>59,903,431</u>
Legal debt margin	<u><u>\$ 773,558,436</u></u>

Fiscal Year Ended June 30

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Debt Limit	\$ 833,461,867	\$ 693,091,340	\$ 596,287,862	\$ 579,660,708	\$ 548,740,572
Total net debt applicable to limit	<u>59,903,431</u>	<u>69,259,889</u>	<u>78,246,351</u>	<u>72,992,166</u>	<u>82,895,336</u>
Legal debt margin	<u><u>\$ 773,558,436</u></u>	<u><u>\$ 623,831,451</u></u>	<u><u>\$ 518,041,511</u></u>	<u><u>\$ 506,668,542</u></u>	<u><u>\$ 465,845,236</u></u>

Total net debt applicable to the limit as a percentage of debt limit	7%	10%	13%	13%	15%
--	----	-----	-----	-----	-----

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Debt Limit	\$ 522,261,391	\$ 495,902,722	\$ 462,613,533	\$ 452,810,207	\$ 437,041,997
Total net debt applicable to limit	<u>77,608,208</u>	<u>86,910,207</u>	<u>81,808,968</u>	<u>99,008,378</u>	<u>91,035,000</u>
Legal debt margin	<u><u>\$ 444,653,183</u></u>	<u><u>\$ 408,992,515</u></u>	<u><u>\$ 380,804,565</u></u>	<u><u>\$ 353,801,829</u></u>	<u><u>\$ 346,006,997</u></u>

Total net debt applicable to the limit as a percentage of debt limit	15%	18%	18%	22%	21%
--	-----	-----	-----	-----	-----

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.

Amphitheater Unified School District No. 10
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>
2024	1,086,634	\$ N/A	\$ N/A	3.6 %	149,830
2023	1,063,162	61,910,157	58,232	3.8	149,046
2022	1,072,298	57,601,036	54,464	3.8	148,262
2021	1,058,318	55,696,681	52,942	5.0	145,973
2020	1,052,375	51,331,920	48,373	7.4	145,515
2019	1,044,675	47,604,994	45,456	4.0	144,375
2018	1,034,201	45,748,033	44,028	4.5	136,673
2017	1,022,769	42,585,256	41,637	4.5	142,000
2016	1,013,103	40,182,115	39,541	4.9	140,342
2015	1,009,371	38,922,402	38,536	6.0	116,740

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.

**Amphitheater Unified School District No. 10
Principal Employers
Current Fiscal Year and Fiscal Year Nine Years Prior**

<u>Employer</u>	<u>2025</u>		<u>2016</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
University of Arizona	15,620	4.30 %		
Raytheon Company	13,380	3.69		
United States Department of the Air Force	9,760	2.69		
Tucson Unified School District	8,070	2.22		
Banner Health	7,670	2.11		
Pima County	7,130	1.96		
Tucson Medical Center	6,720	1.85		
State of Arizona	5,470	1.51		
City of Tucson	4,620	1.27		
Walmart	4,340	1.20		
Northwest Hospital			1,585	2.39
Ventana Medical Systems			1,286	1.94
Honeywell International Inc.			800	1.21
Oro Valley Hospital			529	0.80
El Conquistador			394	0.59
Miraval			375	0.57
Town of Oro Valley			344	0.52
Omni Tucson National			218	0.33
Westward Look			165	0.25
Tucson Heart Hospital			150	0.23
Total	<u>82,780</u>	<u>22.80 %</u>	<u>5,846</u>	<u>8.83 %</u>
Total employment	<u>363,060</u>		<u>66,265</u>	

Source: The 2025 information is from the Maricopa Association of Governments, Arizona Employer Map, and the 2016 information is from the Star 200.

Amphitheater Unified School District No. 10
Full-Time Equivalent District Employees by Type
Last Ten Fiscal Years

	Full-time Equivalent Employees as of June 30				
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Supervisory					
Superintendent	1	1	1	1	1
Assistant superintendents	2	2	2	2	2
Consultants/supervisors of instruction	39	1		8	8
Principals	21	21	21	20	20
Assistant principals	17	17	17	17	17
Total supervisory	<u>80</u>	<u>42</u>	<u>41</u>	<u>48</u>	<u>48</u>
Instruction					
Teachers	845	845	744	949	882
Aides	15	24	55	165	186
Total instruction	<u>860</u>	<u>869</u>	<u>799</u>	<u>1,114</u>	<u>1,068</u>
Student Services					
Guidance Counselors	19	19	18	20	20
Librarians	8	8	7	24	24
Psychologists	12	8	9	14	14
Technicians	24	75	1	19	19
Therapists	3	3	11	42	42
Other	48	39	39	38	38
Total student services	<u>114</u>	<u>152</u>	<u>85</u>	<u>157</u>	<u>157</u>
Support and Administration					
Transportation	95	91	82	122	122
Food Service	100	100	72	124	109
Custodial/Maintenance	150	150	162	166	166
Security Services	106	106	19	60	60
Other Administrative Support	593	220	10	103	103
Total support and administration	<u>1,044</u>	<u>667</u>	<u>345</u>	<u>575</u>	<u>560</u>
Total	<u>2,098</u>	<u>1,730</u>	<u>1,270</u>	<u>1,894</u>	<u>1,833</u>

(Continued)

Amphitheater Unified School District No. 10
Full-Time Equivalent District Employees by Type
Last Ten Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Supervisory					
Superintendent	1	1	1	1	
Assistant superintendents	2	2	2	1	
Consultants/supervisors of instruction	8	8	3	6	7
Principals	20	20	19	19	18
Assistant principals	15	15	16	16	14
Total supervisory	<u>46</u>	<u>46</u>	<u>41</u>	<u>43</u>	<u>39</u>
Instruction					
Teachers	770	778	776	807	773
Aides	190	198	209	164	160
Total instruction	<u>960</u>	<u>976</u>	<u>985</u>	<u>971</u>	<u>933</u>
Student Services					
Guidance Counselors	20	19	18	18	16
Librarians	25	25	25	24	24
Psychologists	20	22	11	13	12
Technicians	5	5	28	30	25
Therapists	45	49	11	20	11
Other	32	32	90	91	93
Total student services	<u>147</u>	<u>152</u>	<u>183</u>	<u>196</u>	<u>181</u>
Support and Administration					
Transportation	107	107	123	125	127
Food Service	135	135	86	81	82
Custodial/Maintenance	166	163	169	160	161
Security Services	107	107	55	51	54
Other Administrative Support	102	102	162	147	170
Total support and administration	<u>617</u>	<u>614</u>	<u>595</u>	<u>564</u>	<u>594</u>
Total	<u>1,770</u>	<u>1,788</u>	<u>1,804</u>	<u>1,774</u>	<u>1,747</u>

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

(Concluded)

Amphitheater Unified School District No. 10
Operating Statistics
Last Ten Fiscal Years

Fiscal Year Ended June 30	Average Daily Membership	Operating Expenditures	Cost per Pupil	Percentage Change	Expenses	Cost per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Free/Reduced Students
2025	10,816	\$ 153,202,113	\$ 14,164	2.04	\$ 182,338,069	\$ 16,858	8.99	860	12.6	53.0 %
2024	11,324	157,185,077	13,881	7.87	175,161,224	15,468	(2.09)	869	13.0	45.4
2023	11,295	145,343,645	12,868	16.06	178,450,861	15,799	21.93	799	14.1	47.7
2022	11,588	128,481,200	11,087	2.50	150,149,432	12,957	3.73	1,114	10.4	47.9
2021	10,874	117,629,688	10,818	17.24	135,836,858	12,492	14.66	1,068	10.2	54.4
2020	12,776	117,881,733	9,227	2.01	139,195,695	10,895	9.66	960	13.3	54.4
2019	13,066	118,182,226	9,045	10.00	129,813,272	9,935	9.21	976	13.4	45.4
2018	13,293	109,306,625	8,223	(2.29)	120,928,159	9,097	(3.33)	985	13.5	46.5
2017	13,459	113,267,840	8,415	5.28	126,656,363	9,410	3.58	971	13.9	56.0
2016	13,358	106,773,383	7,993	(1.32)	121,360,357	9,085	(2.92)	933	14.3	48.2

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


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

Amphitheater Unified School District No. 10
Capital Assets Information
Last Ten Fiscal Years

	Fiscal Year Ended June 30									
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Schools										
Elementary										
Buildings	106	106	106	106	106	106	106	106	100	99
Square feet	843,435	843,435	843,435	843,435	843,435	843,435	843,435	843,435	790,666	788,506
Capacity	8,950	8,950	8,950	8,950	8,950	8,950	8,950	8,950	7,923	7,923
Enrollment	4,100	5,446	5,446	5,446	5,446	5,446	5,239	5,232	4,674	4,649
Middle										
Buildings	36	36	36	36	36	36	36	36	36	32
Square feet	352,666	352,666	352,666	352,666	352,666	352,666	352,666	352,666	352,666	345,664
Capacity	5,532	5,532	5,532	5,532	5,532	5,532	5,532	5,532	3,127	3,127
Enrollment	2,360	2,923	2,923	2,923	2,923	2,923	3,079	3,137	1,806	1,728
High										
Buildings	63	63	63	63	63	63	63	63	63	63
Square feet	893,460	893,460	893,460	893,460	893,460	893,460	893,460	893,460	893,460	893,347
Capacity	4,561	4,561	4,561	4,561	4,561	4,561	4,561	4,561	7,492	7,492
Enrollment	4,356	4,511	4,511	4,511	4,511	4,511	4,577	4,638	4,626	4,648
Other										
Buildings	57	57	57	57	57	57	57	57	57	62
Square feet	465,114	465,114	465,114	465,114	465,114	465,114	465,114	465,114	465,114	428,521
Capacity	3,501	3,501	3,501	3,501	3,501	3,501	3,501	3,501	3,501	3,501
Enrollment									2,252	2,222
Administrative										
Buildings	10	10	10	10	10	10	10	10	10	10
Square feet	91,882	91,882	91,882	91,882	91,882	91,882	91,882	91,882	91,822	91,822
Transportation										
Garages	1	1	1	1	1	1	1	1	1	1
Buses	143	143	143	143	143	143	143	143	143	131
Athletics										
Football fields	8	8	8	8	8	8	8	8	8	8
Soccer fields	29	29	29	29	29	29	29	29	29	29
Running tracks	8	8	8	8	8	8	8	8	8	8
Baseball/softball	19	19	19	19	19	19	19	19	19	19
Swimming pools	1	1	1	1	1	1	1	1	1	1
Playgrounds	14	14	14	14	14	14	14	14	14	14
Sand Volleyball	12	12	12	12	12	12				

Source: The source of this information is the District's facilities records and the Arizona Department of Education 45-1 report.

(This page intentionally left blank)



Amphitheater Unified School District No. 10
Single Audit Report
Year Ended June 30, 2025

Amphitheater Unified School District No. 10
Single Audit Report
For the Year Ended June 30, 2025

<u>Contents</u>	<u>Page</u>
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1
Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	3
Schedule of Expenditures of Federal Awards	7
Notes to the Schedule of Expenditures of Federal Awards	8
Schedule of Findings and Questioned Costs	9
Auditee Response	
Cover Letter	14
Corrective Action Plan	15
Summary Schedule of Prior Audit Findings	16

**Independent Auditor’s Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance with
*Government Auditing Standards***

Governing Board
Amphitheater Unified School District No. 10

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Amphitheater Unified School District No. 10, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Amphitheater Unified School District No. 10’s basic financial statements, and have issued our report thereon dated March 31, 2026. Our report included an emphasis of matter paragraph as to comparability because of the implementation of Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Amphitheater Unified School District No. 10 ’s internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Amphitheater Unified School District No. 10 ’s internal control. Accordingly, we do not express an opinion on the effectiveness of Amphitheater Unified School District No. 10 ’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected, and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item FS-2025-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Amphitheater Unified School District No. 10's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Amphitheater Unified School District No. 10's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Amphitheater Unified School District No. 10's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. Amphitheater Unified School District No. 10's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Tucson, Arizona
March 31, 2026

**Independent Auditor’s Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance; and
Report on Schedule of Expenditures of Federal Awards
Required by the Uniform Guidance**

Governing Board
Amphitheater Unified School District No. 10

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Amphitheater Unified School District No. 10’s compliance with the types of compliance requirements identified as subject to the audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Amphitheater Unified School District No. 10’s major federal programs for the year ended June 30, 2025. Amphitheater Unified School District No. 10’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, Amphitheater Unified School District No. 10 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Amphitheater Unified School District No. 10 and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Amphitheater Unified School District No. 10’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Amphitheater Unified School District No. 10’s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error and express an opinion on Amphitheater Unified School District No. 10's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Amphitheater Unified School District No. 10's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Amphitheater Unified School District No. 10's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Amphitheater Unified School District No. 10's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Amphitheater Unified School District No. 10's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2025-001. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on Amphitheater Unified School District No. 10's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Amphitheater Unified School District No. 10's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance, that we consider to be a significant deficiency.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-001, to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on Amphitheater Unified School District No. 10's response to the internal control over compliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Amphitheater Unified School District No. 10's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Amphitheater Unified School District No. 10 as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Amphitheater Unified School District No. 10's basic financial statements. We issued our report thereon dated March 31, 2026, which contained unmodified opinions on those basic financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is 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. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.

Tucson, Arizona

March 31, 2026

Amphitheater Unified School District No. 10
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

<u>Federal/Pass-Through/Agency</u>	<u>AL</u> <u>Number</u>	<u>Federal Award</u> <u>Number</u>	<u>Expenditures</u> <u>and Transfers</u>	<u>Total</u> <u>Expenditures</u> <u>and Transfers</u>
<u>U.S. Department of Agriculture</u>				
Passed through Arizona Department of Education:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	7AZ300AZ3	\$ 1,816,797	\$
National School Lunch Program	10.555	7AZ300AZ3	<u>3,978,494</u>	
Total Child Nutrition Cluster				5,795,291
Child and Adult Care Food Program	10.558	7AZ300AZ3		<u>100,856</u>
Total U.S. Department of Agriculture				<u>5,896,147</u>
<u>U.S. Department of Interior</u>				
Passed through Arizona Department of Education:				
Indian Education Assistance to Schools	15.130	A24AV00124		<u>37,981</u>
<u>U.S. Department of Education</u>				
Direct Program:				
Indian Education Grants to Local Educational Agencies	84.060	N/A		14,980
Passed through Arizona Department of Education:				
Title I Grants to Local Educational Agencies	84.010	S010A240003		4,604,895
Special Education Cluster:				
Special Education Grants to States	84.027	H027A240007	2,938,771	
Special Education Preschool Grants	84.173	H173A240003	<u>76,830</u>	
Total Special Education Cluster				3,015,601
Career and Technical Education -- Basic Grants to States	84.048A	V048A240003		414,995
Education for Homeless Children and Youth	84.196	S196A240003		47,401
Twenty-First Century Community Learning Centers	84.287	S287C240003		745,188
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	N/A		212,535
English Language Acquisition State Grants	84.365A	S365A240003		168,162
Supporting Effective Instruction State Grants	84.367	S367A240049		477,165
Student Support and Academic Enrichment Program	84.424	S424A240003		393,253
COVID-19 Education Stabilization Fund	84.425U	S425U210038	353,641	
COVID-19 Education Stabilization Fund	84.425W	S425W210003	<u>41,563</u>	
Total ALN 84.425				<u>395,204</u>
Total U.S. Department of Education				<u>10,489,379</u>
<u>U.S. Department of Health and Human Services</u>				
Passed through Public Consulting Group, Inc.:				
Medicaid Cluster:				
Medical Assistance Program	93.778	N/A		<u>188,030</u>
Total Expenditures of Federal Awards			\$	<u><u>16,611,537</u></u>

Amphitheater Unified School District No. 10
Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Significant Accounting Policies Used in Preparing the SEFA

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of Amphitheater Unified School District No. 10 under programs of the federal government for the year ended June 30, 2025. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Any negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

De Minimis Indirect Cost Rate

The auditee did not use the de minimis indirect cost rate.

Assistance Listing Numbers

The program titles and Assistance Listing numbers were obtained from the federal or pass-through grantor or through sam.gov. If the three-digit Assistance Listing extension is unknown, there is a U followed by a two-digit number in the Assistance Listing extension to identify one or more Federal award lines from that program. The first Federal program with an unknown three-digit extension is indicated with U01 for all award lines associated with that program, the second is U02, etc.

**Amphitheater Unified School District No. 10
Schedule of Findings and Questioned Costs
Year Ended June 30, 2025**

Summary of Auditor's Results:

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Significant deficiency(ies) identified: No
- Material weakness(es) identified: Yes

Noncompliance material to financial statements noted: No

Federal Awards

Type of auditor's report issued on compliance for major programs: Unmodified

Internal control over major programs:

- Significant deficiency(ies) identified: Yes
- Material weakness(es) identified: No

Any audit findings disclosed that are required to be reported in accordance with §200.516 of Uniform Guidance: Yes

Identification of major programs:

Assistance Listing Numbers

84.010
84.027, 84.173

Name of Federal Programs or Clusters

Title I Grants to Local Educational Agencies
Special Education Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee: No

Findings Related to Financial Statements Reported in Accordance with *Government Auditing Standards*: Yes

Findings and Questioned Costs Related to Federal Awards: Yes

Summary Schedule of Prior Audit Findings required to be reported: Yes

Amphitheater Unified School District No. 10
Schedule of Findings and Questioned Costs
Year Ended June 30, 2025

**Findings Related to Financial Statements Reported in Accordance with
*Government Auditing Standards***

Finding Number: FS-2025-001

Repeat Finding: Yes, FS-2024-001

Type of Finding: Material Weakness

Description: Cash Reconciliations with the County Treasurer

Criteria

Management is responsible for establishing and maintaining internal controls in accordance with an established framework, including reconciliation controls for cash on deposit with the County Treasurer. The purpose of the control is to ensure cash balances are accurately recorded in the general ledger. Differences identified during the reconciliation process must be investigated and promptly resolved. The reconciliation control activity has historically been the responsibility of and performed by the County School Superintendent's (CSS) office.

Condition

The preparation of the cash reconciliation between the District's cash balances and the County Treasurer's balances was not completed in a timely manner. Additionally, reconciling items identified were not fully researched or resolved after the completion of each month's reconciliation. Moreover, the preparation of the cash reconciliation between the District's cash balances and the CSS's balances was not completed in a timely manner.

Cause

The District relied on the CSS to reconcile cash balances to the County Treasurer. While cash reconciliation controls at the CSS were designed and in place, they did not operate effectively for the period. Delayed reconciliations from prior years were the immediate focus of CSS staff, and reduced resources available to address reconciliations for the current fiscal year. Additionally, the District was unable to reconcile its records to the CSS timely based on staff performance at the CSS.

Effect

The District may not be able to effectively manage its finances and is at risk of undetected errors in the financial statements.

Context

Nine of the monthly reconciliations prepared by the CSS Office were completed between two and nine months after the close of the respective months. Additionally, while reconciling items were identified each month, adjustments were not posted to the financial records to correctly state cash balances and related activity. The year end reconciliation performed by the CSS Office also identified a number of reconciling items that remained unresolved. Additionally, the District's monthly cash reconciliations to the CSS were not completed timely and unreconciled differences were not researched and resolved. The sample was not intended to be, and was not, a statistically valid sample.

**Amphitheater Unified School District No. 10
Schedule of Findings and Questioned Costs
Year Ended June 30, 2025**

**Findings Related to Financial Statements Reported in Accordance with
*Government Auditing Standards***

Finding Number: FS-2025-001

Recommendation

The District should work with the CSS to ensure that the cash reconciliations are being performed in a timely manner, and identified differences are promptly researched and resolved.

Views of Responsible Officials

See Corrective Action Plan.

**Amphitheater Unified School District No. 10
Schedule of Findings and Questioned Costs
Year Ended June 30, 2025**

Findings and Questioned Costs Related to Federal Awards

Finding Number: 2025-001

Repeat Finding: Yes, 2024-001

Program Name/Assistance Listing Title: Child Nutrition Cluster

Assistance Listing Numbers: 10.553, 10.555

Federal Agency: U.S. Department of Agriculture

Federal Award Numbers: 7AZ300AZ3

Pass-Through Agency: Arizona Department of Education

Questioned Costs: \$20,792

Type of Finding: Noncompliance, Significant Deficiency

Compliance Requirement: Allowable Costs/Cost Principles

Criteria

Under 2 CFR §200.303, the District is required to establish and maintain effective internal controls over the federal award that provides reasonable assurance that the District is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award. Additionally, 2 CFR §200.439 requires capital expenditures for special purpose equipment with a unit cost of \$5,000 or more to have the prior written approval of the Federal awarding agency or pass-through entity. This includes ensuring a Capital Expenditure Pre-Approval Request Form is submitted to Arizona Department of Education (ADE) for approval prior to purchasing equipment that is not included on ADE's Food and Nutrition Service approved equipment list.

Condition

The District did not submit a Capital Expenditure Pre-Approval Request Form to ADE for approval prior to purchasing equipment items not on the ADE Pre-Approved Capital Equipment list.

Cause

The District did not have adequate controls in place to ensure a Capital Expenditure Pre-Approval Request Form was submitted and approved prior to purchasing items not on the ADE Pre-Approved Capital Equipment list.

Effect

The District charged unallowable costs to the program.

Context

The District purchased a coin sorting machine for \$6,875 and a soft serve machine for \$13,917 without submitting a Capital Expenditure Pre-Approval Request Form to ADE for approval prior to purchasing items not on the ADE Pre-Approved Capital Equipment list. The sample was not intended to be, and was not, a statistically valid sample.

Recommendation

Management should review all transactions to ensure that program costs are allowable and in adherence to applicable federal requirements.

**Amphitheater Unified School District No. 10
Schedule of Findings and Questioned Costs
Year Ended June 30, 2025**

Findings and Questioned Costs Related to Federal Awards

Finding Number: 2025-001

Views of Responsible Officials

See Corrective Action Plan.



FINANCE & ACCOUNTING
Scott Little
Chief Financial Officer
(520) 696-5130 • FAX (520) 696-5065

701 W. Wetmore Road • Tucson, AZ 85705 • (520) 696-5000 • www.amphi.com

GOVERNING BOARD MEMBERS Susan Zibrat Deanna M. Day, M.Ed. Vicki Cox Golder Michael Gemma, Ed.D. Matthew A. Kopec
 President Vice President

SUPERINTENDENT
Todd A. Jaeger, J.D.

March 31, 2026

To Whom It May Concern:

The accompanying Corrective Action Plan has been prepared as required by U.S. Office of Management and Budget Uniform Guidance. The name of the contact person responsible for corrective action, the planned corrective action, and the anticipated completion date for each finding included in the current year's Schedule of Findings and Questioned Costs have been provided.

In addition, we have also prepared the accompanying Summary Schedule of Prior Audit Findings which includes the status of audit findings reported in the prior year's audit.

Sincerely,

Cliff Wadhams
Business Manager

Amphitheater High School • Canyon del Oro High School • Ironwood Ridge High School
Amphitheater Middle School • Coronado K-8 School • Cross Middle School • La Cima Middle School • Wilson K-8 School
Copper Creek Elementary • Donaldson Elementary • Harelson Elementary • Holaway Elementary • Innovation Academy • Keeling Elementary
Mesa Verde Elementary • Nash Elementary • Painted Sky Elementary • Prince Elementary • Rio Vista Elementary • Walker Elementary • Rillito Center •
Amphi Academy Online

Amphitheater Unified School District does not discriminate on the basis of race, color, religion/religious beliefs, gender, sex, age, national origin, sexual orientation, creed, citizenship status, marital status, political beliefs/affiliation, disability, home language, family, social or cultural background in its programs or activities and provides equal access to the Boy Scouts and other designated youth groups. Inquiries regarding the District's non-discrimination policies are handled at 701 W. Wetmore Road, Tucson, Arizona 85705 by the Equity & Safety Compliance Officer and Title IX Coordinator, (520) 696-5164, TitleIXCoordinator@amphi.com, or the Executive Director of Student Services, (520) 696-5230, studentservices@amphi.com.

**Amphitheater Unified School District No. 10
Corrective Action Plan
Year Ended June 30, 2025**

**Findings Related to Financial Statements Reported in Accordance with
*Government Auditing Standards***

Finding Numbers: FS-2025-001, FS-2024-001, FS-2023-001

Contact Person: Cliff Wadhams, Business Manager

Anticipated Completion Date: June 30, 2026

Planned Corrective Action: Working with the County to receive final data on a timely basis to allow the District to complete reconciliations in a timely manner.

Findings and Questioned Costs Related to Federal Awards

Finding Numbers: 2025-001, 2024-001

Program Name/Assistance Listing Title: Child Nutrition Cluster

Assistance Listing Numbers: 10.553, 10.555, 10.559

Contact Person: Cliff Wadhams, Business Manager

Anticipated Completion Date: Training has already been implemented and in place.

Planned Corrective Action: Working with Food Service Department and training on proper procurement procedures for assets.

**Amphitheater Unified School District No. 10
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2025**

**Status of Findings Related to Financial Statements Reported in Accordance with
*Government Auditing Standards***

Finding Numbers: FS-2024-001, FS-2023-001

Status: Not corrected. See current year finding FS-2025-001.

Planned Corrective Action: Working with the County to receive final data on a timely basis to allow the District to complete reconciliations in a timely manner.

Status of Findings and Questioned Costs Related to Federal Awards

Finding Number: 2024-001

Program Name/Assistance Listing Title: Child Nutrition Cluster

Assistance Listing Numbers: 10.553, 10.555, 10.559

Status: Not corrected. See current year finding 2025-001.

Planned Corrective Action: Working with Food Service Department and training on proper procurement procedures for assets

Finding Number: 2024-002

Program Name/Assistance Listing Title: COVID-19 Education Stabilization Fund

Assistance Listing Numbers: 84.425D, 84.425U

Status: The requirements that were in effect during fiscal year 2023-24 are no longer applicable under the 2025 compliance supplement.