

PRELIMINARY OFFICIAL STATEMENT DATED APRIL 14, 2026

NEW ISSUE – BOOK-ENTRY-ONLY

RATING: See “RATING” herein.

INSURANCE: See “BOND INSURANCE AND RELATED RISK FACTORS” herein.

In the opinion of Gust Rosenfeld P.L.C., Phoenix, Arizona, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, and assuming continuing compliance with certain restrictions, conditions and requirements by the District (as defined herein), as mentioned under “TAX EXEMPTION” herein, interest income on the Bonds (as defined herein) is excludable from gross income for federal income tax purposes. Interest income on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended) for the purpose of computing the alternative minimum tax imposed on certain corporations. In the opinion of Bond Counsel, interest income on the Bonds is exempt from Arizona income taxes. See “TAX EXEMPTION,” “ORIGINAL ISSUE DISCOUNT” and “BOND PREMIUM” herein.

\$18,760,000*

**CASA GRANDE ELEMENTARY SCHOOL DISTRICT NO. 4
OF PINAL COUNTY, ARIZONA
SCHOOL IMPROVEMENT BONDS,
PROJECT OF 2025, SERIES A (2026)**

Dated: Date of Initial Authentication and Delivery

Due: July 1, as shown on the inside front cover page

The School Improvement Bonds, Project of 2025, Series A (2026) (the “Bonds”) of Casa Grande Elementary School District No. 4 of Pinal County, Arizona (the “District”), will be issued in the form of fully-registered bonds, registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”). Beneficial ownership interests in the Bonds may be purchased in amounts of \$5,000 of principal due on a specific maturity date or integral multiples thereof. The Bonds will mature on the dates and in the principal amounts and will bear interest from their dated date to their maturity or prior redemption as set forth on the inside front cover page. Interest on the Bonds will accrue from the date of delivery and will be payable semiannually on January 1 and July 1 of each year commencing on January 1, 2027*, until maturity or prior redemption.

SEE MATURITY SCHEDULE ON INSIDE FRONT COVER PAGE

The District will initially utilize DTC’s “book-entry-only system,” although the District and DTC each reserve the right to discontinue the book-entry-only system at any time. Utilization of the book-entry-only system will affect the method and timing of payment of principal of and interest on the Bonds and the method of transfer of the Bonds. So long as the book-entry-only system is in effect, a single fully-registered Bond, for each maturity of the Bonds, will be registered in the name of Cede & Co., as nominee of DTC, on the registration books maintained by BOKF, NA, the initial bond registrar and paying agent for the Bonds. DTC will be responsible for distributing the principal and interest payments to its direct and indirect participants who will, in turn, be responsible for distribution to the beneficial owners of the Bonds (the “Beneficial Owners”). So long as the book-entry-only system is in effect and Cede & Co. is the registered owner of the Bonds, all references herein (except under the headings “TAX EXEMPTION,” “ORIGINAL ISSUE DISCOUNT” and “BOND PREMIUM”) to owners of the Bonds will refer to Cede & Co. and not the Beneficial Owners. See APPENDIX H – “BOOK-ENTRY-ONLY SYSTEM” herein.

Certain of the Bonds will be subject to redemption prior to their stated maturity dates as described under “THE BONDS – Redemption Provisions” herein*.

Principal of and interest on the Bonds will be payable from a continuing, direct, annual, *ad valorem* tax levied against all taxable property located within the boundaries of the District as more fully described herein. The Bonds will be payable from such tax without limit as to rate or amount. See “SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS” herein.

The Bonds will be offered when, as and if issued by the District and received by the underwriter identified below (the “Underwriter”), subject to the legal opinion of Gust Rosenfeld P.L.C., Phoenix, Arizona, Bond Counsel, as to validity and tax exemption. In addition, certain legal matters will be passed upon for the Underwriter by its counsel, Greenberg Traurig, LLP, Phoenix, Arizona. It is expected that the Bonds will be available for delivery through the facilities of DTC on or about May 14, 2026*.

This cover page contains certain information with respect to the Bonds for convenience of reference only. It is not a summary of the series of which the Bonds are a part. Investors must read this entire Official Statement to obtain information essential to the making of an informed investment decision with respect to the Bonds.

STIFEL

* Subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

\$18,760,000*
CASA GRANDE ELEMENTARY SCHOOL DISTRICT NO. 4
OF PINAL COUNTY, ARIZONA
SCHOOL IMPROVEMENT BONDS,
PROJECT OF 2025, SERIES A (2026)

MATURITY SCHEDULE*

Maturity Date (July 1)	Principal Amount	Interest Rate	Yield	CUSIP® ⁽¹⁾ No. 722086
2028	\$ 155,000	%	%	
2029	305,000			
2030	830,000			
2031	1,255,000			
2035	1,140,000			
2036	1,200,000			
2037	1,260,000			
2038	1,320,000			
2039	1,385,000			
2040	1,455,000			
2041	1,530,000			
2042	1,605,000			
2043	1,690,000			
2044	1,770,000			
2045	1,860,000			

* Subject to change.

⁽¹⁾ CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (“CGS”) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright© 2026 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CGS. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the District, Bond Counsel, the Underwriter or their agents or counsel assume responsibility for the accuracy of such numbers.

REGARDING THIS OFFICIAL STATEMENT

No dealer, broker, salesperson or other person has been authorized by Casa Grande Elementary School District No. 4 of Pinal County, Arizona (the “District”) or Stifel, Nicolaus & Company, Incorporated (the “Underwriter”) to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor will there be any sale of the District’s School Improvement Bonds, Project of 2025, Series A (2026) (the “Bonds”) by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information set forth in this Official Statement, which includes the cover page, inside front cover page and appendices hereto, has been obtained from the District, the Arizona Department of Revenue, the Assessor of Pinal County, Arizona, Office of Budget and Finance and Treasurer of Pinal County, Arizona, and other sources that are considered to be accurate and reliable and customarily relied upon in the preparation of similar official statements, but such information has not been independently confirmed or verified by the District or the Underwriter, is not guaranteed as to accuracy or completeness, and is not to be construed as the promise or guarantee of the District or the Underwriter.

The Underwriter has provided the following sentence for inclusion in this Official Statement: “The Underwriter has reviewed the information in this Official Statement pursuant to its responsibilities to investors under the federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information.”

None of the District, the Underwriter, counsel to the Underwriter or Bond Counsel (as defined herein) are actuaries. None of them have performed any actuarial or other analysis of the District’s share of the unfunded liabilities of the Arizona State Retirement System.

The presentation of information, including tables of receipts from taxes and other sources, shows recent historical information and is not intended to indicate future or continuing trends in the financial position or other affairs of the District. All information, estimates and assumptions contained herein are based on past experience and on the latest information available and are believed to be reliable, but no representations are made that such information, estimates and assumptions are correct, will continue, will be realized or will be repeated in the future. To the extent that any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated to be such, they are made as such and not as representations of fact or certainty, and no representation is made that any of these statements have been or will be realized. All forecasts, projections, opinions, assumptions or estimates are “forward looking statements” that must be read with an abundance of caution and that may not be realized or may not occur in the future. Information other than that obtained from official records of the District has been identified by source and has not been independently confirmed or verified by the District or the Underwriter and its accuracy cannot be guaranteed. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made pursuant hereto will, under any circumstances, create any implication that there has been no change in the affairs of the District or any of the other parties or matters described herein since the date hereof.

The Bonds will not be registered under the Securities Act of 1933, as amended, or any state securities law, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state or other governmental entity or agency will have passed upon the accuracy or adequacy of this Official Statement or approved the Bonds for sale.

A wide variety of information, including financial information, concerning the District is available from publications and websites of the District and others. Any such information that is inconsistent with the information set forth in this Official Statement should be disregarded. References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, such publications and websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of Rule 15c2-12 of the Securities and Exchange Commission.

The District will undertake to provide continuing disclosure as described in this Official Statement under the heading “CONTINUING DISCLOSURE” and in APPENDIX G – “FORM OF CONTINUING DISCLOSURE CERTIFICATE” all pursuant to Rule 15c2-12 of the Securities and Exchange Commission.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY ALLOW CONCESSIONS OR DISCOUNTS FROM THE INITIAL PUBLIC OFFERING PRICES TO DEALERS AND OTHERS.

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY STATEMENT	1
THE BONDS	1
Authorization and Purpose	1
Terms of the Bonds – Generally	2
Bond Registrar and Paying Agent	2
Redemption Provisions	2
Registration and Transfer When Book-Entry-Only System Has Been Discontinued	3
SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS	3
General	3
Defeasance	3
Investment of Debt Service Funds	3
STATE CONSTITUTIONAL LIMITATION ON EXPENDITURES	4
SOURCES AND USES OF FUNDS	5
ESTIMATED DEBT SERVICE REQUIREMENTS	6
LITIGATION	7
RATING	7
BOND INSURANCE AND RELATED RISK FACTORS	7
LEGAL MATTERS	8
TAX EXEMPTION	8
ORIGINAL ISSUE DISCOUNT	9
BOND PREMIUM	10
UNDERWRITING	10
RELATIONSHIP AMONG PARTIES	11
CONTINUING DISCLOSURE	11
GENERAL PURPOSE FINANCIAL STATEMENTS	11
CONCLUDING STATEMENT	12
APPENDIX A: THE DISTRICT – DISTRICT INFORMATION	
APPENDIX B: THE DISTRICT – FINANCIAL INFORMATION	
APPENDIX C: THE DISTRICT – AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025	
APPENDIX D: CITY OF CASA GRANDE, ARIZONA	
APPENDIX E: PINAL COUNTY, ARIZONA	
APPENDIX F: FORM OF APPROVING LEGAL OPINION	
APPENDIX G: FORM OF CONTINUING DISCLOSURE CERTIFICATE	
APPENDIX H: BOOK-ENTRY-ONLY SYSTEM	

[THIS PAGE INTENTIONALLY LEFT BLANK]

OFFICIAL STATEMENT

\$18,760,000*
CASA GRANDE ELEMENTARY SCHOOL DISTRICT NO. 4
OF PINAL COUNTY, ARIZONA
SCHOOL IMPROVEMENT BONDS,
PROJECT OF 2025, SERIES A (2026)

INTRODUCTORY STATEMENT

This Official Statement, which includes the cover page, inside front cover page and appendices hereto, has been prepared at the direction of Casa Grande Elementary School District No. 4 of Pinal County, Arizona (the “District”), in connection with the issuance of \$18,760,000* aggregate principal amount of bonds designated School Improvement Bonds, Project of 2025, Series A (2026) (the “Bonds”). Certain information concerning the authorization, purpose, terms, conditions of sale and sources of payment of and security for the Bonds is stated in this Official Statement. See APPENDIX A – “THE DISTRICT – DISTRICT INFORMATION” and APPENDIX B – “THE DISTRICT – FINANCIAL INFORMATION” for certain information about the District.

Reference to provisions of State of Arizona (the “State” or “Arizona”) law, whether codified in the Arizona Revised Statutes, or uncodified, or of the Arizona Constitution, are references to those current provisions. Those provisions may be amended, repealed or supplemented.

Neither this Official Statement nor any statement that may have been made orally or in writing in connection herewith is to be considered as, or as part of, a contract with the original purchasers or subsequent owners or beneficial owners of the Bonds.

THE BONDS

Authorization and Purpose

The Bonds will be issued, executed and delivered pursuant to the Arizona Constitution and the laws of the State, including particularly Title 15, Chapter 9, Article 7, Arizona Revised Statutes, a vote of the qualified electors of the District at the election held on November 4, 2025 (the “Election”), and a resolution adopted by the Governing Board of the District (the “Governing Board”) on February 25, 2026 (the “Bond Resolution”).

The Bonds represent the first installment of an aggregate voted principal amount of \$48,000,000 of school improvement bonds approved at the Election. Proceeds from the sale of the Bonds will be used for (i) constructing and making certain school improvements, (ii) purchasing technology, equipment and furniture, (iii) purchasing pupil transportation vehicles, and (iv) paying the costs of issuing the Bonds. After the issuance of the Bonds, the District will have \$28,000,000* remaining authorized but unissued voter authorization for school improvement bonds authorized at the Election.

Bonds payable from the same source as the Bonds are outstanding and additional bonds payable from the same source as the Bonds may be issued in the future pursuant to authority approved at the Election or subsequent elections in and for the District. See TABLES 1 and 14 herein for information concerning the District’s currently outstanding bonds, which are payable from the same source as the Bonds.

* *Subject to change. See footnotes (b) and (c) to TABLE 15 for a description of the treatment of certain proceeds of the Bonds and previously issued bonds for State voter authorization and debt limit purposes.*

Terms of the Bonds – Generally

The Bonds will be dated the date of delivery and will be registered only in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), under the book-entry-only system described herein (the “Book-Entry-Only System”). See APPENDIX H – “BOOK-ENTRY-ONLY SYSTEM.” The Bonds will mature on the dates and in the principal amounts and will bear interest from their dated date at the rates set forth on the inside front cover page of this Official Statement. Beneficial ownership interests in the Bonds may be purchased in amounts of \$5,000 of principal due on a specific maturity date or integral multiples thereof. Interest on the Bonds will be payable semiannually on each January 1 and July 1, commencing January 1, 2027* (each an “Interest Payment Date”), until maturity or prior redemption. The District has chosen the fifteenth day of the month preceding each Interest Payment Date as the “Record Date” for the Bonds. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

See “TAX EXEMPTION,” “ORIGINAL ISSUE DISCOUNT” and “BOND PREMIUM” herein for a discussion of the treatment of interest income on the Bonds for federal and State income tax purposes.

Bond Registrar and Paying Agent

BOKF, NA, will serve as the initial bond registrar, transfer agent and paying agent (the “Bond Registrar and Paying Agent”) for the Bonds. The District may change the Bond Registrar and Paying Agent without notice to or consent of the owners of the Bonds.

Redemption Provisions*

Optional Redemption. The Bonds maturing on or before July 1, 20__ will not be subject to redemption prior to their stated maturity dates. The Bonds maturing on or after July 1, 20__ will be subject to redemption prior to their stated maturity dates, at the option of the District, in whole or in part from maturities selected by the District on July 1, 20__, or on any date thereafter, by the payment of a redemption price equal to the principal amount of each Bond called for redemption, plus interest accrued to the date fixed for redemption but without premium.

Notice of Redemption. So long as the Bonds are held under the Book-Entry-Only System, notices of redemption will be sent to DTC in the manner required by DTC. See APPENDIX H – “BOOK-ENTRY-ONLY SYSTEM.” If the Book-Entry-Only System is discontinued, notice of redemption of any Bond will be mailed to the registered owner of the Bond or Bonds being redeemed at the address shown on the bond register maintained by the Bond Registrar and Paying Agent not more than sixty (60) nor less than thirty (30) days prior to the date set for redemption. Notice of redemption may be sent to any securities depository by mail, facsimile transmission, wire transmission or any other means of transmission of the notice generally accepted by the respective securities depository. Neither the failure of any registered owner of Bonds to receive a notice of redemption nor any defect therein will affect the validity of the proceedings for redemption of Bonds as to which proper notice of redemption was given. Notice of any redemption will also be provided as set forth in APPENDIX G – “FORM OF CONTINUING DISCLOSURE CERTIFICATE,” but no defect in said further notice or record nor any failure to give all or a portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed above.

If monies for the payment of the redemption price and accrued interest are not held in separate accounts by the District, the Pinal County, Arizona Treasurer (the “Treasurer of the County”) or the Bond Registrar and Paying Agent prior to sending the notice of redemption, such redemption shall be conditional on such monies being so held on the date set for redemption and if not so held by such date, the redemption shall be cancelled and be of no force and effect.

Effect of Redemption. On the date designated for redemption, the Bonds or portions thereof to be redeemed will become and be due and payable at the redemption price for such Bonds or portions thereof, and, if monies for payment of the redemption price are held in a separate account by the Bond Registrar and Paying Agent, interest on such Bonds or portions thereof to be redeemed will cease to accrue, such Bonds or portions thereof will cease to be entitled to any benefit or security under the Bond Resolution, the owners of such Bonds or portions thereof will have no rights in respect thereof except to receive payment of the redemption price thereof and such Bonds or portions thereof will be deemed paid and no longer outstanding. DTC’s practice is to determine by lot the amount of each Direct Participant’s (as defined in APPENDIX H – “BOOK-ENTRY-ONLY SYSTEM”) proportionate share that is to be redeemed.

* *Subject to change.*

Redemption of Less than All of a Bond. The District may redeem any amount which is included in a Bond that is subject to prior redemption in a denomination equal to or in excess of, but divisible by, \$5,000. In the event of a partial redemption, the Bond will be redeemed in accordance with DTC's procedures. In the event of a partial redemption if the Book-Entry-Only System is discontinued, the registered owner will submit the Bond for partial redemption and the Bond Registrar and Paying Agent will make such partial payment and will cause to be issued a new Bond in a principal amount which reflects the redemption so made, to be authenticated and delivered to the registered owner thereof.

Registration and Transfer When Book-Entry-Only System Has Been Discontinued

If the Book-Entry-Only System is discontinued, the Bonds will be transferred only upon the bond register maintained by the Bond Registrar and Paying Agent and one or more new Bonds, registered in the name of the transferee, of the same principal amount, maturity and rate of interest as the surrendered Bond or Bonds will be authenticated, upon surrender to the Bond Registrar and Paying Agent of the Bond or Bonds to be transferred, together with an appropriate instrument of transfer executed by the transferor if the Bond Registrar and Paying Agent's requirements for transfer are met. The Bond Registrar and Paying Agent may, but is not required to, transfer or exchange any Bonds during the period from the Record Date to and including the respective Interest Payment Date. The Bond Registrar and Paying Agent may, but is not required to, transfer or exchange any Bonds which have been selected for prior redemption. The transferor will be responsible for all transfer fees, taxes, fees and any other costs relating to the transfer of ownership of individual Bonds.

SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS

General

For the purpose of paying the principal of and interest on the Bonds and costs of administration of the Bonds, the District will be required by law to cause to be levied on all the taxable property in the District a continuing, direct, annual, *ad valorem* property tax sufficient to pay all principal, interest, and costs of administration for the Bonds as the same become due. The Bonds will be payable from such tax without limit as to rate or amount. The taxes will be levied, assessed and collected at the same time and in the same manner as other similar taxes are levied, assessed and collected. For information concerning the *ad valorem* property tax levy and collection procedures, see APPENDIX B – "THE DISTRICT – FINANCIAL INFORMATION – PROPERTY TAXES."

Defeasance

Pursuant to the Bond Resolution, payment of all or any part of the Bonds may be provided for by the irrevocable deposit, in trust, of monies or obligations issued or guaranteed by the United States of America ("Defeasance Obligations") or both, which, with the maturing principal of and interest on such Defeasance Obligations, if any, will be sufficient, as evidenced by a certificate or report of an accountant, to pay when due the principal or redemption price of and interest on such Bonds. Any Bonds so provided for will no longer be outstanding under the Bond Resolution or payable from *ad valorem* taxes on taxable property in the District, and the owners of such Bonds shall thereafter be entitled to payment only from the monies and Defeasance Obligations deposited in trust.

Investment of Debt Service Funds

Following collection and deposit of the proceeds of the taxes into a debt service fund of the District held by the Treasurer of the County (the "Debt Service Fund"), the District will instruct the Treasurer of the County, as ex officio Treasurer of the District, to invest the monies credited to the Debt Service Fund in accordance with Title 15, Chapter 9, Article 7, Arizona Revised Statutes. The District is statutorily permitted to invest monies in the Debt Service Fund only in the investments set forth in Section 15-1025, Arizona Revised Statutes, which include, with certain restrictions, bonds issued or guaranteed by the United States of America (the "United States") or any of its agencies or instrumentalities when such obligations are guaranteed as to principal and interest by the United States or by any agency or instrumentality thereof, bonds of the State or any Arizona county, city, town, or school district, certain bonds of any Arizona county, municipality or municipal district utility, certain bonds of any Arizona municipal improvement district, federally insured savings accounts or certificates of deposit, and bonds issued by federal land

banks, federal intermediate credit banks, or banks for cooperatives and certain certificates of deposit (pursuant to Section 35-323.01, Arizona Revised Statutes). All earnings derived from such investments are credited to the Debt Service Fund. The statutes governing investment of monies in the Debt Service Fund are subject to change. The District does not monitor the manner in which the Treasurer of the County invests monies in the Debt Service Fund.

Except to the extent any Bond proceeds are deposited to the Debt Service Fund and except as otherwise described above, neither the proceeds of the sale of the Bonds nor any school property of the District (including that financed with the proceeds of the sale of the Bonds) are security for, or a source of payment of principal of or interest on the Bonds.

STATE CONSTITUTIONAL LIMITATION ON EXPENDITURES

Pursuant to Article 9, Section 21 of the Arizona Constitution (the “AEL Provision”), Arizona public school districts are subject to an aggregate expenditure limitation (the “Aggregate Expenditure Limitation”), determined annually by the State Economic Estimates Commission. The aggregate expenditure of revenues described in the AEL Provision for all public school districts, determined annually by November 1 of each year by the Arizona Department of Education (“ADE”), may only exceed the Aggregate Expenditure Limitation if authorized by the State legislature (the “Legislature”) for a single fiscal year, by concurrent resolution, upon affirmative vote of two-thirds of the membership of each house of the Legislature (the “Override”) by March 1 of the fiscal year. Certain public school district revenues, including federal grants and budget overrides, are not subject to the Aggregate Expenditure Limitation. In prior fiscal years, public school districts have either not exceeded the Aggregate Expenditure Limitation or have exceeded the Aggregate Expenditure Limitation with Override authorization from the Legislature.

If the Legislature does not pass the Override (if needed) in a fiscal year, public school districts, including the District, would be required to reduce fiscal year budgeted expenditures by April 1 of such year. Each public school district is responsible for the manner in which it would deal with a required pro-rata reduction of relevant aggregate expenditures. Actions like furloughs, a hiring freeze, salary reductions, shifting from in-person to remote instruction and using available fund balances are various options considered by school districts in Arizona. There is a range of outcomes in future fiscal years that could be achieved by the District by taking some or all of the actions described in the immediately preceding sentence (or other, similar actions). Certain actions would allow the District to continue regular operations while other actions could result in significantly reduced operations of the District.

Based on a report of ADE, the Aggregate Expenditure Limitation would have been exceeded by approximately \$1.164 billion (13.83%) in fiscal year 2025/26. On June 27, 2025, the Legislature passed the Override providing public school districts with the authority to spend amounts as budgeted for the current fiscal year (2025/26) and for the next fiscal year (2026/27).

Even with the approval of the Override by the Legislature for fiscal years through 2026/27, it is expected that school districts will continue to exceed the Aggregate Expenditure Limitation in future fiscal years. The Legislature will need to pass separate Overrides in and for such future fiscal years unless, by State voter approval at a General Election to be held in November 2026 or thereafter, the AEL Provision is repealed or amended to permit a more permanent increase in the Aggregate Expenditure Limitation.

As stated elsewhere herein, the Bonds will be payable from a continuing, direct, annual ad valorem tax levied against all taxable property within the District, unlimited as to rate and amount. See “SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS.” Although the Legislature's failure to pass an Override in future fiscal years (if needed) could have the budgetary consequences described above, it would not directly affect the levy and collection of property taxes in the District, the security and source of payment for the Bonds. In addition, the Aggregate Expenditure Limitation does not apply to payment of debt service on long-term obligations of the District, including the Bonds. An investment in the Bonds should be made only after due consideration of the foregoing.

SOURCES AND USES OF FUNDS

Sources of Funds

Principal Amount	\$18,760,000.00*
[Net] Original Issue Premium (a)	<hr/>
Total Sources of Funds	<hr/> <hr/>

Uses of Funds

Deposit to Bond Building Fund	
Payment of Costs of Issuance (b)	<hr/>
Total Uses of Funds	<hr/> <hr/>

* *Subject to change.*

- (a) *Net original issue premium consists of original issue premium on the Bonds, less original issue discount on the Bonds.*
- (b) *Will include bond insurance premium, if any, and compensation and costs of the Underwriter (as defined herein) with respect to the Bonds.*

ESTIMATED DEBT SERVICE REQUIREMENTS

The following table illustrates the (i) annual debt service on the outstanding bonds of the District, (ii) estimated annual debt service on the Bonds and (iii) total estimated annual debt service on all bonds of the District outstanding after the issuance of the Bonds.

TABLE 1

**Schedule of Estimated Annual Debt Service Requirements (a)
Casa Grande Elementary School District No. 4**

Fiscal Year	Bonds Outstanding		The Bonds*		Total Estimated Annual Debt Service Requirements*
	Principal	Interest	Principal	Interest (b)	
2025/26	\$ 2,120,000	\$ 1,372,376			\$ 3,492,376
2026/27	2,350,000	1,280,656		\$ 1,063,067(c)	4,693,723
2027/28	2,600,000	1,182,248	\$ 155,000	938,000	4,875,248
2028/29	2,805,000	1,074,696	305,000	930,250	5,114,946
2029/30	2,655,000	959,464	830,000	915,000	5,359,464
2030/31	2,610,000	850,174	1,255,000	873,500	5,588,674
2031/32	1,800,000	743,250	-	810,750	3,354,000
2032/33	1,975,000	655,250	-	810,750	3,441,000
2033/34	2,105,000	559,000	-	810,750	3,474,750
2034/35	2,345,000	456,250	1,140,000	810,750	4,752,000
2035/36	2,145,000	342,500	1,200,000	753,750	4,441,250
2036/37	2,425,000	235,250	1,260,000	693,750	4,614,000
2037/38	2,280,000	114,000	1,320,000	630,750	4,344,750
2038/39			1,385,000	564,750	1,949,750
2039/40			1,455,000	495,500	1,950,500
2040/41			1,530,000	422,750	1,952,750
2041/42			1,605,000	346,250	1,951,250
2042/43			1,690,000	266,000	1,956,000
2043/44			1,770,000	181,500	1,951,500
2044/45			1,860,000	93,000	1,953,000
	<u>\$ 30,215,000</u>		<u>\$ 18,760,000</u>		

(a) Prepared by Stifel, Nicolaus & Company, Incorporated (the "Underwriter").

(b) Interest on the Bonds is estimated.

(c) The first interest payment on the Bonds will be due on January 1, 2027*. Thereafter, interest payments will be made semiannually on each July 1 and January 1 until maturity or prior redemption.

* Subject to change.

LITIGATION

No litigation or administrative action or proceeding is pending to restrain or enjoin, or seeking to restrain or enjoin, the issuance and delivery of the Bonds, the levy and collection of taxes to pay the debt service on the Bonds, to contest or question the proceedings and authority under which the Bonds have been authorized and are to be issued, sold, executed or delivered, or the validity of the Bonds. Representatives of the District will deliver a certificate to the same effect at the time of the initial delivery of the Bonds.

RATING

S&P Global Ratings, a division of Standard & Poor's Financial Services LLC ("S&P") has assigned the rating of "A" to the Bonds. Such rating reflects only the view of S&P. An explanation of the significance of a rating assigned by S&P may be obtained at One California Street, 31st Floor, San Francisco, California 94111. Such rating may be revised or withdrawn entirely at any time by S&P if, in its judgment, circumstances so warrant. Any downward revision or withdrawal of such rating may have an adverse effect on the market price or marketability of the Bonds. The District will covenant in its continuing disclosure certificate with respect to the Bonds that it will file notice of any formal change in any ratings relating to the Bonds. See "CONTINUING DISCLOSURE" and APPENDIX G – "FORM OF CONTINUING DISCLOSURE CERTIFICATE" herein.

BOND INSURANCE AND RELATED RISK FACTORS

The District intends to apply, or has applied, to bond insurance companies (each a "Bond Insurer") for a municipal bond insurance policy (the "Policy") for the Bonds to guarantee the scheduled payments of principal of and interest on the Bonds. A commitment to provide the Policy has not been issued, and representatives of the District have yet to determine whether, if such commitment is issued, the Policy will be purchased. If the Policy is purchased, the following are risk factors relating to bond insurance generally.

If the District ultimately determines to obtain the Policy for the Bonds, in the event of default of the payment of principal or interest with respect to any of the Bonds when all or some become due, any owner of the Bonds on which such principal or interest was not paid will have a claim under the Policy for such payments. In the event the Bond Insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Bonds will remain payable solely from ad valorem property taxes as described under "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS." In the event the Bond Insurer becomes obligated to make payments with respect to the Bonds, no assurance will be given that such event will not adversely affect the market price of the Bonds and the marketability (liquidity) of the Bonds.

The long-term ratings on the Bonds will be dependent in part on the financial strength of the Bond Insurer and its claims paying ability. The Bond Insurer's financial strength and claims paying ability will be predicated upon a number of factors which could change over time. No assurance will be given that the long-term rating of the Bond Insurer and of the rating on the Bonds insured by the Bond Insurer will not be subject to downgrade, and such event could adversely affect the market price of the Bonds and the marketability (liquidity) of the Bonds.

The obligations of the Bond Insurer will be general obligations of the Bond Insurer, and in an event of default by the Bond Insurer, the remedies available may be limited by applicable bankruptcy law, state receivership or other similar laws related to insolvency of insurance companies.

None of the District, the Underwriter, or their respective attorneys, agents or consultants have made independent investigation into the claims paying ability of the Bond Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Bond Insurer will be given. Thus, when making an investment decision, potential investors should carefully consider the ability of the District to pay principal of and interest on the Bonds and the claims paying ability of the Bond Insurer, particularly over the life of the investment.

LEGAL MATTERS

In connection with the issuance of the Bonds, the District will furnish the Underwriter with the approving opinion of Gust Rosenfeld P.L.C., Phoenix, Arizona, Bond Counsel (“Bond Counsel”) addressing legal matters relating to the validity of the Bonds under Arizona law, and with regard to the tax-exempt status of the interest income thereon (see “TAX EXEMPTION”). The signed legal opinion of Bond Counsel is dated and premised on the law in effect only as of the date of original delivery of the Bonds and will be delivered to the District at the time of original issuance. The fees of Bond Counsel and counsel to the Underwriter are expected to be paid from the proceeds of the sale of the Bonds and are contingent upon delivery of the Bonds.

The proposed text of the legal opinion is set forth as APPENDIX F – “FORM OF APPROVING LEGAL OPINION.” The legal opinion to be delivered may vary from the text of APPENDIX F – “FORM OF APPROVING LEGAL OPINION” if necessary to reflect the facts and law on the date of delivery. The opinion will speak only as of its date, and subsequent distribution, by recirculation of this Official Statement or otherwise, should not be construed as a representation that Bond Counsel has reviewed or expressed any opinion concerning any matters relating to the Bonds subsequent to the original delivery of the Bonds.

Bond Counsel has reviewed the information in the tax caption on the front cover page as well as the information under the headings “THE BONDS,” “SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS,” “TAX EXEMPTION,” “ORIGINAL ISSUE DISCOUNT,” “BOND PREMIUM,” “RELATIONSHIP AMONG PARTIES” (but only as it applies to Bond Counsel) and “CONTINUING DISCLOSURE” (except as it relates to the District’s compliance with prior continuing disclosure undertakings) and in APPENDICES F – “FORM OF APPROVING LEGAL OPINION” and G – “FORM OF CONTINUING DISCLOSURE CERTIFICATE” but otherwise has not participated in the preparation of this Official Statement and will not pass upon its accuracy, completeness or sufficiency. Bond Counsel has neither examined, nor attempted to examine, nor verify any of the financial or statistical statements or data contained in this Official Statement and will express no opinion with respect thereto.

Certain legal matters will be passed upon for the Underwriter by Greenberg Traurig, LLP, Phoenix, Arizona, counsel to the Underwriter.

From time to time, there are legislative proposals (and interpretations of such proposals by courts of law and other entities and individuals) which, if enacted, could alter or amend the property tax system of the State and numerous matters, both financial and non-financial, impacting the operations of school districts which could have a material impact on the District and could adversely affect the secondary market value and marketability (liquidity) of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to obligations (such as the Bonds) issued prior to enactment.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction. The rendering of an opinion also does not guarantee the outcome of any legal dispute that may arise out of the transaction.

TAX EXEMPTION

In the opinion of Bond Counsel, under existing laws, regulations, rulings and judicial decisions, and assuming continuing compliance with certain restrictions, conditions and requirements by the District, interest income on the Bonds is excludable from gross income for federal income tax purposes and is exempt from Arizona income taxes. Interest income on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the “Code”)) for the purpose of computing the alternative minimum tax imposed on certain corporations.

The Code includes requirements that the District must continue to meet after the issuance of the Bonds in order that the interest on the Bonds remains excludable from gross income for federal income tax purposes. The failure of the District to meet these requirements may cause the interest on the Bonds to be includable in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District has covenanted to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of the interest on the Bonds. The opinion of Bond Counsel assumes continuing compliance with such covenants.

Although Bond Counsel will render an opinion that, as of the delivery date of the Bonds, interest income on the Bonds is excludable from gross income for federal income tax purposes, the accrual or receipt of interest on the Bonds may otherwise affect a Beneficial Owner's (as defined in APPENDIX H – "BOOK-ENTRY-ONLY SYSTEM") federal tax liability. Certain taxpayers may experience other tax consequences. Taxpayers who become Beneficial Owners of the Bonds, including without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain subchapter S corporations, individuals who receive Social Security or Railroad Retirement benefits and taxpayers who have or are deemed to have incurred indebtedness to purchase or carry tax exempt obligations, should consult their tax advisors as to the applicability of such tax consequences to the respective Beneficial Owner. The nature and extent of these other tax consequences will depend upon the Beneficial Owner's particular tax status and the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

From time to time, there are legislative proposals in Congress, which, if enacted or made effective, could alter or amend the federal tax matters referred to above or adversely affect the market value and marketability (liquidity) of the Bonds. Any such change that occurs before initial delivery of the Bonds could cause Bond Counsel to deliver an opinion substantially different from the opinion shown in APPENDIX F – "FORM OF APPROVING LEGAL OPINION." The extent of change in Bond Counsel's opinion cannot be determined at this time. It cannot be predicted whether, when or in what form any such proposal or proposals might be enacted or whether, if enacted, such proposal or proposals would apply to obligations (such as the Bonds) issued prior to the enactment or effective date. Prospective purchasers should consult with their own tax advisors regarding any other pending or proposed federal income tax legislation.

ORIGINAL ISSUE DISCOUNT

The initial public offering prices of the Bonds maturing on July 1, 20__ through and including July 1, 20__ (collectively, the "Discount Bonds"), are less than the respective amounts payable at maturity. As a result, the Discount Bonds will be considered to be issued with original issue discount. The difference between the initial public offering price (assuming it is the first price at which a substantial amount of that maturity of Discount Bonds was sold (the "OID Issue Price")) of the Discount Bonds and the amount payable at maturity of the Discount Bonds will be treated as "original issue discount." With respect to a Beneficial Owner who purchases a Discount Bond in the initial public offering at the OID Issue Price and who holds the Discount Bond to maturity, the full amount of original issue discount will constitute interest income which is not includable in the gross income of the Beneficial Owner of the Discount Bond for federal income tax purposes and Arizona income tax purposes and that Beneficial Owner will not, under present federal income tax law and present Arizona income tax law, realize a taxable capital gain upon payment of the Discount Bond at maturity.

The original issue discount on each of the Discount Bonds is treated for federal income tax purposes and Arizona income tax purposes as accreting daily over the term of such Discount Bond on the basis of a constant interest rate compounded at the end of each six-month period (or shorter period from the date of original issue) ending on January 1 and July 1 (with straight-line interpolation between compounding dates).

The amount of original issue discount accreting each period will be added to the Beneficial Owner's tax basis for the Discount Bond. The adjusted tax basis will be used to determine taxable gain or loss upon disposition of the Discount Bond. An initial Beneficial Owner of a Discount Bond who disposes of the Discount Bond prior to maturity should consult his or her tax advisor as to the amount of the original issue discount accrued over the period held and the amount of taxable gain or loss upon the sale or disposition of the Discount Bond prior to maturity.

The Code contains certain provisions relating to the accretion of original issue discount in the case of subsequent Beneficial Owners of the Discount Bonds. Beneficial Owners who do not purchase the Discount Bonds in the initial offering at the OID Issue Price should consult their own tax advisors with respect to the tax consequences of the ownership of Discount Bonds.

A portion of the original issue discount that accretes in each year to a Beneficial Owner of a Discount Bond may result in certain collateral federal income tax consequences as described in "TAX EXEMPTION" herein.

Beneficial Owners of Discount Bonds in states other than Arizona should consult their own tax advisors with respect to the state and local tax consequences of owning Discount Bonds.

BOND PREMIUM

The initial public offering prices of the Bonds maturing on July 1, 20__ through and including July 1, 20__ (collectively, the "Premium Bonds") are greater than the amount payable on such Premium Bonds at maturity. An amount equal to the difference between the initial public offering price of a Premium Bond (assuming that a substantial amount of the Premium Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes premium to the initial Beneficial Owner of such Premium Bonds. The basis for federal income tax purposes of a Premium Bond in the hands of such initial Beneficial Owner must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Bond. The amount of premium which is amortizable each year by an initial Beneficial Owner is determined by using such Beneficial Owner's yield to maturity. Beneficial Owners of the Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium with respect to the Premium Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning Premium Bonds.

UNDERWRITING

The Bonds will be purchased by the Underwriter at an aggregate purchase price of \$_____, pursuant to a bond purchase agreement (the "Purchase Contract") entered into by and between the District and the Underwriter. If the Bonds are sold to produce the yields shown on the inside front cover page hereof, the Underwriter's compensation will be \$_____. The Purchase Contract provides that the Underwriter will purchase all of the Bonds so offered if any are purchased. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into unit investment trusts) and others at yields lower than the public offering yields stated on the inside front cover page hereof. The initial offering yields set forth on the inside front cover page may be changed, from time to time, by the Underwriter without amendment of the Official Statement.

The Underwriter and its affiliates comprise a full service financial institution engaged in activities which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Underwriter and its affiliates may have provided, and may in the future provide, a variety of these services to the District and to persons and entities with relationships with the District, for which they received or will receive customary fees and expenses.

In the ordinary course of these business activities, the Underwriter and its affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the District (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the District.

The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire such assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the District.

RELATIONSHIP AMONG PARTIES

Bond Counsel has previously represented, and is currently representing, the Underwriter with respect to other financings and has acted or is acting as bond counsel with respect to other bonds underwritten by the Underwriter and may do so in the future. Bond Counsel also serves and has served as bond counsel for one or more of the political subdivisions that the District territorially overlaps. Counsel to the Underwriter has previously acted as bond counsel with respect to other bonds underwritten by the Underwriter and may continue to do so in the future if requested.

CONTINUING DISCLOSURE

The District will covenant for the benefit of the owners of the Bonds to provide certain financial information and operating data relating to the District by not later than February 1 in each year commencing February 1, 2027 (the “Annual Reports”), and to provide notices of the occurrence of certain enumerated events (the “Notices of Listed Events”). The Annual Reports, the Notices of Listed Events and any other document or information required to be filed by the District as such will be filed with the Municipal Securities Rulemaking Board (the “MSRB”) through the MSRB’s Electronic Municipal Market Access system (“EMMA”), each as described in APPENDIX G – “FORM OF CONTINUING DISCLOSURE CERTIFICATE.” The specific nature of the information to be contained in the Annual Reports and the Notices of Listed Events is also set forth in APPENDIX G – “FORM OF CONTINUING DISCLOSURE CERTIFICATE.” These covenants will be made in order to assist the Underwriter in complying with the Securities and Exchange Commission’s Rule 15c2-12(b)(5) (the “Rule”). A failure by the District to comply with these covenants must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price. *Pursuant to Arizona Law, the ability of the District to comply with such covenants will be subject to annual appropriation of funds sufficient to provide for the costs of compliance with such covenants.* Should the District not comply with such covenants due to a failure to appropriate for such purpose, the District has covenanted to provide notice of such fact to the MSRB through EMMA. Absence of continuing disclosure, due to non-appropriation or otherwise, could adversely affect the Bonds, specifically their market price and transferability.

The District did not timely file (i) notice of the incurrence of a material financial obligation in 2022, or (ii) the required annual financial information and operating data for the fiscal year ended June 30, 2024. The District has implemented procedures to facilitate compliance with its continuing disclosure undertakings in all material respects.

GENERAL PURPOSE FINANCIAL STATEMENTS

The annual comprehensive financial report of the District for the fiscal year ended June 30, 2025, a copy of which is included in APPENDIX C – “THE DISTRICT – AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025” of this Official Statement, includes the District’s financial statements for the fiscal year ended June 30, 2025 that were audited by Advisent Assurance, LLP, a certified public accounting firm, to the extent indicated in its report thereon. **The District has not requested the consent of Advisent Assurance, LLP to include its report and Advisent Assurance, LLP has performed no procedures subsequent to rendering its report on the financial statements.**

THE FINANCIAL STATEMENTS INCLUDED IN APPENDIX C OF THIS OFFICIAL STATEMENT ARE CURRENT AS OF THEIR DATE ONLY AND MAY NOT REPRESENT THE CURRENT FINANCIAL CONDITION OF THE DISTRICT.

CONCLUDING STATEMENT

To the extent that any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated to be such, they are made as such and not as representations of fact or certainty, and no representation is made that any of these statements have been or will be realized. All forecasts, projections, opinions, assumptions or estimates are “forward looking statements” that must be read with an abundance of caution and that may not be realized or may not occur in the future. All financial and other information in this Official Statement has been derived by the District from official records and other sources and is believed by the District to be accurate and reliable. Information other than that obtained from official records of the District has been identified by source and has not been independently confirmed or verified by the District and its accuracy is not guaranteed. The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historic information and is not intended to indicate future or continuing trends in the financial position or other affairs of the District. No representation is made that past experience, as is shown by that financial and other information, will necessarily continue or be repeated in the future.

CASA GRANDE ELEMENTARY SCHOOL DISTRICT NO. 4
OF PINAL COUNTY, ARIZONA

By: _____
President of the Governing Board

**THE DISTRICT –
DISTRICT INFORMATION**

General Information

The District lies in the west-central portion of Pinal County, Arizona (the “County”) about 45 miles southeast of downtown Phoenix, Arizona. The District encompasses approximately 400 square miles and serves an estimated population of 79,270. The District overlaps the City of Casa Grande, Arizona (the “City”) and small portions of land within the City of Eloy, Arizona and the City of Maricopa, Arizona. See APPENDIX D for information specific to the City. See APPENDIX E for information specific to the County.

Enrollment

The following table illustrates the current and historical average daily membership of the District’s student population.

TABLE 2
AVERAGE DAILY MEMBERSHIP
Casa Grande Elementary School District No. 4

Fiscal Year	A.D.M. (a)
2025/26	6,184
2024/25	6,165
2023/24	6,174
2022/23	6,127
2021/22	6,026

(a) *A.D.M. means average daily membership and is computed by taking the average number of students enrolled over the first 100 days of the school year, with students that are concurrently enrolled in Local Education Agencies being counted on a fractional basis for purposes of determining the District’s A.D.M.*

Source: The Arizona Department of Education and the District.

Facilities

The District operates the following schools:

TABLE 3
SCHOOL FACILITIES
Casa Grande Elementary School District No. 4

Facility	Grade Range
Early Childhood Learning Center	Preschool
Cholla Elementary School	K – 5
Cottonwood Elementary School	K – 5
Desert Willow Elementary School	K – 5
Ironwood Elementary School	K – 5
McCartney Ranch Elementary School	K – 5
Mesquite Elementary School	K – 5
Palo Verde Elementary School	K – 5
Saguaro Elementary School	K – 5
Center for Online and Innovative Learning	K – 8
Cactus Middle School	6 – 8
Casa Grande Middle School	6 – 8
Villago Middle School	6 – 8

Administration and Governance

The District has 42 principals and administrators, 348 certified teachers and 558 classified support personnel. This provides the District with a student-teacher ratio of approximately 25:1.

The District is governed by a five-member Governing Board and administered by one Superintendent. The members of the Governing Board of the District are elected at large from the District for four-year terms on a staggered basis. The present members of the Governing Board of the District are:

TABLE 4
GOVERNING BOARD
Casa Grande Elementary School District No. 4

- Blanca Varela, President*
- Adelphia Sisson, President Pro Tem*
- Craig McFarland, Member*
- Jerry Stabley, Member*
- Bruce Schutt, Member*

Information Related to Potential Community Reinvestment Act Credit

The Community Reinvestment Act (the “CRA”) is federal legislation that is intended to encourage depository institutions to help meet the credit needs of low and moderate income neighborhoods. Performance for purposes of the CRA is evaluated in a number of ways including credits for investment (including by purchasing municipal bonds) in areas that provide free or reduced-price school meals through the National School Lunch Program to eligible students who participate in certain federal assistance programs (including the Supplemental Nutrition Assistance Program).

The table below shows schools of the District where at least 50% of the students are eligible for free or reduced-price school meals through the National School Lunch Program. Such eligibility information is the most recent available for the District, is not current and therefore must be considered with an abundance of caution.

TABLE 5

**NATIONAL SCHOOL LUNCH PROGRAM
Casa Grande Elementary School District No. 4**

Facility	Eligibility Percent (a)
Cactus Middle School	≥98%
Casa Grande Middle School	≥98
Cholla Elementary School	≥98
Cottonwood Elementary School	≥98
Ironwood Elementary School	≥98
McCartney Ranch Elementary School	≥98
Mesquite Elementary School	≥98
Palo Verde Elementary School	≥98
Saguaro Elementary School	≥98
Desert Willow Elementary School	91
Villago Middle School	91
Center for Online and Innovative Learning	76

No representation is made as to the status of any investment in the Bonds as it might affect performance by any depository institution under the CRA.

(a) *Based on claim data for the month of October as reported by school food authorities. School year 2025/26 eligibility data published as of January 6, 2026.*

Source: *Free and Reduced-Price Percentage Report School Year 2025/26, Arizona Department of Education Health and Nutrition Services.*

[THIS PAGE INTENTIONALLY LEFT BLANK]

**THE DISTRICT –
FINANCIAL INFORMATION**

PROPERTY TAXES

As described under the heading “SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS,” the District will be required by law to cause to be levied on all the taxable property in the District a continuing, direct, annual, *ad valorem* property tax sufficient to pay all principal, interest, and costs of administration for the Bonds as the same become due. The State’s *ad valorem* property tax levy and collection procedures are summarized under this heading “PROPERTY TAXES.”

Taxable Property

Real property and improvements and personal property are either valued by the Assessor of the County or the Arizona Department of Revenue (the “Department of Revenue”). Property valued by the Assessor of the County is referred to as “locally assessed” property and generally encompasses residential, agricultural and traditional commercial and industrial property. Property valued by the Department of Revenue is referred to as “centrally valued” property and generally includes large mine and utility entities.

Locally assessed property is assigned two values: Full Cash Value and Limited Property Value (both as defined herein). Centrally valued property is assigned one value: Full Cash Value.

Full Cash Value

In the context of a specific property parcel, full cash value (“Full Cash Value”) is statutorily defined to mean “the value determined as prescribed by statute” or if a statutory method is not prescribed it is “synonymous with market value, which means the estimate of value that is derived annually by using standard appraisal methods and techniques,” which generally include the market approach, the cost approach and the income approach. In valuing locally assessed property, the Assessor of the County generally uses a cost approach to value commercial/industrial property and a market approach to value residential property. In valuing centrally valued property, the Department of Revenue begins generally with information provided by taxpayers and then applies procedures provided by State law. State law allows taxpayers to appeal such Full Cash Values by providing evidence of a lower value, which may be based upon another valuation approach. Full Cash Value is used as the ceiling for determining Limited Property Value. Unlike Limited Property Value, increases in Full Cash Value are not limited.

Limited Property Value

In the context of a specific property parcel, limited property value (“Limited Property Value”) is a property value determined pursuant to the Arizona Constitution and Arizona Revised Statutes. Except as described in the next sentence, for locally assessed property in existence in the prior year, Limited Property Value is limited to the lesser of Full Cash Value or an amount 5% greater than Limited Property Value determined for the prior year for such specific property parcel. In the following circumstances, Limited Property Value is established at a level or percentage of Full Cash Value that is comparable to that of other properties of the same or a similar use or classification: property that was erroneously totally or partially omitted from the property tax rolls in the preceding tax year, except as a result of the matters described in this sentence; property for which a change in use has occurred since the preceding tax year and property that has been modified by construction, destruction, or demolition since the preceding valuation year such that the total value of the modification is equal to or greater than fifteen percent of the Full Cash Value. (Limited Property Value of property that has been split, subdivided or consolidated varies depending on when the change occurred.) A separate Limited Property Value is not provided for centrally valued property.

Full Cash Value and Limited Property Value for Taxing Jurisdictions

The Full Cash Value in the context of a taxing jurisdiction is the sum of the Full Cash Value associated with each parcel of property in the jurisdiction. Full Cash Value of the jurisdiction is the basis for determining constitutional and statutory debt limits for certain political subdivisions in Arizona, including the District.

The Limited Property Value in the context of a taxing jurisdiction is the sum of the Limited Property Value associated with each parcel of locally assessed property within the jurisdiction plus the sum of the Full Cash Value associated with each parcel of centrally valued property within the jurisdiction. Limited Property Value of the jurisdiction is used as the basis for levying both primary and secondary taxes. See “Primary Taxes” and “Secondary Taxes” below.

Property Classification and Assessment Ratios

All property, both real and personal, is assigned a classification (defined by property use) and related assessment ratio that is multiplied by the Limited Property Value or Full Cash Value of the property, as applicable, to obtain the “Limited Assessed Property Value” and the “Full Cash Assessed Value,” respectively.

The assessment ratios for each property classification are set forth by tax year in the following table.

TABLE 6

Property Tax Assessment Ratios (Tax Year)

Property Classification (a)	2021	2022	2023	2024	2025
Mining, utilities, commercial and industrial (b)	18%	17.5%	17%	16.5%	16%
Agricultural and vacant land	15	15	15	15	15
Owner occupied residential	10	10	10	10	10
Leased or rented residential	10	10	10	10	10
Railroad, private car company and airline flight property (c)	15	15	14	14	13

- (a) *Additional classes of property exist, but seldom amount to a significant portion of a municipal body’s total valuation.*
- (b) *The assessment ratio for this property classification decreased to 15.5% for tax year 2026 and will decrease to 15% for each tax year thereafter.*
- (c) *This percentage is determined annually pursuant to Section 42-15005, Arizona Revised Statutes.*

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

Primary Taxes

Per State statute, taxes levied for the maintenance and operation of counties, cities, towns, school districts, community college districts and the State are “primary taxes.” Primary taxes are levied against Net Limited Assessed Property Value (as defined herein). “Net Limited Assessed Property Value” is determined by excluding the value of property exempt from taxation from Limited Assessed Property Value of locally assessed property and from Full Cash Assessed Value of centrally valued property and combining the resulting two amounts.

The primary taxes levied by each county, city, town and community college district are constitutionally limited to a maximum increase of 2% over the maximum allowable prior year’s levy limit plus any taxes on property not subject to taxation in the preceding year (e.g., new construction and property brought into the jurisdiction because of annexation). The 2% limitation does not apply to primary taxes levied on behalf of school districts.

The combined taxes on owner occupied residential property only, for purposes other than voter-approved bond indebtedness and overrides and certain special district assessments, are constitutionally limited to 1% of the Limited Property Value of such property. This constitutional limitation on the combined tax levies for owner occupied residential property is implemented by reducing the school district's taxes. To offset the effects of reduced school district property taxes, the State compensates the school district by providing additional State aid.

Secondary Taxes

Per State statute, taxes levied for payment of bonds like the Bonds, voter-approved budget overrides, the maintenance and operation of special purpose districts such as sanitary, fire, road improvement, water conservation and career technical education districts, and taxes levied by school districts for qualified desegregation expenditures are "secondary taxes." Like primary taxes, secondary taxes are also levied against Net Limited Assessed Property Value. There is no constitutional or statutory limitation on annual levies for voter-approved bond indebtedness and overrides and certain special district assessments.

Calculating Debt Limitations

Net Full Cash Assessed Value is determined by excluding the value of property exempt from taxation from Full Cash Assessed Value of both locally assessed and centrally valued property and combining the resulting two amounts. Net Full Cash Assessed Value is the basis for determining bonded debt limitations for certain political subdivisions in Arizona, including the District.

Tax Procedures

The State tax year has been defined as the calendar year, notwithstanding the fact that tax procedures begin prior to January 1 of the tax year and continue through May of the succeeding calendar year.

On or before the third Monday in August each year the Board of Supervisors of the County prepares the tax roll setting forth certain valuations by taxing district of all property in the County subject to taxation. The tax roll is then forwarded to the Treasurer of the County. (The Assessor of the County is required to have completed the assessment roll by December 20th of the year prior to the levy. This roll identifies the valuation and classification of each parcel located within the County for the tax year.)

Property owners may file an appeal with the Assessor of the County to request a review of the Assessor of the County's determination of the Full Cash Value and legal classification of their property. Once the appeals process is complete, the Assessor of the County, if necessary, corrects the tax roll based upon the appeal decisions and sends the corrected values to each taxing jurisdiction (cities, school districts, including the District, community colleges and special districts such as fire and health).

With the various budgetary procedures having been completed by the governmental entities, the appropriate tax rate for each jurisdiction is then levied upon each non-exempt parcel of property in order to determine the total tax owed by each property owner. Any subsequent decrease in the value of the tax roll due to appeals through the process described above or other reasons reduces the amount of taxes received by each jurisdiction.

On occasion, it may be determined that a taxpayer or class of taxpayers is due a property tax refund associated with a successful appeal. These refunds may be for a single year or several years and may range widely in amount. Generally, these refunds are paid by the treasurer of the appropriate county with amounts received from the underlying taxing jurisdictions which, in most cases, may levy an additional property tax in the following year to account for that underlying taxing jurisdiction's portion of the taxpayer refund. Importantly, in most cases, taxpayer refunds of this type are not the ultimate burden of the underlying taxing jurisdiction, as the underlying taxing jurisdictions levied a tax in an amount which was based on the approved (i.e., pre-appeal) property tax levy. Refunds do not change the amount of revenue the underlying taxing jurisdictions are eligible to receive for the affected fiscal years, but such refunds do change the distribution of the burden of the property taxes among the taxpayers. This is reconciled by the underlying taxing jurisdictions levying for the refunded amounts in a subsequent year.

The property tax lien on real property attaches on January 1 of the year the tax is levied. Such lien is prior and superior to all other liens and encumbrances on the property subject to such tax except liens or encumbrances held by the State or liens for taxes accruing in any other years. Set forth below is a record of property taxes levied and collected in the District for a portion of the current fiscal year and all of the previous five fiscal years.

TABLE 7

**Property Taxes Levied and Collected (a)
Casa Grande Elementary School District No. 4**

Fiscal Year	Primary and Secondary Tax Rate	Adopted District Tax Levy	Collected to June 30th of Initial Fiscal Year		Adjusted District Tax Levy as of 2/23/2026	Cumulative Collections to February 23, 2026	
			Amount	% of Levy		Amount	% of Adj. Levy
2025/26	\$ 2.8363	\$ 18,412,525	(b)	(b)	\$ 18,412,525	\$ 11,371,972	61.76%
2024/25	2.7128	16,517,236	\$ 16,006,505	96.91%	16,458,623	16,167,134	98.23
2023/24	3.0363	16,734,030	16,279,144	97.28	16,646,116	16,533,091	99.32
2022/23	3.1409	16,035,684	15,555,908	97.01	15,738,737	15,676,352	99.60
2021/22	3.4717	16,318,463	15,851,081	97.14	16,207,819	16,165,432	99.74
2020/21	3.4102	14,902,888	14,574,356	97.80	14,962,159	14,926,545	99.76

(a) *Taxes are collected by the Treasurer of the County. Taxes are levied by the Board of Supervisors of the County as required by Arizona Revised Statutes. Delinquent taxes are subject to an interest and penalty charge of 16% per annum, which is prorated at a monthly rate of 1.33%. Interest and penalty collections for delinquent taxes are not included in the collection figures above, but are deposited in the County's General Fund. Interest and penalties with respect to the first half tax collections (delinquent November 1) are waived if the full year's taxes are paid by December 31.*

In November 2023, voters in the District authorized the District to continue to exceed its statutorily prescribed maintenance and operation budget limit by an amount not to exceed 10% of the prescribed limit. The authorization extends for seven years, began in fiscal year 2024/25, and in the sixth (fiscal year 2029/30) and seventh (fiscal year 2030/31) years, the amount by which the prescribed budget limit may be exceeded will be limited to 6.67% and 3.33%, respectively. If voters do not authorize the District by fiscal year 2028/29 to continue to exceed its statutorily prescribed maintenance and operation budget limit, the District will have to decrease its budgeted expenditures in the fiscal years that follow. Tax rates for corresponding years include amounts available for this override.

(b) *2025/26 taxes in course of collection:
First installment due 10-01-25, delinquent 11-01-25;
Second installment due 03-01-26, delinquent 05-01-26.*

Source: The Office of Budget and Finance of the County.

SRP In Lieu Contribution

SPECIAL NOTE: The assessed value of property owned by the Salt River Project Agricultural Improvement and Power District (“SRP”) is not included in the assessed value of the District in the prior table or in any other valuation information set forth in this Official Statement. Because of SRP’s quasi-governmental nature, property owned by SRP is exempt from property taxation.

However, SRP may elect each year to make voluntary contributions in lieu of property taxes with respect to certain of its electrical facilities (the “SRP Electric Plant”). If SRP elects to make the in lieu contribution for the year, the Full Cash Value of the portion of the SRP Electric Plant located within the District and the in lieu contribution amount is determined in the same manner as the Full Cash Value and property taxes owed is determined for similar non-governmental public utility property, with certain special deductions.

If SRP elected not to make such contributions, the District would be required to contribute funds from other sources or levy an increased tax rate on all other taxable property to provide sufficient amounts to pay debt service on the Bonds. If after electing to make the in lieu contribution, SRP then failed to make the in lieu contribution when due, the Treasurer of the County and the District have no recourse against the property of SRP and there may be a delay in the payment of that portion of the debt service on the Bonds that would have been paid by SRP’s in lieu contribution.

Since 1964, when the in lieu contribution was originally authorized by the Arizona Revised Statutes, SRP has always elected to make the in lieu contribution. The fiscal year 2025/26 Net Limited Assessed Property Value equivalent of SRP within the District is \$28,066,880 which represents approximately 3.75% of the combined fiscal year 2025/26 Net Limited Assessed Property Value in the District. The estimated fiscal year 2026/27 Net Limited Assessed Property Value equivalent of SRP within the District is \$26,621,000 which represents approximately 3.57% of the combined estimated fiscal year 2026/27 Net Limited Assessed Property Value in the District.

Delinquent Tax Procedures

The property taxes due the District are billed, along with State and other taxes, each September and are due and payable in two installments on October 1 and March 1 and become delinquent on November 1 and May 1, respectively. Delinquent taxes are subject to an interest penalty of 16% per annum prorated monthly as of the first day of each subsequent month. (Delinquent interest is waived if a taxpayer, delinquent as to the November 1 payment, pays the entire year’s tax bill by December 31.) After the close of the tax collection period, the Treasurer of the County prepares a delinquent property tax list and the property so listed is subject to a tax lien sale in February of the succeeding year. In the event that there is no purchaser for the tax lien at the sale, the tax lien is assigned to the State, and the property is reoffered for sale from time to time until such time as it is sold, subject to redemption, for an amount sufficient to cover all delinquent taxes.

After three years from the sale of the tax lien, the tax lien certificate holder may bring an action in a court of competent jurisdiction to foreclose the right of redemption and, if the delinquent taxes plus accrued interest are not paid by the owner of record or any entity having a right to redeem, a judgment is entered ordering the Treasurer of the County to deliver a treasurer’s deed to the certificate holder as prescribed by law.

Chapter 176, Laws of Arizona 2024 (commonly referred to by its original bill number as “SB 1431”) revises the redemption and foreclosure process for tax lien certificate holders whereby a delinquent taxpayer may request an entry of judgment directing the sale of the property for excess proceeds. If a delinquent taxpayer requests an excess proceeds sale, and an entry of judgment is granted to direct such excess proceeds sale, a tax lien certificate holder’s potential financial return on the subject tax lien eligible for foreclosure may decrease relative to the tax lien certificate holder’s potential financial return on such tax lien prior to the enactment of SB 1431. Therefore, in connection with the new excess proceeds sale process instituted by SB 1431, it is reasonable to conclude that “tax sale investors” may be less willing to purchase tax liens. The effective date of SB 1431 was September 14, 2024. None of the District, the Underwriter or the counsel or agents of either of them, are able to determine or predict what impact, if any, SB 1431 will have on property tax collections in the District.

In the event of bankruptcy of a taxpayer pursuant to the United States Bankruptcy Code (the “Bankruptcy Code”), the law is currently unsettled as to whether a lien can attach against the taxpayer’s property for property taxes levied during the pendency of bankruptcy. Such taxes might constitute an unsecured and possibly non-interest bearing administrative expense payable only to the extent that the secured creditors of a taxpayer are oversecured, and then possibly only on the prorated basis with other allowed administrative claims. It cannot be determined, therefore, what adverse impact bankruptcy might have on the ability to collect *ad valorem* taxes on property of a taxpayer within the District. Proceeds to pay such taxes come only from the taxpayer or from a sale of the tax lien on delinquent property.

When an owner of land or property within the District (a “debtor”) files or is forced into bankruptcy, any act to obtain possession of the debtor’s estate, any act to create or perfect any lien against the property of the debtor or any act to collect, assess or recover a claim against the debtor that arose before the commencement of the bankruptcy is stayed pursuant to the Bankruptcy Code. While the automatic stay of a bankruptcy court may not prevent the sale of tax liens against the real property of a bankrupt taxpayer, the judicial or administrative foreclosure of a tax lien against the real property of a debtor would be subject to the stay of bankruptcy court. It is reasonable to conclude that “tax sale investors” may be reluctant to purchase tax liens under such circumstances, and, therefore, the timeliness of the payment of post-bankruptcy petition tax collections becomes uncertain.

It cannot be determined what impact any deterioration of the financial conditions of any taxpayer, whether or not protection under the Bankruptcy Code is sought, may have on payment of or the secondary market for the Bonds. None of the District, the Underwriter or their respective agents or consultants has undertaken any independent investigation of the operations and financial condition of any taxpayer, nor have they assumed responsibility for the same.

In the event the County is expressly enjoined or prohibited by law from collecting taxes due from any taxpayer, such as may result from the bankruptcy of a taxpayer, any resulting deficiency could be collected in subsequent tax years by adjusting the District’s tax rate charged to non-bankrupt taxpayers during such subsequent tax years.

ASSESSED VALUATIONS AND TAX RATES

TABLE 8

**Direct and Overlapping Net Limited Assessed Property Values and Tax Rates
Per \$100 Net Limited Assessed Property Valuation**

Overlapping Jurisdiction	2025/26 Net Limited Assessed Property Value	2025/26 Combined Primary and Secondary Tax Rates Per \$100 Net Limited Assessed Property Value
State of Arizona	\$ 92,371,826,506	None
Pinal County	4,073,510,893	\$ 3.3630
Pinal County Community College District	4,073,510,893	1.7611
Pinal County Fire District Assistance Tax	4,073,510,893	0.0519
Pinal County Library District	4,073,510,893	0.0890
Pinal County Flood Control District (a)	3,594,801,512	0.1620
Central Arizona Water Conservation District (b)	4,073,510,893	0.1400
City of Casa Grande	620,876,547	1.3797
City of Eloy	160,178,721	0.9769
City of Maricopa	510,880,851	4.0723
Copper Mountain Ranch Community Facilities District	857,390	0.3000
Mission Royale Community Facilities District	43,368,567	1.1530
Post Ranch Community Facilities District	36,096	0.3000
Villago Community Facilities District	23,961,322	0.8204
Electrical District No. 3	567,155,905	0.2116
Eloy Fire District	161,053,154	2.1436
Maricopa Volunteer Fire District	511,359,493	None
Maricopa Flood Control District	435,853,779	0.1964
Midway Flood Control District	34,156,038	0.6400
Stanfield Flood Control District	2,428,328	2.5218
Desert Vista Sanitary District	1,039,957	None
Central Arizona Valley Institute of Technology	2,609,073,521	0.0500
Casa Grande Union High School District No. 82	913,308,025	2.4090
Casa Grande Elementary School District No. 4	719,801,343	2.8363

(a) *The assessed value of the Pinal County Flood Control District does not include the personal property assessed valuation of the County.*

(b) *Value shown for the Central Arizona Water Conservation District covers only the County portion of such District. (See footnote (b) following TABLE 17.)*

Source: *Property Tax Rates and Assessed Values*, Arizona Tax Research Association and Assessor and Office of Budget and Finance of the County.

TABLE 9

**Net Limited Assessed Property Value by Property Classification
Casa Grande Elementary School District No. 4**

Class	2025/26	2024/25	2023/24	2022/23	2021/22
Commercial, industrial, utilities & mines	\$ 255,584,067	\$ 292,077,398	\$ 228,542,561	\$ 207,421,358	\$ 192,465,877
Agricultural and vacant	53,191,583	48,885,982	50,492,164	46,485,957	47,465,200
Residential (owner occupied)	248,717,081	223,152,957	196,844,845	176,500,723	157,222,942
Residential (rental)	126,983,456	117,322,605	105,743,748	93,845,865	86,097,917
Railroad	1,773,918	2,066,961	2,690,151	4,046,783	3,720,963
Historical property	33,537,264	18,369,786	12,531,007	13,139,324	8,130,531
Certain government property improvements	13,974	13,328	12,569	11,966	5,181
Totals (a)	<u>\$ 719,801,343</u>	<u>\$ 701,889,017</u>	<u>\$ 596,857,045</u>	<u>\$ 541,451,976</u>	<u>\$ 495,108,611</u>

(a) Totals may not add up due to rounding.

Source: *State and County Abstract of the Assessment Roll*, Arizona Department of Revenue and Office of Budget and Finance of the County.

TABLE 10

**Net Limited Assessed Property Value of Major Taxpayers
Casa Grande Elementary School District No. 4**

<u>Major Taxpayer (a) (b)</u>	2025/26 Net Limited Assessed Property Value	As % of 2025/26 Net Limited Assessed Property Value
Lucid USA Inc.	\$ 33,533,319	4.66%
Arizona Public Service Company	20,577,574	2.86
Kohler Co.	18,249,188	2.54
Southwest Gas Corporation	9,513,537	1.32
Arizona Water Company	7,824,819	1.09
Wal-Mart Stores East LP	7,540,297	1.05
Abbott Manufacturing Inc.	5,781,778	0.80
Frito Lay Sales Inc.	5,437,241	0.76
Hexcel Corporation	3,918,207	0.54
BVKV Casa Grande Owner LLC	3,884,994	0.54
	<u>\$ 116,260,954</u>	<u>16.15%</u>

(a) *Some of such taxpayers or their parent corporations are subject to the informational requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith file reports, proxy statements and other information with the Securities and Exchange Commission (the "Commission"). Such reports, proxy statements and other information (collectively, the "Filings") may be inspected, copied and obtained at prescribed rates at the Commission's public reference facilities at 100 F Street, N.E., Washington, D.C. 20549-2736. In addition, the Filings may also be inspected at the offices of the New York Stock Exchange at 20 Broad Street, New York, New York 10005. The Filings may also be obtained through the Internet on the Commission's EDGAR database at <http://www.sec.gov>. No representatives of the District, the Underwriter, Bond Counsel or counsel to the Underwriter have examined the information set forth in the Filings for accuracy or completeness, nor do they assume responsibility for the same.*

(b) *See "SRP In Lieu Contribution" section for description of SRP property value equivalent and voluntary contributions in lieu of property taxes.*

Source: The Assessor of the County.

TABLE 11

Comparative Net Limited Assessed Property Values

Fiscal Year	Casa Grande Elementary School District No. 4	Casa Grande Union High School District No. 82	City of Casa Grande	Pinal County	State of Arizona
2025/26	\$ 719,801,343	\$ 913,308,025	\$ 620,876,547	\$ 4,073,510,893	\$92,371,826,506
2024/25	701,889,017	883,692,712	609,599,786	3,772,917,917	88,425,611,337
2023/24	596,857,045	760,575,400	512,153,486	3,390,905,658	83,026,514,349
2022/23	541,451,976	693,268,058	456,184,217	3,118,901,158	78,405,598,978
2021/22	495,108,611	632,872,977	420,766,033	2,868,880,625	74,200,233,397

Source: *State and County Abstract of the Assessment Roll*, Arizona Department of Revenue, *Property Tax Rates and Assessed Values*, Arizona Tax Research Association and Office of Budget and Finance of the County.

TABLE 12

**Estimated Net Full Cash Value History
Casa Grande Elementary School District No. 4**

Fiscal Year	Estimated Net Full Cash Value (a)
2025/26	\$ 9,354,635,226
2024/25	9,769,013,974
2023/24	6,921,280,673
2022/23	5,234,339,261
2021/22	4,664,267,681

(a) *Estimated Net Full Cash Value is the total market value of the property within the District less the estimated Full Cash Value of property exempt from taxation within the District.*

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

DIRECT AND OVERLAPPING BONDED INDEBTEDNESS

TABLE 13

**Current Year Statistics (For Fiscal Year 2025/26)
Casa Grande Elementary School District No. 4**

Total General Obligation Bonds Outstanding and to be Outstanding	\$ 48,975,000* (a)
Net Limited Assessed Property Value	719,801,343
Net Full Cash Assessed Value	1,070,051,000
Estimated Net Full Cash Value	9,354,635,226

The District's preliminary fiscal year 2026/27 Net Full Cash Assessed Value is estimated at \$1,143,006,779, an increase of approximately 6.8% from the fiscal year 2025/26 Net Full Cash Assessed Value. The District's preliminary fiscal year 2026/27 Net Limited Assessed Property Value is estimated at \$773,702,183, an increase of approximately 7.5% from the fiscal year 2025/26 Net Limited Assessed Property Value. The District's preliminary fiscal year 2026/27 Estimated Net Full Cash Value is estimated at \$10,059,672,478, an increase of approximately 7.5% from the fiscal year 2025/26 Estimated Net Full Cash Value. The values are subject to adjustment until approved by the Board of Supervisors of the County before or on August 17, 2026.

* Subject to change.

(a) Includes the Bonds. See footnotes (b) and (c) to TABLE 15 for a description of the treatment of certain proceeds of the Bonds and previously issued school improvement bonds for State voter authorization and debt limit purposes.

Source: State and County Abstract of the Assessment Roll, Arizona Department of Revenue and Assessor and Office of Budget and Finance of the County.

TABLE 14

**Direct General Obligation Bonded Debt Outstanding and to be Outstanding
Casa Grande Elementary School District No. 4**

Issue Series	Original Amount	Purpose	Final Maturity Date (July 1)	Balance Outstanding and to be Outstanding
2017A	\$ 25,000,000	School Improvements	2036	\$ 16,550,000
2018B	7,155,000	School Improvements	2038	6,755,000
2020C	3,815,000	School Improvements	2030	3,215,000
2022D	4,520,000	School Improvements	2031	3,695,000
Total General Obligation Bonded Debt Outstanding				\$ 30,215,000
Plus: The Bonds				18,760,000*
Total General Obligation Bonded Debt Outstanding and to be Outstanding				\$ 48,975,000* (a)

* Subject to change.

(a) See footnotes (b) and (c) to TABLE 15 for a description of the treatment of certain proceeds of the Bonds and previously issued school improvement bonds for State voter authorization and debt limit purposes.

**Constitutional / Statutory Debt Limit / Unused Borrowing Capacity after Bond Issuance
Casa Grande Elementary School District No. 4**

TABLE 15

2025/26 Arizona Constitutional Debt Limitation (15% of Net Full Cash Assessed Value)	\$ 160,507,650
Less: Bonds Outstanding and to be Outstanding (a)	(48,975,000) *
Less: Original Issue Premium of the Bonds (b)	(1,240,000) *
Less: Unamortized Original Issue Premium of Prior Bonds (c)	(3,200,890)
Unused Constitutional Borrowing Capacity	<u>\$ 107,091,760 *</u>

* *Subject to change.*

(a) *Includes the Bonds.*

(b) *This amount represents premium on the Bonds, which has been or will be deposited into the Bond Building Fund for project cost use, and such amount reduces in equal amount the borrowing capacity of the District under State statutes and the Arizona Constitution and the principal amount of school improvement bonds authorized at the Election (as described under the heading "THE BONDS – Authorization and Purpose"). Such capacity (but not authorization) will be recaptured as premium is amortized.*

(c) *This amount represents certain of the unamortized premium on the District's outstanding bonds issued after August 2016, which amount is treated as described in footnote (b) above.*

TABLE 16

2025/26 Statutory Limitation on Bonds [Greater of 10% of the Net Full Cash Assessed Value (\$107,005,100) or \$1,500 per student (\$9,247,500)]	\$ 107,005,100
Less: Class B Bonds Outstanding and to be Outstanding (a)	(48,975,000) *
Less: Original Issue Premium of the Bonds (b)	(1,240,000) *
Less: Unamortized Original Issue Premium of Prior Bonds (c)	(3,200,890)
Unused Statutory Borrowing Capacity	<u>\$ 53,589,210 *</u>

* *Subject to change.*

(a) *"Class B" bonds are school district general obligation bonds, like the Bonds, approved by a vote of the qualified electors of a school district at an election held from and after December 31, 1998, and subject to the statutory debt limitation indicated in this table. Includes the Bonds.*

(b) *See footnote (b) to TABLE 15 for a description of the treatment of certain proceeds of the Bonds for State voter authorization and debt limit purposes.*

(c) *See footnote (c) to TABLE 15 above.*

TABLE 17

**Direct and Overlapping General Obligation Bonded Debt
Casa Grande Elementary School District No. 4**

Overlapping Jurisdiction	General Obligation Bonded Debt (b)	Proportion Applicable to the District (a)	
		Approximate Percent	Net Debt Amount
State of Arizona	None	0.78%	None
Pinal County	None	17.67	None
Pinal County Community College District	\$ 47,810,000	17.67	\$ 8,448,027
City of Casa Grande	21,130,000	99.12	20,943,342
City of Eloy	None	6.43	None
City of Maricopa	22,590,000	0.34	76,205
Mission Royale Community Facilities District	4,105,000	8.06	330,889
Villago Community Facilities District	3,520,000	3.35	118,071
Casa Grande Union High School District No. 82	2,770,000	78.81	2,183,037
Casa Grande Elementary School District No. 4 (c)	48,975,000*	100.00	<u>48,975,000*</u>
Net Direct and Overlapping General Obligation Bonded Debt			<u><u>\$ 81,074,572*</u></u>

* Subject to change.

- (a) Proportion applicable to the District is computed on the ratio of Net Limited Assessed Property Value for 2025/26.
- (b) Includes total stated principal amount of general obligation bonds outstanding. Does not include outstanding principal amount of certificates of participation, revenue obligations or loan obligations outstanding for the jurisdictions listed above. Does not include outstanding principal amounts of various County and city improvement districts, as the bonds of these districts are presently being paid from special assessments against property within the various improvement districts.

Does not include presently authorized but unissued general obligation bonds of such jurisdictions which may be issued in the future as indicated in the following table. Additional bonds may also be authorized by voters within overlapping jurisdictions pursuant to future elections.

Overlapping Jurisdiction	General Obligation Bonds Authorized but Unissued
City of Casa Grande	\$119,000,000
City of Maricopa	17,927,770
Mission Royale Community Facilities District	1,115,000
Villago Community Facilities District	44,410,000
Casa Grande Elementary School District No. 4 (d)	28,000,000*

Also does not include the obligation of the Central Arizona Water Conservation District (the "CAWCD") to the United States Department of the Interior (the "Department of the Interior"), for repayment of certain capital costs for construction of the Central Arizona Project ("CAP"), a major reclamation project that has been substantially completed by the Department of the Interior. The obligation is evidenced by a master contract between CAWCD and the Department of the Interior. In April 2003, the United States and CAWCD agreed to settle litigation over the amount of the construction cost repayment obligation, the amount of the respective obligations for payment of the operation, maintenance and replacement costs and the application of certain revenues and credits against such obligations and costs. Under the agreement, CAWCD's obligation for substantially all of the CAP features that have been constructed so far will be set at \$1.646 billion, which amount assumes (but does not mandate) that the United States will acquire a total of 667,724 acre feet of CAP water for federal purposes. The United States will complete unfinished CAP construction work related to the water supply system and regulatory storage stages of CAP at no additional cost to CAWCD. Of the \$1.646 billion repayment obligation, 73% will be interest bearing and the remaining 27% will be non-interest bearing. These percentages will be fixed for the entire 50-year repayment period, which commenced October 1, 1993. CAWCD is a multi-county water conservation district having boundaries coterminous with the exterior boundaries of Arizona's Maricopa, Pima and Pinal Counties. It was formed for the express purpose of paying administrative costs and expenses of the CAP and to assist in the repayment to the United States of the CAP capital costs. Repayment will be made from a combination of power revenues, subcontract revenues (i.e., agreements with municipal, industrial and agricultural water users for delivery of CAP water) and a tax levy against all taxable property within CAWCD's boundaries. At the date of this Official Statement, the tax levy is limited to 14 cents per \$100 of Net Limited Assessed Property Value, of which 14 cents is being levied. (See Sections 48-3715 and 48-3715.02, Arizona Revised Statutes.) There can be no assurance that such levy limit will not be increased or removed at any time during the life of the contract.

(c) Includes the Bonds.

(d) Reflects reduction in authorization from the Election in connection with the issuance of the Bonds.

Source: The various entities, *State and County Abstract of the Assessment Roll*, Arizona Department of Revenue and the Assessor, Office of Budget and Finance and the Treasurer of the County.

TABLE 18

**Direct and Overlapping General Obligation Bonded Debt Ratios
Casa Grande Elementary School District No. 4**

	Per Capita Bonded Debt Population Estimated @ 79,270	As % of District's 2025/26 Net Limited Assessed Property Value	As % of District's 2025/26 Estimated Net Full Cash Value
Net Direct General Obligation Bonded Debt (a)*	\$ 617.83	6.80%	0.52%
Net Direct and Overlapping General Obligation Debt (a)*	1,022.76	11.26	0.87

* Subject to change.

(a) Includes the Bonds.

Source: *State and County Abstract of the Assessment Roll*, Arizona Department of Revenue, *Property Tax Rates and Assessed Values*, Arizona Tax Research Association, Assessor and Office of Budget and Finance of the County, and District records.

TABLE 19

**Other Obligations
Casa Grande Elementary School District No. 4**

The District has the following capital payment obligations outstanding.

Item	Payment Amount	Periods Due
Energy and Water Savings	\$480,465	Annually through January 2039

DISTRICT EMPLOYEE RETIREMENT SYSTEM

Retirement Plan

The District’s employees are covered by the Arizona State Retirement System (the “System”), a cost-sharing, multiple-employer defined benefit plan. The annual contribution rates are prescribed to be the rate actuarially determined by the System’s actuary, with minimum employer and employee rate requirements of not less than 2.00%. For fiscal year 2026/27, the District’s and its employees’ contribution has been calculated by the actuary to be 11.98% (11.87% Retirement Pension and Health Insurance Benefit, 0.11% Long Term Disability Income Plan) of payroll amounts. For fiscal year 2025/26, the District’s and its employees’ contribution is 12.00% (11.86% Retirement Pension and Health Insurance Benefit, 0.14% Long Term Disability Income Plan) of payroll amounts. For fiscal year 2024/25, the District’s and its employees’ contribution was 12.27% (12.12% Retirement Pension and Health Insurance Benefit, 0.15% Long Term Disability Income Plan) of payroll amounts. See Note 10 in APPENDIX C – “THE DISTRICT – AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025” for further discussion of the District and its employees’ obligations to the System as of June 30, 2025.

The Governmental Accounting Standards Board (“GASB”) adopted GASB Statement Number 68, *Accounting and Financial Reporting for Pensions* (“GASB 68”), which, beginning with fiscal years starting after June 15, 2014, requires cost-sharing employers to report their “proportionate share” of the plan’s net pension liability in their government-wide financial statements. GASB 68 also requires that the cost-sharing employer’s pension expense component include its proportionate share of the System’s pension expense, the net effect of annual changes in the employer’s proportionate share and the annual differences between the employer’s actual contributions and its proportionate share. Both the District and each covered employee contribute to the System. At June 30, 2025, the District reported a liability of \$47,396,459 for its proportionate share of the net pension liability under the System. The pension liability was measured as of June 30, 2024. See Note 10 in APPENDIX C – “THE DISTRICT – AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025” for further discussion.

Other Post-Employment Benefits

During the year ended June 30, 2018, the District implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (“GASB 75”). The District is required to report the actuarially accrued cost of post-employment benefits, other than pension benefits (“OPEB”), such as health and life insurance for current and future retirees. GASB 75 addresses reporting by governments that provide OPEB by measuring and recognizing net assets or liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures related to OPEB provided through defined benefit OPEB plan. Please refer to APPENDIX C of the Official Statement which includes the District’s audited financial statements and specifically “NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.”

The District currently does not offer any OPEB. The District’s employees, their spouses and survivors may be eligible for certain retiree health care benefits under health care programs provided by the State. Employees on long-term disability and their spouses also may qualify for retiree health care benefits through the State. Such individuals may obtain the health care benefits offered by the State by paying 100% of the applicable health care insurance premium,

net of any subsidy provided by the State. The benefits are available to all retired participants in the State's health care program. The District does not currently make payments for OPEB costs for such retirees.

REVENUES AND EXPENDITURES

The following information of the District was derived from the annual expenditure budget of the District for fiscal year 2025/26 and the audited financial statements of the District for fiscal years 2020/21 through and including 2024/25. (State law no longer requires school districts to file revenue budgets.) Budgeted figures for fiscal year 2025/26 are on a cash basis and are presented in the format required by State law. Budgeted figures for fiscal year 2025/26 are "forward looking" statements that may not be realized during the course of the fiscal year as presented herein and thus must be viewed with an abundance of caution. Audited figures for fiscal years 2020/21 through and including 2024/25 are on a modified accrual basis. The presentation which follows has not been independently subject to any audit procedures.

The following information should be read in conjunction with the audited financial statements of the District. **See APPENDIX C for the District's most recent audited general purpose financial statements, which are for fiscal year ended June 30, 2025.** Such audited financial statements are the most recent available for the District, are not current and therefore must be considered with an abundance of caution. **The District has not requested the consent of Advisent Assurance, LLP to include its report and Advisent Assurance, LLP has performed no procedures subsequent to rendering its report on the financial statements.**

TABLE 20

**General Fund
Casa Grande Elementary School District No. 4**

	Budgeted		Audited			
	2025/26	2024/25	2023/24	2022/23	2021/22	2020/21
FUND BALANCE AT BEGINNING OF YEAR		\$ 19,711,213	\$ 17,722,613	\$ 13,897,050	\$ 10,525,296	\$ 8,823,516
REVENUES						
Property taxes		\$ 14,162,848	\$ 14,486,823	\$ 13,593,135	\$ 14,605,581	\$ 12,995,700
Intergovernmental		43,684,497	45,374,628	40,958,484	34,732,380	31,861,817
Tuition		5,963	-	-	-	-
Auxiliary operations		75,319	65,709	29,928	61,727	130,931
Contributions and donations		184,403	275,131	40,013	291,808	390,373
Investment earnings		511,379	449,510	184,998	25,119	22,113
Other		348,669	195,144	250,806	188,627	239,937
TOTAL REVENUES		\$ 58,973,078	\$ 60,846,945	\$ 55,057,364	\$ 49,905,242	\$ 45,640,871
ADJUSTMENTS						
Transfers in		\$ 916,206	\$ 663,832	\$ 580,910	\$ 587,058	\$ 653,979
Insurance recoveries		(37,902)	34,867	24,662	(17,978)	97,584
Proceeds from financed purchase		5,345,829	-	-	-	-
TOTAL FUNDS AVAILABLE FOR EXPENDITURES		\$ 84,908,424	\$ 79,268,257	\$ 69,559,986	\$ 60,999,618	\$ 55,215,950
EXPENDITURES						
Current						
Instruction	\$ 28,914,350	\$ 28,145,627	\$ 27,431,679	\$ 24,452,813	\$ 21,738,535	\$ 20,174,476
Support services:						
Students	6,587,836	6,319,433	5,133,509	4,479,892	3,949,105	4,006,899
Instructional staff	1,338,805	1,826,812	2,138,211	2,021,736	2,167,977	2,155,373
General administration	1,018,133	938,957	1,123,789	940,865	1,023,006	960,214
School administration	4,378,715	3,958,334	3,422,761	2,876,472	2,864,785	2,871,251
Central services	3,698,576	-	-	-	-	-
Business and other support services	-	4,864,517	5,466,032	3,560,658	3,523,591	3,224,133
Operations and maintenance of plant	8,527,711	8,143,285	8,716,116	7,394,015	6,956,732	6,471,061
Student transportation	5,080,960	5,505,677	5,254,529	5,425,908	4,178,353	3,660,184
Operations of noninstructional services	193,738	140,192	177,986	6,617	3,613	104,682
K-3 reading program	861,430	-	-	-	-	-
School-sponsored cocurricular activities	36,555	-	-	-	-	-
School-sponsored athletics	103,713	-	-	-	-	-
Debt Service:						
Principal	-	95,962	363,698	354,204	344,959	335,957
Interest and fiscal charges	-	-	10,933	20,434	29,679	38,682
Capital outlay:						
Facilities acquisition	-	5,978,187	317,801	303,759	322,233	687,742
TOTAL EXPENDITURES	\$ 60,740,522	\$ 65,916,983	\$ 59,557,044	\$ 51,837,373	\$ 47,102,568	\$ 44,690,654
FUND BALANCE AT END OF YEAR		<u>\$ 18,991,441</u>	<u>\$ 19,711,213</u>	<u>\$ 17,722,613</u>	<u>\$ 13,897,050</u>	<u>\$ 10,525,296</u>

TABLE 21**Debt Service Fund
Casa Grande Elementary School District No. 4**

	Budgeted		Audited			
	2025/26	2024/25	2023/24	2022/23	2021/22	2020/21
FUND BALANCE AT BEGINNING OF YEAR		\$ 547,059	\$ 526,848	\$ 478,148	\$ 339,184	\$ 397,522
REVENUES						
Property taxes		\$ 2,789,714	\$ 3,157,115	\$ 3,091,821	\$ 2,866,557	\$ 2,743,616
Investment earnings		59,441	83,222	71,804	16,057	29,596
Other		-	-	27,025	-	-
TOTAL REVENUES		\$ 2,849,155	\$ 3,240,337	\$ 3,190,650	\$ 2,882,614	\$ 2,773,212
EXPENDITURES						
Debt service:	\$ 3,492,376					
Principal retirement		\$ 1,895,000	\$ 1,690,000	\$ 1,530,000	\$ 1,205,000	\$ 1,235,000
Interest and fiscal charges		1,455,238	1,529,126	1,610,600	1,537,600	1,595,850
Business and other support services		1,700	1,000	1,350	1,050	700
TOTAL EXPENDITURES	\$ 3,492,376	\$ 3,351,938	\$ 3,220,126	\$ 3,141,950	\$ 2,743,650	\$ 2,831,550
FUND BALANCE AT END OF YEAR		\$ 44,276	\$ 547,059	\$ 526,848	\$ 478,148	\$ 339,184

THE DISTRICT

AUDITED ANNUAL FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

The following audited financial statements are for the fiscal year ended June 30, 2025. These are the most recent audited financial statements available to the District. THESE FINANCIAL STATEMENTS ARE NOT CURRENT AND MAY NOT REPRESENT THE CURRENT FINANCIAL CONDITION OF THE DISTRICT. See “REVENUES AND EXPENDITURES” in APPENDIX B.

Such audited financial statements are the most recent available for the District, are not current and therefore must be considered with an abundance of caution. **The District has not requested the consent of Advisent Assurance, LLP to include its report and Advisent Assurance, LLP has performed no procedures subsequent to rendering its report on the financial statements.**

[THIS PAGE INTENTIONALLY LEFT BLANK]

INDEPENDENT AUDITORS' REPORT

Governing Board
Casa Grande Elementary School District No. 4
Casa Grande, Arizona

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Casa Grande Elementary School District No. 4 (the "District"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Casa Grande Elementary School District No. 4, 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of a Matter

As discussed in Note 1 and 11 to the basic financial statements, for the year ended June 30, 2025, the District adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 101, Compensated Absences. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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



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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District’s basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2025 on our consideration of the District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District’s internal control over financial reporting and compliance.

Advisent Assurance, LLP

Mesa, Arizona
December 18, 2025

REQUIRED SUPPLEMENTARY INFORMATION

CASA GRANDE ELEMENTARY SCHOOL DISTRICT NO. 4 MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2025

As management of the Casa Grande Elementary School District No. 4 (District), we offer the readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2025.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$65.7 million (net position). The District's total net position increased by \$3.2 million.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$31.5 million, a slight increase of \$28,525 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$18.7 million or 28% of total General Fund expenditures.
- The District's net capital assets amounted to \$114.0 million, an increase of \$4.0 million from the prior year.
- The District's long-term liabilities increased by a net \$3.1 million or 4% primarily due the inception of a new financed purchase agreement for energy conservation equipment, offset by the scheduled principal payments on outstanding general obligation bonds.

OVERVIEW OF THE 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 are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private sector business.

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

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

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

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

**CASA GRANDE ELEMENTARY SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

Fund Financial Statements

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

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

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

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

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

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

The basic governmental fund financial statements can be found following the Management's Discussion and Analysis as presented within the Table of Contents.

Proprietary Funds – The District maintains one type of proprietary fund. The internal service fund is an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses its internal service fund to account for its employee benefit trust. Because this service predominantly benefits governmental functions, it has been included within governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements can be found as presented within the Table of Contents.

**CASA GRANDE ELEMENTARY SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

Notes to Basic Financial Statements

The notes to basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements can be found on the pages presented within the Table of Contents.

Required Supplementary Information Other than MD&A

The District reports a multi-year schedule of the District's proportionate share of net pension liability and contributions to its cost-sharing pension plan on the pages presented within the Table of Contents.

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

Other information

The combining statements in connection with nonmajor governmental funds are presented immediately following the required supplementary information other than the MD&A. Combining and individual fund statements and schedules can be found as presented within the Table of Contents.

The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The statistical section can be found on the pages as presented within the Table of Contents.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as useful indicators of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$65.7 million at the close of the most recent fiscal year.

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

	Governmental Activities		
	(Restated)		
	2025	2024	Net Change
ASSETS			
Current and other assets	\$ 40,394,418	\$ 39,675,898	\$ 718,520
Capital assets	114,019,497	110,042,175	3,977,322
Total Assets	<u>154,413,915</u>	<u>149,718,073</u>	4,695,842
DEFERRED OUTFLOWS OF RESOURCES	8,373,536	6,855,134	1,518,402
LIABILITIES			
Current liabilities	3,909,512	4,397,244	(487,732)
Long-term liabilities	88,719,562	85,585,867	3,133,695
Total Liabilities	<u>92,629,074</u>	<u>89,983,111</u>	2,645,963
DEFERRED INFLOWS OF RESOURCES	4,430,408	4,082,443	347,965
NET POSITION			
Net investment in capital assets	75,446,224	75,162,155	284,069
Restricted	16,677,243	14,301,968	2,375,275
Unrestricted	(26,395,498)	(26,956,470)	560,972
Total Net Position	<u>\$ 65,727,969</u>	<u>\$ 62,507,653</u>	<u>\$ 3,220,316</u>

**CASA GRANDE ELEMENTARY SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

Government-Wide Financial Analysis (Continued)

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

At the end of the current fiscal year, the District was able to report positive balances in the net investment in capital assets and restricted net position. The District reported a negative balance in unrestricted net position due to the District's reporting of its proportionate share of the net pension liability for its cost-sharing pension plan/OPEB required under Governmental Accounting Standards Board (GASB) Statements No. 68 and No. 75. Additional information on the District's net pension/OPEB liability can be found in Note 10 of this report.

Overall, net position increased \$3.2 million or 5%. Key elements of this increase are indicated as follows:

	Governmental Activities		
	2025	2024	Net Change
(Restated)			
REVENUES			
Program revenues:			
Charges for services	\$ 711,421	\$ 838,943	\$ (127,522)
Operating grants and contributions	18,651,389	23,243,716	(4,592,327)
Capital grants and contributions	2,322,117	1,614,218	707,899
General revenues:			
Property taxes	17,115,861	17,615,291	(499,430)
State equalization and additional state aid	43,052,215	44,014,897	(962,682)
Federal aid unrestricted	631,542	1,357,032	(725,490)
County equalization	740	2,699	(1,959)
Interest and other	1,470,631	3,225,565	(1,754,934)
Total Revenues	83,955,916	91,912,361	(7,956,445)
EXPENSES			
Instruction	37,827,094	40,057,068	(2,229,974)
Support Services:			
Students and instructional staff	11,787,979	11,458,491	329,488
General and school administration	4,270,928	9,203,858	(4,932,930)
Business and other support services	5,483,076	6,744,468	(1,261,392)
Operation and maintenance of plant	10,237,906	10,095,820	142,086
Operation of noninstructional services	4,188,323	4,290,435	(102,112)
Student transportation	5,802,474	5,766,305	36,169
Interest on long-term debt	1,137,820	1,222,641	(84,821)
Total Expenses	80,735,600	88,839,086	(8,103,486)
Change in net position	3,220,316	3,073,275	147,041
Net Position - Beginning, as restated	62,507,653	59,434,378	3,073,275
Net Position - Ending	\$ 65,727,969	\$ 62,507,653	\$ 3,220,316

**CASA GRANDE ELEMENTARY SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

Program Revenues

The District reported a decrease of \$0.1 million (15%) in charges for services primarily due to decreases in tuition revenue and auxiliary operations.

Capital grants and contributions increased \$0.7 million (44%) due to increases in School Facilities Board (SFB) funding for various District projects.

Operating grants and contributions decreased \$4.6 million (20%). This decrease was mainly due to the winding down of federal COVID relief funding.

General Revenues

The District experienced a decrease in property tax revenue of \$0.5 million as a result of a decrease in property tax rates.

State and county equalization and additional state aid decreased \$1.0 million (1%) due to decreases in the state's budget formula.

The decrease in interest and other was primarily due to a large one-time stop-loss recovery within the self-insurance fund received in the prior year that was not received in the current year.

The decrease in federal aid unrestricted of \$0.7 million was due to increases in Medicaid reimbursements.

The District incurred a 9% decrease in expenses in the current year. The District's mission is to provide an appropriate and outstanding educational experience for every student served within budget constraints. The decrease was mainly due to decreases in equipment and technology purchases, textbooks, and other technical services received.

FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

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

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

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$31.5 million, an increase of \$28,525 in comparison with the prior year. Approximately 59% of this total amount (\$18.7 million) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remaining fund balance is restricted to indicate that it is not available for new spending.

**CASA GRANDE ELEMENTARY SCHOOL DISTRICT NO. 4
MANAGEMENT’S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

Fund Balance (continued)

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

	Balance	Increase (Decrease) From 2023-24
GOVERNMENTAL FUND		
General Fund	\$ 18,991,441	\$ (681,870)
Classroom Site Fund	4,141,743	1,007,085
Nonmajor Governmental Funds	8,317,557	(296,690)
Total Governmental Fund Balances	<u>\$ 31,450,741</u>	<u>\$ 28,525</u>

The decrease in the General Fund of \$0.7 million was primarily due to the decreases in state aid revenues, with General Fund expenditures remaining consistent with the prior year.

The increase of \$1.0 million in the Classroom Site Fund was due to monies received as revenue in the current year that will be spent down in the subsequent fiscal year.

Nonmajor Governmental Funds experienced a decrease of \$0.3 million primarily due to consistent Food Service Fund and Instructional Improvement Fund funding offset by the spending down of prior year bond proceeds within the Bond Building Fund.

FINANCIAL ANALYSIS OF THE PROPRIETARY FUNDS

Net position in the Internal Service Funds amounted to \$2.4 million, an increase of \$0.8 million from the prior year due to a decrease in claims expense relative to contributions.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget totaled \$4.6 million. In Arizona, school districts build their original “adopted” budget based on a projection of the coming fiscal year’s 100th day average daily attendance. In May, the District is allowed to increase or decrease its budget for differences between expected and actual student growth. The increase was allocated among various line items, mostly regular education – instruction, regular education – school administration, and K-3 reading program - instruction. Budgetary basis General Fund expenditures were \$7.2 million less than budget during the fiscal year. This was primarily due to a large favorable budget variance in regular education – instruction and regular education – operations and maintenance of plant. Budgetary basis expenditures were within 11% of budget.

**CASA GRANDE ELEMENTARY SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2025, amounts to \$114.0 million (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings and improvements, vehicles, furniture, and equipment. The net increase in the District's investment in capital assets for the current fiscal year was due to bond-funded construction projects and the financed purchase of energy savings equipment.

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

- Roof renovations and weatherization projects
- School renovation projects
- Energy savings equipment

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

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

	Governmental Activities		
	2025	2024	Net Change
CAPITAL ASSETS			
Land	\$ 4,882,916	\$ 4,882,916	\$ -
Construction in progress	1,422,565	2,108,231	(685,666)
Land improvements	14,466,540	13,192,707	1,273,833
Buildings & improvements	86,463,352	82,894,555	3,568,797
Vehicles, equipment, and furniture	6,784,124	6,963,766	(179,642)
Total Capital Assets	\$ 114,019,497	\$ 110,042,175	\$ 3,977,322

Long-Term Debt

At end of the current fiscal year, the District's debt included compensated absences, financed purchase agreements, bonds payable and the net pension/OPEB liability. Financed purchases increased due to the inception of a new financed purchase and general obligation bonds decreased due to current year principal payments. The District implemented the effects of GASB Statement No. 101, *Compensated Absences*, during the current fiscal year, which led to a restatement of the beginning balance. The change in the net pension and OPEB liabilities were not considered significant.

	Governmental Activities		
	2025	(Restated) 2024	Net Change
LONG-TERM LIABILITIES			
Financed purchase agreements	\$ 5,345,829	\$ 95,962	\$ 5,249,867
General obligation bonds	33,070,895	35,283,313	(2,212,418)
Compensated absences	2,898,646	2,840,881	57,765
Net pension liability	47,396,459	47,327,490	68,969
Net OPEB liability	7,733	38,221	(30,488)
Total Long-term Liabilities	\$ 88,719,562	\$ 85,585,867	\$ 3,133,695

The state constitution limits the amount of total outstanding bonded indebtedness of a non-unified school district to 15% of its net full cash value. The current constitutional debt limitation for the District is \$124.2 million, which is significantly more than the District's outstanding bonded debt.

**CASA GRANDE ELEMENTARY SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Average Daily Membership (ADM) - Unweighted Group "A" ADM decrease of 10
- Projected base level increase of \$100.26 or 2.00% in base level
- No DAA increase
- Projected (targeted) budget balance carryforward of \$5,600,000
- Elimination of ESSER grant funds
- The uncertainty of future one-time appropriations including FRPL one-time appropriations and DAA one-time appropriations

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

REQUEST FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Business and Finance Department, Casa Grande Elementary School District No. 4, 220 West Korsten Road, Casa Grande, Arizona 85122 or via the District's website: www.cgesd.org.

BASIC FINANCIAL STATEMENTS

CASA GRANDE ELEMENTARY SCHOOL DISTRICT NO. 4
STATEMENT OF NET POSITION
JUNE 30, 2025

	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 26,059,747
Property taxes receivable	957,679
Intergovernmental receivable	11,139,832
Deposits	99,969
Inventory	339,249
Net OPEB asset	1,797,942
Capital assets, not depreciated	6,305,481
Capital assets, net of accumulated depreciation	107,714,016
Total Assets	<u>154,413,915</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	8,165,702
Deferred outflows related to OPEB	207,834
Total Deferred Outflows of Resources	<u>8,373,536</u>
LIABILITIES	
Accounts payable	990,285
Accrued wages and benefits	2,378,242
Claims payable	540,985
Long-term liabilities:	
Due within one year	3,827,489
Due in more than one year	84,892,073
Total Liabilities	<u>92,629,074</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	3,747,107
Deferred inflows related to OPEB	683,301
Total Deferred Inflows of Resources	<u>4,430,408</u>
NET POSITION	
Net investment in capital assets	75,446,224
Restricted:	
Net OPEB asset	1,797,942
Teacher compensation and other qualified programs (A.R.S. 15-977)	4,141,743
Instructional improvement programs	1,816,092
Federal and state instructional programs	2,142,221
Food service	2,400,338
Community programs	1,513,938
Extracurricular activities	119,504
Student activities	70,897
Capital projects	132,663
Debt service	188,419
Self-insurance	2,353,486
Unrestricted	(26,395,498)
Total Net Position	<u>\$ 65,727,969</u>

See accompanying Notes to the Basic Financial Statements

CASA GRANDE ELEMENTARY SCHOOL DISTRICT NO. 4
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

Function/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Change in Net Position
					Governmental Activities
Primary Government:					
Governmental Activities:					
Instruction	\$ 37,827,094	\$ 394,218	\$ 9,190,032	\$ -	\$ (28,242,844)
Support services:					
Students	7,687,215	-	1,520,330	-	(6,166,885)
Instructional staff	4,100,764	-	2,559,863	-	(1,540,901)
General administration	407,475	-	-	-	(407,475)
School administration	3,863,453	-	88	-	(3,863,365)
Business and other support services	5,483,076	-	729,689	-	(4,753,387)
Operation and maintenance of plant	10,237,906	111,164	9,179	2,322,117	(7,795,446)
Student transportation	5,802,474	-	170,710	-	(5,631,764)
Operation of noninstructional services	4,188,323	206,039	4,471,498	-	489,214
Interest on long-term debt	1,137,820	-	-	-	(1,137,820)
Total	\$ 80,735,600	\$ 711,421	\$ 18,651,389	\$ 2,322,117	(59,050,673)
General revenues:					
Property taxes					17,115,861
Grants and contributions not restricted to specific programs:					
State equalization and additional state aid					43,052,215
County equalization					740
Federal aid not restricted					631,542
Investment earnings					883,438
Other					587,193
Total general revenues					62,270,989
Change in net position					3,220,316
Net position - July 1, 2024					63,924,375
Aggregate amount of adjustments to and restatements of beginning net position					(1,416,722)
Net position - July 1, 2024, as restated					62,507,653
Net position - ending					\$ 65,727,969

See accompanying Notes to the Basic Financial Statements

**CASA GRANDE ELEMENTARY SCHOOL DISTRICT NO. 4
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025**

	General Fund	Classroom Site Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 11,755,015	\$ 4,322,731	\$ 7,087,530	\$ 23,165,276
Receivables:				
Property taxes	795,650	-	162,029	957,679
Intergovernmental	9,191,391	-	1,948,441	11,139,832
Deposits	-	-	99,969	99,969
Due from other funds	181,745	-	-	181,745
Inventory	297,761	-	41,488	339,249
Total Assets	\$ 22,221,562	\$ 4,322,731	\$ 9,339,457	\$ 35,883,750
LIABILITIES				
Accounts payable	\$ 595,517	\$ -	\$ 394,768	\$ 990,285
Accrued wages	1,896,010	180,988	301,244	2,378,242
Due to other funds	-	-	181,745	181,745
Total Liabilities	2,491,527	180,988	877,757	3,550,272
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	738,594	-	144,143	882,737
FUND BALANCES				
Nonspendable	297,761	-	41,488	339,249
Restricted	-	4,141,743	8,276,069	12,417,812
Unassigned	18,693,680	-	-	18,693,680
Total Fund Balances	18,991,441	4,141,743	8,317,557	31,450,741
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 22,221,562	\$ 4,322,731	\$ 9,339,457	\$ 35,883,750

See accompanying Notes to the Basic Financial Statements

**CASA GRANDE ELEMENTARY SCHOOL DISTRICT NO. 4
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2025**

Total Fund Balance - Governmental Funds \$ 31,450,741

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

Capital assets:

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

Capital assets	\$ 183,406,425	
Accumulated depreciation	<u>(69,386,928)</u>	114,019,497

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

882,737

Net OPEB asset:

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

1,797,942

Long-term liabilities:

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

Financed purchase agreements	(5,345,829)	
Net pension liability	(47,396,459)	
Net OPEB liability	(7,733)	
General obligation bonds payable	(30,215,000)	
Unamortized premium on bonds payable	(2,855,895)	
Compensated absences	<u>(2,898,646)</u>	(88,719,562)

Deferred outflows and inflows of resources relating to pensions:

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

Deferred outflows of resources relating to pensions	8,165,702	
Deferred inflows of resources relating to pensions	(3,747,107)	
Deferred outflows of resources relating to OPEB	207,834	
Deferred inflows of resources relating to OPEB	<u>(683,301)</u>	3,943,128

Internal service fund:

An internal service fund is used by the District's management to charge the costs of the proprietary and liability insurance programs to the individual funds. The assets and liabilities of the internal service fund are included with governmental activities.

2,353,486

Total Net Position - Governmental Activities

\$ 65,727,969

See accompanying Notes to the Basic Financial Statements

**CASA GRANDE ELEMENTARY SCHOOL DISTRICT NO. 4
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025**

	General Fund	Formerly Nonmajor Classroom Site Fund	Formerly Major Special Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	\$ 14,162,848	\$ -		\$ 2,789,722	\$ 16,952,570
Intergovernmental	43,684,497	5,653,623		15,064,329	64,402,449
Tuition	5,963	-		388,255	394,218
Food Services Sales	-	-		130,720	130,720
Auxiliary operations	75,319	-		-	75,319
Student activities	-	-		42,855	42,855
Rental Income	-	-		111,164	111,164
Contributions and donations	184,403	-		28,296	212,699
Investment earnings	511,379	117,581		243,784	872,744
Other	348,669	-		17,164	365,833
Total Revenues	58,973,078	5,771,204		18,816,289	83,560,571
EXPENDITURES					
Current					
Instruction	28,145,627	4,740,675		3,062,585	35,948,887
Support services:					
Students	6,319,433	8,588		1,465,265	7,793,286
Instructional staff	1,826,812	14,856		2,359,780	4,201,448
General administration	938,957	-		-	938,957
School administration	3,958,334	-		1,507	3,959,841
Business and other support services	4,864,517	-		683,675	5,548,192
Operations and maintenance of plant	8,143,285	-		1,032,643	9,175,928
Student transportation	5,505,677	-		158,622	5,664,299
Operations of noninstructional services	140,192	-		4,007,251	4,147,443
Debt service:					
Principal	95,962	-		1,895,000	1,990,962
Interest and fiscal charges	-	-		1,455,238	1,455,238
Capital outlay:					
Facilities acquisition	5,978,187	-		2,075,207	8,053,394
Total Expenditures	65,916,983	4,764,119		18,196,773	88,877,875
Excess (Deficiency) of Revenues Over Expenditures	(6,943,905)	1,007,085		619,516	(5,317,304)
Other Financing Sources (Uses)					
Transfers in	916,206	-		-	916,206
Proceeds from financed purchase	5,345,829	-		-	5,345,829
Transfers out	-	-		(916,206)	(916,206)
Net Financing Sources (Uses)	6,262,035	-		(916,206)	5,345,829
NET CHANGE IN FUND BALANCE	(681,870)	1,007,085		(296,690)	28,525
Fund Balance - July 1, 2024	19,711,213	-	2,076,819	9,677,370	31,465,402
Aggregate amount of adjustments to and restatements of beginning fund balances	-	3,134,658	(2,076,819)	(1,057,839)	-
Fund Balance - July 1, 2024, as restated	19,711,213	3,134,658		8,619,531	31,465,402
Increase/(decrease) in inventories	(37,902)	-		(5,284)	(43,186)
Fund Balance - Ending	\$ 18,991,441	\$ 4,141,743		\$ 8,317,557	\$ 31,450,741

See accompanying Notes to the Basic Financial Statements

**CASA GRANDE ELEMENTARY SCHOOL DISTRICT NO. 4
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF
ACTIVITIES
YEAR ENDED JUNE 30, 2025**

Net Change in Fund Balances - Governmental Funds \$ 28,525

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

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

Expenditures for capital outlay:	\$ 9,460,276	
Depreciation expense:	<u>(5,460,415)</u>	3,999,861

In governmental funds, the entire proceeds from disposal of capital assets are reported as revenue. In the statement of activities, only the resulting gain or loss is reported. (22,539)

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

Property taxes	163,291
----------------	---------

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

Pension contributions	5,125,452	
Pension expense	(4,081,847)	
Other post employment benefits contributions	92,252	
Other post employment benefits expense (income)	<u>221,287</u>	1,357,144

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

Proceeds from financed purchase	(5,345,829)	
Principal payment on financed purchase agreements	95,962	
Principal payment on general obligation bonds	1,895,000	
Amortization of bond premium	<u>317,418</u>	(3,037,449)

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

Net increase in compensated absences	(57,765)	
Decrease in inventories balances	<u>(43,186)</u>	(100,951)

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

Change in Net Position of Governmental Activities		<u>832,434</u>
		<u>\$ 3,220,316</u>

See accompanying Notes to the Basic Financial Statements

CASA GRANDE ELEMENTARY SCHOOL DISTRICT NO. 4
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

	Governmental Activities - Internal Service Fund
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 2,894,471
Total Assets	<u>2,894,471</u>
LIABILITIES	
Current Liabilities:	
Claims payable	\$ 540,985
Total Liabilities	<u>540,985</u>
NET POSITION	
Unrestricted	<u>2,353,486</u>
Total Net Position	<u>\$ 2,353,486</u>

See accompanying Notes to the Basic Financial Statements

**CASA GRANDE ELEMENTARY SCHOOL DISTRICT NO. 4
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2025**

	Governmental Activities - Internal Service Fund
OPERATING REVENUES	
Contributions	\$ 7,863,402
Charges for services	221,360
Total Operating Revenues	<u>8,084,762</u>
OPERATING EXPENSES	
Claims	5,627,042
Premiums	956,477
Administrative fees	395,326
Cost of services	284,177
Total Operating Expenses	<u>7,263,022</u>
Operating Income	<u>821,740</u>
NONOPERATING REVENUES	
Investment income	10,694
Total Nonoperating Revenues	<u>10,694</u>
Change in Net Position	<u>832,434</u>
Net Position - Beginning	<u>1,521,052</u>
Net Position - Ending	<u>\$ 2,353,486</u>

See accompanying Notes to the Basic Financial Statements

**CASA GRANDE ELEMENTARY SCHOOL DISTRICT NO. 4
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2025**

CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from contributions	\$ 8,395,274
Cash payments to suppliers for goods and services	(1,635,980)
Cash payments for claims	(5,969,899)
Net cash provided by/(used) for operating activities	<u>789,395</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Investment income	<u>10,694</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>800,089</u>
Cash and Cash Equivalents - Beginning of Year	<u>2,094,382</u>
Cash and Cash Equivalents - End of Year	<u>\$ 2,894,471</u>
RECONCILIATION OF OPERATING INCOME TO CASH AND CASH EQUIVALENTS PROVIDED BY OPERATING ACTIVITIES:	
Operating income	\$ 821,740
Changes in operating assets and liabilities:	
Increase in accounts receivable	310,512
Increase in claims payable	(342,857)
Net Cash and Cash Equivalents Provided by Operating Activities	<u>\$ 789,395</u>

See accompanying Notes to the Basic Financial Statements

NOTES TO BASIC FINANCIAL STATEMENTS

CASA GRANDE ELEMENTARY SCHOOL DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Casa Grande Elementary School District No. 4 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America applicable to governmental units adopted by the Governmental Accounting Standards Board (GASB). A summary of the District's more significant accounting policies follows.

Reporting Entity

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

Blended Component Unit - Blended component units, although legally separate entities, are, in substance, part of the District's operations. The Casa Grande Elementary School District No. 4 Employee Benefit Trust is responsible for providing health insurance for the District employees. The District's Governing Board appoints the Trust's Governing Board. The Casa Grande Elementary School District No. 4 Employee Benefit Trust provides services entirely to the District and therefore has been included as an Internal Service Fund in accordance with the criteria established by GASB.

Government-Wide and Fund Financial Statements

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

CASA GRANDE ELEMENTARY SCHOOL DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting, except expenditures related to compensated absences and claims and judgments, which are recorded only when payment is due. However, since debt service resources are provided during the current year for payment of long-term principal and interest due early in the following year (within one month), the expenditures and related liabilities have been recognized in the Debt Service Fund.

Property taxes, intergovernmental grants and aid, tuition, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. The General Fund is comprised of the following funds within the fund financial statements: Maintenance and Operations, Medicaid, Taylor Grazing, Sale and Lease of District Assets, Auxiliary Operations, Gifts and Donations – General, Insurance Proceeds, Litigation Recovery, Indirect Cost, Unemployment Insurance, Unrestricted Capital Outlay, and Intergovernmental Agreements.

The District reports the following major governmental funds:

Major Governmental Funds

The *General Fund* is the District's primary operating fund. It accounts for all resources used to finance District maintenance and operation except those required to be accounted for in other funds. For budget purposes, it is described as the Maintenance and Operation Fund by Arizona Revised Statutes (A.R.S.) and is budgeted within four subsections titled regular education programs, special education programs, pupil transportation, and K-3 reading program.

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

CASA GRANDE ELEMENTARY SCHOOL DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Additionally, the District reports the following fund type:

Proprietary Fund

The Proprietary Funds are Internal Service Funds that account for activities related to the District's self-insurance program, and the operation of District functions that provide 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 and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

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

**Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and
Net Position or Fund Balance**

Deposits and Investments

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

A.R.S. authorize the District to invest public monies in the State and County Treasurer's investment pools; U.S. Treasury obligations; specified state and local government bonds; and interest-earning investment contracts such as savings accounts, certificates of deposit, and repurchase agreements in eligible depositories. Statute authorizes the District to deposit monies of Auxiliary Operations and Student Activities in bank accounts. Monies in these funds may also be invested. In addition, statute authorizes the District to maintain various bank accounts such as clearing accounts to temporarily deposit receipts before they are transmitted to the County Treasurer; revolving accounts to pay minor disbursements; and withholding accounts for taxes, employee insurance programs, and federal savings bonds. Some of these bank accounts may be interest bearing.

CASA GRANDE ELEMENTARY SCHOOL DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Balance (Continued)

Statute does not include any requirements for credit risk, concentration of credit risk, interest rate risk, or foreign currency risk. Statute requires collateral for deposits of monies at 102% of all deposits not covered by federal depository insurance.

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

Property Taxes Receivables

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

The District does not report a reserve for uncollectible property taxes as they are considered 100 percent collectible due to the County attaching a lien against all amounts past due as noted above.

Intergovernmental Receivable

Intergovernmental receivables are expected to be collected within one of year of these financial statements and are comprised of the following:

State equalization	\$ 9,191,391
Instructional Improvement	224,793
State grants	167,340
Federal grants	949,985
NSLP reimbursements	99,863
School Facilities Division	506,460
Total Intergovernmental	<u>\$ 11,139,832</u>

Short-Term Interfund Receivables and Payables

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

Deposits

Deposits in the amount of \$99,969 represents cash deposits with Mohave Educational Services in the food service cooperative.

CASA GRANDE ELEMENTARY SCHOOL DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Balance (Continued)

Prepays

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 costs of prepaid items are accounted for using the consumption method (expensed when consumed). The District did not report any prepaids.

Capital Assets

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

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

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

Asset Class	Years
Land improvements	5-50 years
Building and improvements	7-50 years
Vehicles, equipment, furniture	3-25 years

Deferred Outflows of Resources

In addition to assets, the statement of financial position may report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents 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.

Compensated Absences

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

CASA GRANDE ELEMENTARY SCHOOL DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Balance (Continued)

Pension and Other Postemployment Benefits

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

Deferred Inflows of Resources

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

Net Position

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

Fund Balance

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

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

Restricted fund balances are those that have externally imposed restrictions on their usage by creditors (such as through debt covenants), grantors, contributors, or laws and regulations. The committed fund balances are self-imposed limitations approved by the District's Governing Board, which is the highest level of decision-making authority within the District. Only the District Governing Board can remove or change the constraints placed on committed fund balances through formal board action at a public meeting. Fund balances must be committed prior to fiscal year-end. Assigned fund balances are resources constrained by the District's intent to be used for specific purposes but are neither restricted nor committed. The District's Governing Board has not authorized any management officials to make assignments of resources for a specific purpose.

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

**CASA GRANDE ELEMENTARY SCHOOL DISTRICT NO. 4
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Balance (Continued)

Fund Balance (Continued)

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

The District has classified its fund balances as follows:

	General Fund	Classroom Site Fund	Non-Major Governmental Funds	Total Governmental Activities
Nonspendable				
Inventory	\$ 297,761	\$ -	\$ 41,488	\$ 339,249
Restricted				
Teacher compensation and other qualified programs (A.R.S. 15-977)	-	4,141,743	-	4,141,743
Instructional improvement programs	-	-	1,816,092	1,816,092
Federal and state instructional program	-	-	2,142,221	2,142,221
Food service	-	-	2,400,338	2,400,338
Community programs	-	-	1,513,938	1,513,938
Extracurricular activities	-	-	119,504	119,504
Student activities	-	-	70,897	70,897
Capital projects	-	-	168,803	168,803
Debt service	-	-	44,276	44,276
Total restricted	-	4,141,743	8,276,069	12,417,812
Unassigned	18,693,680	-	-	18,693,680
Total	\$ 18,991,441	\$ 4,141,743	\$ 8,317,557	\$ 31,450,741

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

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

CASA GRANDE ELEMENTARY SCHOOL DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3 – DEPOSITS AND INVESTMENTS

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

Deposits:	
Cash in bank	\$ 2,877,372
Investments:	
Cash on deposit with county treasure	23,182,375
Total deposits and investments	<u>\$ 26,059,747</u>

Deposits

Custodial Credit Risk – This is the risk that, in the event of a failure by a counterparty, the District will not be able to recover its deposits or collateralized securities that are in the possession of an outside party. The District had a carrying value of \$2,877,372 for cash on deposit with a local financial institution and a bank balance of \$3,312,202 at June 30, 2025. The District does not have a formal policy regarding custodial credit risk. However, of the bank balance, \$500,000 was insured by federal depository insurance and the remainder collateralized by the State of Arizona Pooled Collateral Program.

Investments

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

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

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

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

CASA GRANDE ELEMENTARY SCHOOL DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 4 – UNAVAILABLE REVENUES

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

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

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

	<u>Unavailable</u>
Delinquent property taxes receivable:	
General Fund	\$ 738,594
Nonmajor Governmental Funds	144,143
Total	<u>\$ 882,737</u>

Remainder of this page intentionally left blank.

CASA GRANDE ELEMENTARY SCHOOL DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 5 – CAPITAL ASSETS

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

	Balance			Balance	
	July 01, 2024	Additions	Deductions	June 30, 2025	
Capital assets not being depreciated					
Land	\$ 4,882,916	\$ -	\$ -	\$ 4,882,916	
Construction in progress	2,108,231	1,337,757	(2,023,423)	1,422,565	
Total capital assets not being depreciated	6,991,147	1,337,757	(2,023,423)	6,305,481	
Capital assets being depreciated					
Land improvements	17,577,195	2,053,173	-	19,630,368	
Buildings and improvements	128,576,965	7,140,259	-	135,717,224	
Vehicles, equipment, and furniture	20,936,999	952,510	(136,157)	21,753,352	
Total capital assets being depreciated	167,091,159	10,145,942	(136,157)	177,100,944	
Less accumulated depreciation					
Land improvements	(4,384,488)	(779,340)	-	(5,163,828)	
Buildings and improvements	(45,682,410)	(3,571,462)	-	(49,253,872)	
Vehicles, equipment, and furniture	(13,973,233)	(1,109,613)	113,618	(14,969,228)	
Total accumulated depreciation	(64,040,131)	(5,460,415)	113,618	(69,386,928)	
Total capital assets, being depreciated, net	103,051,028	4,685,527	(22,539)	107,714,016	
Governmental activities capital assets, net	\$ 110,042,175	\$ 6,023,284	\$ (2,045,962)	\$ 114,019,497	

Depreciation expenses was charged to governmental functions as follows:

Governmental Activities:	
Instruction	\$ 2,505,723
Support Services:	
Students	15,823
Instructional Staff	11,886
General Administration	82,230
School Administration	9,530
Business and Other Support Services	276,643
Operations and Maintenance of Plant	1,753,259
Student Transportation	716,996
Operation of Noninstructional Services	88,325
	<u>\$ 5,460,415</u>

As of June 30, 2025, the District reported no significant construction commitments due to the ongoing projects nearing completion.

**CASA GRANDE ELEMENTARY SCHOOL DISTRICT NO. 4
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2025**

NOTE 6 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

As of June 30, 2025, interfund receivables and payables were as follows:

	Due from other funds
Due to other funds	<u>General Fund</u>
Nonmajor Governmental Funds	<u>\$ 181,745</u>

The above interfund receivable and payable are due to cash shortfalls at June 30, 2025. Cash will be received subsequent to June 30, 2025 to repay the short-term borrowings.

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

	Transfer from		
	Special Projects	Nonmajor Governmental	Total
Transfer to	Fund	Funds	
<u>General fund</u>	<u>\$ 520,632</u>	<u>\$ 395,574</u>	<u>\$ 916,206</u>

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

Remainder of this page intentionally left blank.

CASA GRANDE ELEMENTARY SCHOOL DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7 – LONG-TERM OBLIGATIONS

Compensated Absences

Compensated absences are paid from various funds in the same proportion that those funds pay payroll costs. During fiscal year ended June 30, 2025, the District paid for compensated absences primarily from the General Fund.

General Obligation Bonds Payable

Bonds payable at year end, consisted of the following outstanding general obligation bonds. The bonds are both callable and noncallable with interest payable semiannually. Property taxes from the Debt Service Fund, a non-major governmental fund, are used to pay bonded debt. The District's legal debt limit is \$172.6 million, and the available margin is \$139.5 million.

Purpose	Interest Rate	Maturity	Original Issue	Balance
Governmental Activities:				
School Improvements Bonds, Project of 2016, Series A (2017) (Class B)	5.00%	7/1/26-36	\$ 25,000,000	\$ 16,550,000
School Improvements Bonds, Project of 2016, Series B (2018) (Class B)	3.00 - 5.00%	7/1/26-38	7,155,000	6,755,000
School Improvements Bonds, Project of 2016, Series C (2020) (Class B)	4.00%	7/1/26-30	3,815,000	3,215,000
School Improvements Bonds, Project of 2016, Series D (2022) (Class B)	2.68%	7/1/26-31	4,520,000	3,695,000
			<u>\$ 40,490,000</u>	<u>\$ 30,215,000</u>

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

Year ended, June 30,	Governmental Activities	
	Principal	Interest
2026	\$ 2,120,000	\$ 1,372,376
2027	2,350,000	1,280,656
2028	2,600,000	1,182,248
2029	2,805,000	1,074,696
2030	2,655,000	959,464
2031-2035	10,835,000	3,263,924
2036-2038	6,850,000	691,750
Total	<u>\$ 30,215,000</u>	<u>\$ 9,825,114</u>

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

	(Restated)			Balance June 30, 2025	Due Within One Year
	Balance July 01, 2024	Additions	Deductions		
General obligation bonds	\$ 32,110,000	\$ -	\$ (1,895,000)	\$ 30,215,000	\$ 2,120,000
Unamortized premium	3,173,313	-	(317,418)	2,855,895	-
Financed purchase agreements	95,962	5,345,829	(95,962)	5,345,829	-
Compensated absences	2,840,881	57,765	-	2,898,646	1,707,489
Net pension liability	47,327,490	68,969	-	47,396,459	-
Net OPEB liability	38,221	-	(30,488)	7,733	-
Total	<u>\$ 85,585,867</u>	<u>\$ 5,472,563</u>	<u>\$ (2,338,868)</u>	<u>\$ 88,719,562</u>	<u>\$ 3,827,489</u>

CASA GRANDE ELEMENTARY SCHOOL DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 – RISK MANAGEMENT

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

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

The District established an Employee Benefit Trust (an Internal Service Fund) to account for and finance its uninsured risks of loss related to employee health claims. Under this program, the Fund provides coverage for up to a maximum of \$110,000 for each claim, not-to-exceed an annual aggregate of \$1.0 million. The Fund purchases commercial insurance for claims in excess of this coverage. Settled claims have not exceeded the aggregate coverage in any of the past three fiscal years. The District has a claims reserve policy which is set by the Board of Trustees that established a targeted minimum of 3 percent and a maximum of 13 percent of potential cash flow.

Liabilities of the fund 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 payouts), 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. Claims payable at year end is representative of the IBNR amount that is expected to be paid in the next fiscal year.

Changes in the balances of claims liabilities during the past two years are as follows:

	Year Ended June 30, 2025	Year Ended June 30, 2024
Unpaid claims, beginning of fiscal year	\$ 883,842	\$ 742,421
Incurred claims (including IBNRs)	5,627,042	9,215,271
Claim payments	(5,969,899)	(9,073,850)
Unpaid claims, end of fiscal year	<u>\$ 540,985</u>	<u>\$ 883,842</u>

CASA GRANDE ELEMENTARY SCHOOL DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 9 – CONTINGENT LIABILITIES

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

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

NOTE 10 – PENSION AND OTHER POSTEMPLOYMENT BENEFITS PLANS

Cost Sharing Pension Plan

At June 30, 2025, the District reported the following related to pension/OPEB to which it contributes:

	Net Pension Liability (Asset)	Net OPEB Liability (Asset)
Net assets	\$ -	\$ (1,797,942)
Net liability	47,396,459	7,733
Deferred outflows of resources	8,165,702	207,834
Deferred inflows of resources	3,747,107	683,301
Expense	4,081,847	(221,287)
Contributions	5,125,452	92,252

Arizona State Retirement System

Plan Description

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

**CASA GRANDE ELEMENTARY SCHOOL DISTRICT NO. 4
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2025**

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

Arizona State Retirement System (Continued)

Benefits Provided

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

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

**With actuarially reduced benefits.*

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

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

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

CASA GRANDE ELEMENTARY SCHOOL DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

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

Arizona State Retirement System (Continued)

Contributions

In accordance with State statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2025, statute required active ASRS members to contribute at the actuarially determined rate of 12.27% (12.12% for retirement and 0.15% for long-term disability) of the members’ annual covered payroll, and statute required the District to contribute at the actuarially determined rate of 12.27% (12.05% for retirement, 0.07% for health insurance premium benefit, and 0.15% for long-term disability) of the active members’ annual covered payroll. If the District also made alternative contributions for retired members who returned to work, add the following sentence: In addition, the District was required by statute to contribute at the actuarially determined rate of 10.19% (10.14% for retirement and 0.05% for long-term disability) of annual covered payroll of retired members who worked for the District in positions that an employee who contributes to the ASRS would typically fill. The District’s contributions to the pension, health insurance premium benefit, and long-term disability for the year ended June 30, 2025, were \$5,125,452, \$29,775, and \$62,477.

During fiscal year 2024, the District paid for pension and OPEB contributions as follows: 78% from the General Fund, 8% from the Classroom Site Fund and 14% from nonmajor governmental other funds.

Liability

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

	Net (Assets) Liability	District % Proportion	Increase (Decrease)
Pension	\$ 47,396,459	0.29620%	0.00372%
Health insurance premium benefit	(1,797,942)	0.29756%	0.00627%
Long-term disability	7,733	0.29666%	0.00498%

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

CASA GRANDE ELEMENTARY SCHOOL DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

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

Arizona State Retirement System (Continued)

Expense

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

	Pension/OPEB Expense
Pension	\$ 4,081,847
Health insurance premium benefit	(256,529)
Long-term disability	35,242
Total Pension/OPEB expense:	<u>\$ 3,860,560</u>

Deferred Outflows/Inflows of Resources

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

	Deferred Outflows of Resources		
	Pension	Health Insurance Premium Benefit	Long-Term Disability
Differences between expected and actual experience	\$ 2,645,626	\$ 52,030	\$ 28,435
Changes of assumptions or other inputs	-	-	5,596
Changes in proportion and differences between contributions and proportionate share of contributions	394,624	22,691	6,830
Contributions subsequent to the measurement date	5,125,452	29,775	62,477
Total	<u>\$ 8,165,702</u>	<u>\$ 104,496</u>	<u>\$ 103,338</u>

	Deferred Inflows of Resources		
	Pension	Health Insurance Premium Benefit	Long-Term Disability
Differences between expected and actual experience	\$ -	\$ 434,133	\$ 20,595
Changes of assumptions or other inputs	-	18,650	46,297
Net difference between projected and actual earnings on pension plan investments	3,026,783	123,591	8,447
Changes in proportion and differences between contributions and proportionate share of contributions	720,324	24,721	6,867
Total	<u>\$ 3,747,107</u>	<u>\$ 601,095</u>	<u>\$ 82,206</u>

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

Year Ending June 30:	Deferred Outflows (Inflows) of Resources		
	Pension	Health Insurance Premium Benefit	Long-Term Disability
2025	\$ (1,890,671)	\$ (333,634)	\$ (13,185)
2026	2,505,442	(76,280)	(1,804)
2027	(766,178)	(73,542)	(12,751)
2028	(555,450)	(35,203)	(11,546)
2029	-	(7,715)	(4,562)
Thereafter	-	-	2,503
Total	<u>\$ (706,857)</u>	<u>\$ (526,374)</u>	<u>\$ (41,345)</u>

CASA GRANDE ELEMENTARY SCHOOL DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

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

Arizona State Retirement System (Continued)

Actuarial Assumptions

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

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

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

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

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
Public equity	44%	4.48%
Credit	23%	4.40%
Real estate	17%	6.06%
Private equity	10%	6.11%
Interest rate sensitive	6%	-0.45%
Total	100%	

Discount Rate

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

**CASA GRANDE ELEMENTARY SCHOOL DISTRICT NO. 4
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2025**

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

Arizona State Retirement System (Continued)

Sensitivity of the District’s Proportionate Share of the ASRS Net Pension Liability to Changes in the Discount Rate – The following table presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0%) or 1 percentage point higher (8.0%) than the current rate.

	Proportionate share of the net liability (asset)		
	Current		
	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
Pension	\$ 72,573,670	\$ 47,396,459	\$ 26,413,451
Health insurance premium benefit	(1,307,091)	(1,797,942)	(2,215,261)
Long-term disability	26,608	7,733	(10,834)

Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued ASRS financial report.

Contributions payable - The District’s accrued payroll and employee benefits included \$216,773 of outstanding pension amounts payable to ASRS for the year ended June 30, 2025.

NOTE 11 – RESTATEMENTS

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

Governmental Activities

	Net position as previously stated	GASB 101 Implementation	Net position as restated
Governmental Activities	\$ 63,924,375	\$ (1,416,722)	\$ 62,507,653

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

**CASA GRANDE ELEMENTARY SCHOOL DISTRICT NO. 4
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY AND CONTRIBUTIONS
COST SHARING PENSION PLAN
LAST TEN FISCAL YEARS**

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

	Reporting Fiscal Year (Measurement Date)									
	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
Proportion of the net pension liability	0.29620%	0.29248%	0.30842%	0.29687%	0.29210%	0.30000%	0.31000%	0.30000%	0.32000%	0.31000%
Proportionate share of the net pension liability	\$ 47,396,459	\$ 47,327,490	\$ 50,340,994	\$ 39,007,400	\$ 50,614,230	\$ 44,161,326	\$ 43,471,181	\$ 47,312,098	\$ 52,416,298	\$ 48,827,035
Covered payroll	\$ 43,072,340	\$ 37,418,172	\$ 37,418,172	\$ 33,760,555	\$ 31,905,537	\$ 31,858,417	\$ 30,855,239	\$ 29,541,633	\$ 30,303,843	\$ 29,036,915
Proportionate share of the net pension liability as a percentage of its covered payroll	110.04%	126.48%	134.54%	115.54%	158.64%	138.62%	140.89%	160.15%	172.97%	168.16%
Plan fiduciary net position as a percentage of the total pension liability	76.93%	75.47%	74.26%	78.58%	69.33%	73.24%	73.40%	69.92%	67.06%	68.35%

SCHEDULE OF CONTRIBUTIONS

	Reporting Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 5,125,452	\$ 4,981,490	\$ 4,551,042	\$ 4,365,430	\$ 3,885,938	\$ 3,653,184	\$ 3,561,771	\$ 3,363,221	\$ 3,184,588	\$ 3,287,967
Contributions in relation to the actuarially determined contribution	5,125,452	4,981,490	4,551,042	4,365,430	3,885,938	3,653,184	3,561,771	3,363,221	3,184,588	3,287,967
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 44,413,186	\$ 43,072,340	\$ 39,626,310	\$ 37,418,172	\$ 33,760,555	\$ 31,905,537	\$ 31,858,417	\$ 30,855,239	\$ 29,541,633	\$ 30,303,843
Contributions as a percentage of covered payroll	11.54%	11.57%	11.48%	11.67%	11.51%	11.45%	11.18%	10.90%	10.78%	10.85%

**CASA GRANDE ELEMENTARY SCHOOL DISTRICT NO. 4
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF NET OPEB ASSET AND CONTRIBUTIONS
HEALTH BENEFIT SUPPLEMENT
JUNE 30, 2025 AND SEVEN PRIOR FISCAL YEARS**

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)

	Reporting Fiscal Year (Measurement Date)							
	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)
Proportion of the net OPEB (asset) liability	0.00627%	0.29129%	0.30594%	0.29423%	0.28965%	0.29700%	0.30613%	0.30000%
Proportionate share of the net OPEB (asset) liability	\$ (1,797,942)	\$ (1,572,754)	\$ (1,707,445)	\$ (1,433,513)	\$ (205,071)	\$ (82,077)	\$ (110,235)	\$ (162,329)
Covered payroll	\$ 43,072,340	\$ 39,626,310	\$ 37,418,172	\$ 33,760,555	\$ 31,905,537	\$ 31,858,417	\$ 30,855,239	\$ 29,541,633
Proportionate share of the net OPEB (asset) liability as a percentage of its covered payroll	-4.17%	-3.97%	-4.56%	-4.25%	-0.64%	-0.26%	-0.36%	-0.55%
Plan fiduciary net position as a percentage of the total OPEB liability	137.51%	134.37%	137.79%	130.24%	104.33%	101.62%	102.20%	103.57%

SCHEDULE OF CONTRIBUTIONS

	Reporting Fiscal Year							
	2025	2024	2023	2022	2021	2020	2019	2018
Actuarially determined contribution	\$ 29,774	\$ 40,832	\$ 74,625	\$ 74,625	\$ 125,825	\$ 151,438	\$ 140,610	\$ 131,389
Contributions in relation to the actuarially determined contribution	29,774	40,832	74,625	74,625	125,825	151,438	140,610	131,389
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 44,413,186	\$ 43,072,340	\$ 39,626,310	\$ 37,418,172	\$ 33,760,555	\$ 31,905,537	\$ 31,858,417	\$ 30,855,239
Contributions as a percentage of covered payroll	0.07%	0.09%	0.19%	0.20%	0.37%	0.47%	0.44%	0.43%

**CASA GRANDE ELEMENTARY SCHOOL DISTRICT NO. 4
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF NET OPEB LIABILITY AND CONTRIBUTIONS
LONG-TERM DISABILITY
JUNE 30, 2025 AND SEVEN PRIOR FISCAL YEARS**

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY

	Reporting Fiscal Year (Measurement Date)							
	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)
Proportion of the net OPEB liability	0.00498%	0.29168%	0.30687%	0.29513%	0.29032%	0.29901%	0.31150%	0.30000%
Proportionate share of the net OPEB liability	\$ 7,733	\$ 38,221	\$ 28,342	\$ 60,922	\$ 220,240	\$ 194,789	\$ 162,760	\$ 108,895
Covered payroll	\$ 43,072,340	\$ 39,626,310	\$ 37,418,172	\$ 33,760,555	\$ 31,905,537	\$ 31,858,417	\$ 30,855,239	\$ 29,541,633
Proportionate share of the net OPEB liability as a percentage of its covered payroll	0.02%	0.10%	0.08%	0.18%	0.69%	0.61%	0.53%	0.37%
Plan fiduciary net position as a percentage of the total OPEB liability	98.77%	93.70%	95.40%	90.38%	68.01%	72.85%	77.83%	84.44%

SCHEDULE OF CONTRIBUTIONS

	Reporting Fiscal Year							
	2025	2024	2023	2022	2021	2020	2019	2018
Actuarially determined contribution	\$ 62,477	\$ 52,772	\$ 68,760	\$ 68,760	\$ 58,956	\$ 53,217	\$ 49,688	\$ 49,426
Contributions in relation to the actuarially determined contribution	62,477	52,772	68,760	68,760	58,956	53,217	49,688	49,426
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 44,413,186	\$ 43,072,340	\$ 39,626,310	\$ 37,418,172	\$ 33,760,555	\$ 31,905,537	\$ 31,858,417	\$ 30,855,239
Contributions as a percentage of covered payroll	0.14%	0.12%	0.17%	0.18%	0.17%	0.17%	0.16%	0.16%

**CASA GRANDE ELEMENTARY SCHOOL DISTRICT NO. 4
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL GENERAL FUND – BUDGETARY BASIS (MAINTENANCE
AND OPERATION)
YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual (Budgetary Basis)	Variances - Final to Actual
	Original	Final		
REVENUES				
Property taxes	\$ -	\$ -	\$ 13,309,183	\$ 13,309,183
Intergovernmental	-	-	40,513,777	40,513,777
Tuition	-	-	5,963	5,963
Investment earnings	-	-	171,445	171,445
Other	-	-	198,598	198,598
Total Revenues	-	-	54,198,966	54,198,966
EXPENDITURES				
Regular education:				
Instruction	20,717,878	22,838,005	20,176,915	2,661,090
Support services - students	1,930,635	2,220,721	2,085,304	135,417
Support services - instructional staff	1,243,341	1,340,402	854,480	485,922
Support services - general administration	1,213,574	1,166,538	909,598	256,940
Support services - school administration	3,654,179	4,378,497	3,906,536	471,961
Support services - central services	3,587,714	3,939,653	3,465,712	473,941
Operations and maintenance of plant	9,264,405	9,111,124	7,869,278	1,241,846
Operation of noninstructional services	12,500	193,738	140,192	53,546
School sponsored cocurricular activities	39,495	36,555	32,624	3,931
School sponsored athletics	105,959	103,713	97,928	5,785
Total regular education	41,769,680	45,328,946	39,538,567	5,790,379
Special education:				
Instruction	7,173,964	7,268,861	6,746,390	522,471
Support services - students	4,014,872	4,373,490	3,767,377	606,113
Support services - instructional staff	545,945	412,468	427,813	(15,345)
Support services - general administration	250	-	-	-
Support services - central services	11,750	12,200	14,825	(2,625)
Operations and maintenance of plant	180	61	61	-
Total special education	11,746,961	12,067,080	10,956,466	1,110,614
Pupil transportation:				
Student transportation services	4,880,236	5,080,960	4,794,712	286,248
Total pupil transportation	4,880,236	5,080,960	4,794,712	286,248
K-3 reading program:				
Instruction	371,104	861,430	826,215	35,215
Support services - instructional staff	-	-	17,049	(17,049)
Total K-3 reading program	371,104	861,430	843,264	18,166
Total Expenditures	58,767,981	63,338,416	56,133,009	7,205,407
Excess (Deficiency) of Revenues Over Expenditures	(58,767,981)	(63,338,416)	(1,934,043)	61,404,373
NET CHANGE IN FUND BALANCE	(58,767,981)	(63,338,416)	(1,934,043)	61,404,373
Fund Balance - Beginning	-	-	12,472,409	12,472,409
Increase/(decrease) in inventories	-	-	(37,902)	(37,902)
Fund Balance - Ending	\$ (58,767,981)	\$ (63,338,416)	\$ 10,500,464	\$ 73,838,880

**CASA GRANDE ELEMENTARY SCHOOL DISTRICT NO. 4
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL CLASSROOM SITE FUND
YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variances -
	Original	Final		Final to Actual
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 5,653,623	\$ 5,653,623
Investment earnings	-	-	117,581	117,581
Total Revenues	-	-	5,771,204	5,771,204
EXPENDITURES				
Regular education:				
Instruction	8,106,039	7,716,738	4,183,236	3,533,502
Support services - students	13,719	13,060	7,080	5,980
Support services - instructional staff	17,971	17,108	9,274	7,834
Total regular education	8,137,729	7,746,906	4,199,590	3,547,316
Special education:				
Instruction	1,080,174	1,028,297	557,439	470,858
Support services - students	2,922	2,782	1,508	1,274
Support services - instructional staff	9,882	9,408	5,100	4,308
Total special education	1,092,978	1,040,487	564,047	476,440
K-3 reading program:				
Support services - instructional staff	934	889	482	407
Total Expenditures	9,231,641	8,788,282	4,764,119	4,018,581
Excess (Deficiency) of Revenues Over Expenditures	(9,231,641)	(8,788,282)	1,007,085	9,789,785
Fund Balance - Beginning	-	-	3,134,658	3,134,658
Fund Balance - Ending	\$ (9,231,641)	\$ (8,788,282)	\$ 4,141,743	\$ 12,930,025

**CASA GRANDE ELEMENTARY SCHOOL DISTRICT NO. 4
 NOTES TO THE REQUIRED
 SUPPLEMENTARY INFORMATION
 YEAR ENDED JUNE 30, 2025**

NOTE 1 – AVAILABILITY OF PRIOR YEAR OPEB INFORMATION

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

NOTE 2 – BUDGETARY BASIS OF ACCOUNTING

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

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

The following adjustments are necessary to present actual revenues, expenditures, other financing sources and uses, beginning fund balance and ending fund balance on a budgetary basis in order to present only the activity of the District’s Maintenance and Operation Fund for budgetary purposes. The Non-Maintenance and Operating activity is budgeted separately and includes Medicaid Reimbursement, Taylor Grazing, School Plant, Auxiliary Operations, Gifts and Donations, Insurance Proceeds, Litigation Recovery, Indirect Costs, Unemployment Insurance, Unrestricted Capital Outlay, and Intergovernmental Agreements.

	General Fund				
	Total	Total	Other Financing Sources and Uses	Fund balance beginning of year	Fund balance end of year
	Revenues	Expenditures			
Statement of revenues, expenditures and changes in fund balance	\$58,973,078	\$65,916,983	\$ 6,262,035	\$19,711,213	\$ 18,991,441
Non-maintenance and operation activity include in the General Fund	(4,774,112)	(9,783,974)	(6,262,035)	(7,238,804)	(8,490,977)
Schedule of revenues, expenditures, and changes in fund balance - budget to actual	\$54,198,966	\$56,133,009	\$ -	\$12,472,409	\$ 10,500,464

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

NOTE 3 – ADJACENT WAYS FUND BUDGET

The District did not prepare a budget for the Adjacent Ways Fund, therefore the budget to actual schedule for the fund has been omitted from the subsequent section.

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

**CASA GRANDE ELEMENTARY SCHOOL DISTRICT NO. 4
NONMAJOR GOVERNMENTAL FUNDS
FUND DESCRIPTIONS
JUNE 30, 2025**

SPECIAL REVENUE FUNDS

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

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

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

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

CAPITAL PROJECTS FUNDS

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

Bond Building Fund - accounts for proceeds from District bond issues that are 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.

Building Renewal Grant Fund - accounts for building renewal grant monies requested from the School Facilities Board that are used for infrastructure or for major upgrades, repairs, or renovations to areas, systems, or buildings that will maintain or extend their useful life.

DEBT SERVICE FUND

Debt Service Fund - accounts for resources accumulated and used for the payment of long-term debt principal, interest and related costs. The District did not budget for the Debt Service Fund.

**CASA GRANDE ELEMENTARY SCHOOL DISTRICT NO. 4
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2025**

	Special Revenue Funds				Capital Project Funds			Debt Service Fund	Non-Major Governmental Funds
	Instructional Improvement Fund	Special Projects Fund	Other Special Revenue Fund	Food Service Fund	Bond Building Fund	Adjacent Ways Fund	Building Renewal Grant Fund	Debt Service Fund	
ASSETS									
Cash and investments	\$ 1,591,299	\$ 1,269,739	\$ 1,716,485	\$ 2,290,291	\$ 192,689	\$ 637	\$ -	\$ 26,390	\$ 7,087,530
Receivables:									
Property taxes	-	-	-	-	-	-	-	162,029	162,029
Intergovernmental	224,793	1,117,325	-	99,863	-	-	506,460	-	1,948,441
Deposits	-	-	-	99,969	-	-	-	-	99,969
Inventory	-	-	-	41,488	-	-	-	-	41,488
Total Assets	\$ 1,816,092	\$ 2,387,064	\$ 1,716,485	\$ 2,531,611	\$ 192,689	\$ 637	\$ 506,460	\$ 188,419	\$ 9,339,457
LIABILITIES									
Accounts payable	\$ -	\$ 35,942	\$ 3,371	\$ 6,217	\$ 192,689	\$ -	\$ 156,549	\$ -	\$ 394,768
Accrued wages	-	208,901	8,775	83,568	-	-	-	-	301,244
Due to other funds	-	-	-	-	-	-	181,745	-	181,745
Total Liabilities	-	244,843	12,146	89,785	192,689	-	338,294	-	877,757
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenues	-	-	-	-	-	-	-	144,143	144,143
FUND BALANCES									
Nonspendable	-	-	-	41,488	-	-	-	-	41,488
Restricted	1,816,092	2,142,221	1,704,339	2,400,338	-	637	168,166	44,276	8,276,069
Total Fund Balances	1,816,092	2,142,221	1,704,339	2,441,826	-	637	168,166	44,276	8,317,557
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,816,092	\$ 2,387,064	\$ 1,716,485	\$ 2,531,611	\$ 192,689	\$ 637	\$ 506,460	\$ 188,419	\$ 9,339,457

**CASA GRANDE ELEMENTARY SCHOOL DISTRICT NO. 4
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FISCAL YEAR ENDED JUNE 30, 2025**

	Special Revenue Funds				Capital Project Funds			Debt Service Fund	Non-Major Governmental Funds
	Instructional Improvement Fund	Formerly Major Special Projects Fund	Other Special Revenue Fund	Food Service Fund	Bond Building Bond	Adjacent Ways Fund	Building Renewal Grant Fund	Debt Service Fund	
REVENUES									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8	\$ -	\$ 2,789,714	\$ 2,789,722
Intergovernmental	471,607	7,803,544	-	4,467,061	-	-	2,322,117	-	15,064,329
Tuition	-	-	388,255	-	-	-	-	-	388,255
Food Services Sales	-	-	-	130,720	-	-	-	-	130,720
Student Activities	-	-	42,855	-	-	-	-	-	42,855
Rental Income	-	-	111,164	-	-	-	-	-	111,164
Contributions and donations	-	-	28,296	-	-	-	-	-	28,296
Investment earnings	50,727	18,660	47,931	67,006	-	19	-	59,441	243,784
Other	-	-	2,390	14,774	-	-	-	-	17,164
Total Revenues	522,334	7,822,204	620,891	4,679,561	-	27	2,322,117	2,849,155	18,816,289
EXPENDITURES									
Current									
Instruction	251,554	2,436,190	347,110	-	27,731	-	-	-	3,062,585
Support services:									
Students	22,080	1,360,501	82,386	298	-	-	-	-	1,465,265
Instructional staff	-	2,357,258	2,522	-	-	-	-	-	2,359,780
School administration	-	-	1,507	-	-	-	-	-	1,507
Business and other support services	-	668,331	5,929	7,715	-	-	-	1,700	683,675
Operations and maintenance of plant	-	1,549	37,921	4,752	23,645	-	964,776	-	1,032,643
Student transportation	-	158,280	342	-	-	-	-	-	158,622
Operations of noninstructional services	-	17,325	-	3,989,926	-	-	-	-	4,007,251
Debt service:									
Principal	-	-	-	-	-	-	-	1,895,000	1,895,000
Interest and other	-	-	-	-	-	-	-	1,455,238	1,455,238
Capital outlay:									
Facilities acquisition	-	236,736	12,369	-	498,493	-	1,327,609	-	2,075,207
Total Expenditures	273,634	7,236,170	490,086	4,002,691	549,869	-	2,292,385	3,351,938	18,196,773
Excess (Deficiency) of Revenues Over Expenditures	248,700	586,034	130,805	676,870	(549,869)	27	29,732	(502,783)	619,516
Other Financing Sources (Uses)									
Transfers out	-	(520,632)	-	(395,574)	-	-	-	-	(916,206)
Net Financing Sources (Uses)	-	(520,632)	-	(395,574)	-	-	-	-	(916,206)
NET CHANGE IN FUND BALANCE	248,700	65,402	130,805	281,296	(549,869)	27	29,732	(502,783)	(296,690)
Fund Balance - Beginning, as restated	1,567,392	2,076,819	1,573,534	2,165,814	549,869	610	138,434	547,059	8,619,531
Increase in inventories	-	-	-	(5,284)	-	-	-	-	(5,284)
Fund Balance - Ending	\$ 1,816,092	\$ 2,142,221	\$ 1,704,339	\$ 2,441,826	\$ -	\$ 637	\$ 168,166	\$ 44,276	\$ 8,317,557

**CASA GRANDE ELEMENTARY SCHOOL DISTRICT NO. 4
GENERAL FUND – BUDGETARY BASIS (NON-MAINTENANCE AND OPERATION)
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FISCAL YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Non-GAAP Actual	Variances - Final to Actual
	Original	Final		
REVENUES				
Property taxes	\$ -	\$ -	\$ 853,665	\$ 853,665
Intergovernmental	-	-	3,170,720	3,170,720
Auxiliary operations	-	-	75,319	75,319
Contributions and donations	-	-	184,403	184,403
Investment earnings	-	-	339,934	339,934
Other	-	-	150,071	150,071
Total Revenues	-	-	4,774,112	4,774,112
EXPENDITURES				
Regular education:				
Instruction	124,251	149,837	205,977	(56,140)
Support services - students	136,769	164,933	226,729	(61,796)
Support services - instructional staff	182,368	219,921	302,320	(82,399)
Support services - general administrator	17,710	21,357	29,359	(8,002)
Support services - school administration	31,246	37,680	51,798	(14,118)
Support services - central services	833,702	1,005,379	1,382,070	(376,691)
Operations and maintenance of plant	165,252	199,280	273,946	(74,666)
School sponsored cocurricular activities	3,843	4,635	6,371	(1,736)
School sponsored athletics	20,486	24,704	33,960	(9,256)
Total regular education	1,515,626	1,827,726	2,512,530	(684,804)
Special education:				
Instruction	16,116	19,435	26,717	(7,282)
Support services - students	140,282	169,169	232,553	(63,384)
Support services - instructional staff	97,653	117,762	161,884	(44,122)
Support services - central services	1,152	1,389	1,910	(521)
Total special education	255,204	307,755	423,064	(115,309)
Pupil transportation:				
Student transportation services	428,873	517,187	710,965	(193,778)
K-3 reading program:				
Instruction	38,164	46,022	63,266	(17,244)
Capital outlay				
Facilities acquisition	3,606,204	4,348,798	5,978,187	(1,629,389)
Debt service				
Principal retirement	57,887	69,807	95,962	(26,155)
Total Expenditures	5,901,957	7,117,296	9,783,974	(2,666,678)
Excess (Deficiency) of Revenues Over Expenditures	(5,901,957)	(7,117,296)	(5,009,862)	2,107,434
Other Financing Sources (Uses):				
Transfers in	-	-	916,206	916,206
Proceeds from financed purchase	-	-	5,345,829	5,345,829
Net Financing Sources (Uses)	-	-	6,262,035	6,262,035
NET CHANGE IN FUND BALANCE	(5,901,957)	(7,117,296)	1,252,173	8,369,469
Fund Balance - Beginning	-	-	7,238,804	7,238,804
Fund Balance - Ending	\$ (5,901,957)	\$ (7,117,296)	\$ 8,490,977	\$ 15,608,273

**CASA GRANDE ELEMENTARY SCHOOL DISTRICT NO. 4
 INSTRUCTIONAL IMPROVEMENT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FISCAL YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variances - Final to Actual
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 471,607	\$ 471,607
Investment earnings	-	-	50,727	50,727
Total Revenues	-	-	522,334	522,334
EXPENDITURES				
Regular education:				
Instruction	150,884	414,931	206,435	208,496
Support services - students	16,138	44,380	22,080	22,300
Total regular education	167,022	459,312	228,515	230,797
Special education:				
Instruction	32,978	90,688	45,119	45,569
Total Expenditures	200,000	550,000	273,634	276,366
Excess (Deficiency) of Revenues Over Expenditures	(200,000)	(550,000)	248,700	798,700
NET CHANGE IN FUND BALANCE	(200,000)	(550,000)	248,700	798,700
Fund Balance - Beginning	-	-	1,567,392	1,567,392
Fund Balance - Ending	\$ (200,000)	\$ (550,000)	\$ 1,816,092	\$ 2,366,092

**CASA GRANDE ELEMENTARY SCHOOL DISTRICT NO. 4
SPECIAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FISCAL YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variances - Final to Actual
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 7,803,544	\$ 7,803,544
Investment earnings	-	-	18,660	18,660
Total Revenues	-	-	7,822,204	7,822,204
EXPENDITURES				
Regular education:				
Instruction	2,139,386	1,763,758	1,219,573	544,185
Support services - students	1,926,191	1,587,996	1,098,040	489,956
Support services - instructional staff	4,109,179	3,387,701	2,342,469	1,045,232
Support services - central services	1,161,828	957,838	662,309	295,529
Operations and maintenance of plant	2,717	2,240	1,549	691
Operation of noninstructional services	30,392	25,056	17,325	7,731
Total regular education	9,369,693	7,724,589	5,341,265	2,383,324
Special education:				
Instruction	2,134,200	1,759,483	1,216,617	542,866
Support services - students	460,411	379,574	262,461	117,113
Support services - instructional staff	25,943	21,388	14,789	6,599
Support services - central services	10,564	8,709	6,022	2,687
Total special education	2,631,118	2,169,154	1,499,889	669,265
Pupil transportation:				
Student transportation services	277,656	228,906	158,280	70,626
Capital outlay				
Facilities acquisition	415,284	342,370	236,736	105,634
Total Expenditures	12,693,752	10,465,019	7,236,170	3,228,849
Excess (Deficiency) of Revenues Over Expenditures	(12,693,752)	(10,465,019)	586,034	11,051,053
Other Financing Sources (Uses):				
Transfers out	-	-	(520,632)	(520,632)
Net Financing Sources (Uses)	-	-	(520,632)	(520,632)
NET CHANGE IN FUND BALANCE	(12,693,752)	(10,465,019)	65,402	10,530,421
Fund Balance - Beginning	-	-	2,076,819	2,076,819
Fund Balance - Ending	\$ (12,693,752)	\$ (10,465,019)	\$ 2,142,221	\$ 12,607,240

**CASA GRANDE ELEMENTARY SCHOOL DISTRICT NO. 4
OTHER SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FISCAL YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variances - Final to Actual
	Original	Final		
REVENUES				
Tuition	\$ -	\$ -	\$ 388,255	\$ 388,255
Student activities	-	-	42,855	42,855
Rentals	-	-	111,164	111,164
Contributions and donations	-	-	28,296	28,296
Investment earnings	-	-	47,931	47,931
Other	-	-	2,390	2,390
Total Revenues	-	-	620,891	620,891
EXPENDITURES				
Regular education:				
Instruction	539,572	539,572	300,496	239,076
Support services - students	85,648	85,648	47,699	37,949
Support services - instructional staff	3,665	3,665	2,041	1,624
Support services - school administration	2,706	2,706	1,507	1,199
Support services - central services	10,646	10,646	5,929	4,717
Operations and maintenance of plant	68,091	68,091	37,921	30,170
School sponsored cocurricular activities	52,494	52,494	29,235	23,259
School sponsored athletics	3,083	3,083	1,717	1,366
Total regular education	765,906	765,906	426,545	339,361
Special education:				
Instruction	83,700	83,700	46,614	37,086
Support services - students	6,707	6,707	3,735	2,972
Support services - instructional staff	864	864	481	383
Total special education	91,271	91,271	50,830	40,441
Pupil transportation:				
Student transportation services	614	614	342	272
Capital Outlay:				
Facilities acquisition	22,210	22,210	12,369	9,841
Total Expenditures	880,000	880,000	490,086	389,914
Excess (Deficiency) of Revenues Over Expenditures	(880,000)	(880,000)	130,805	1,010,805
Fund Balance - Beginning	-	-	1,573,534	1,573,534
Fund Balance - Ending	\$ (880,000)	\$ (880,000)	\$ 1,704,339	\$ 2,584,339

**CASA GRANDE ELEMENTARY SCHOOL DISTRICT NO. 4
FOOD SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FISCAL YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variances - Final to Actual
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 4,467,061	\$ 4,467,061
Food service sales	-	-	130,720	130,720
Investment earnings	-	-	67,006	67,006
Other	-	-	14,774	14,774
Total Revenues	-	-	4,679,561	4,679,561
EXPENDITURES				
Regular education:				
Support services - students	342	342	298	44
Support services - central services	8,866	8,866	7,715	1,151
Operations and maintenance of plant	5,461	5,461	4,752	709
Operation of noninstructional services	4,585,330	4,585,330	3,989,926	595,404
Total Expenditures	4,600,000	4,600,000	4,002,691	597,309
Excess (Deficiency) of Revenues Over Expenditures	(4,600,000)	(4,600,000)	676,870	5,276,870
Other Financing Sources (Uses):				
Transfers out	-	-	(395,574)	(395,574)
Net Financing Sources (Uses)	-	-	(395,574)	(395,574)
NET CHANGE IN FUND BALANCE	(4,600,000)	(4,600,000)	281,296	4,881,296
Fund Balance - Beginning	-	-	2,165,814	2,165,814
Decrease in inventories	-	-	(5,284)	(5,284)
Fund Balance - Ending	\$ (4,600,000)	\$ (4,600,000)	\$ 2,441,826	\$ 7,041,826

**CASA GRANDE ELEMENTARY SCHOOL DISTRICT NO. 4
 BOND BUILDING FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FISCAL YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variances - Final to Actual
	Original	Final		
EXPENDITURES				
Regular education:				
Instruction	\$ 16,242	\$ 16,242	\$ 27,731	\$ (11,489)
Operations and maintenance of plant	13,849	13,849	23,645	(9,796)
Total regular education	30,091	30,091	51,376	(21,285)
Capital outlay				
Facilities acquisition	291,966	498,493	498,493	-
Total Expenditures	322,057	528,584	549,869	(42,570)
Excess (Deficiency) of Revenues Over Expenditures	(322,057)	(528,584)	(549,869)	(42,570)
Fund Balance - Beginning	-	-	549,869	549,869
Fund Balance - Ending	\$ (322,057)	\$ (528,584)	\$ -	\$ 507,299

**CASA GRANDE ELEMENTARY SCHOOL DISTRICT NO. 4
BUILDING RENEWAL GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FISCAL YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variances - Final to Actual
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 2,322,117	\$ 2,322,117
EXPENDITURES				
Regular education:				
Operations and maintenance of plant	1,767,617	1,767,617	964,776	802,841
Total regular education	1,767,617	1,767,617	964,776	802,841
Capital outlay				
Facilities acquisition	2,432,383	2,432,383	1,327,609	1,104,774
Total Expenditures	4,200,000	4,200,000	2,292,385	1,907,615
Excess (Deficiency) of Revenues Over Expenditures	(4,200,000)	(4,200,000)	29,732	4,229,732
Fund Balance - Beginning	-	-	138,434	138,434
Fund Balance - Ending	\$ (4,200,000)	\$ (4,200,000)	\$ 168,166	\$ 4,368,166

**CASA GRANDE ELEMENTARY SCHOOL DISTRICT NO. 4
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FISCAL YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variances - Final to Actual
	Original	Final		
REVENUES				
Property taxes	\$ -	\$ -	\$ 2,789,714	\$ 2,789,714
Investment earnings	-	-	59,441	59,441
Total Revenues	-	-	2,849,155	2,849,155
EXPENDITURES				
Debt service				
Principal retirement	1,690,000	1,895,000	1,895,000	-
Interest and fiscal charges	1,610,000	1,455,238	1,456,938	(1,700)
Total Expenditures	3,300,000	3,350,238	3,351,938	(1,700)
Excess (Deficiency) of Revenues Over Expenditures	(3,300,000)	(3,350,238)	(502,783)	2,847,455
Fund Balance - Beginning	-	-	547,059	547,059
Fund Balance - Ending	\$ (3,300,000)	\$ (3,350,238)	\$ 44,276	\$ 3,394,514

[THIS PAGE INTENTIONALLY LEFT BLANK]

CITY OF CASA GRANDE, ARIZONA

The following information concerning the City of is provided for background information only. No attempt has been made to determine what part, if any, of the data presented is applicable to the District; consequently, no representation is made as to the relevance of the data to the District or the Bonds. THE BONDS WILL NOT BE OBLIGATIONS OF THE CITY. The Bonds will be direct obligations of the District, payable solely from ad valorem taxes levied against all taxable property in the District as described under the heading "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS."

General

Founded in 1879, the City was named for the famous Hohokam Indian Ruins 20 miles to the northeast. Midway between Phoenix and Tucson, Arizona, the City has grown to be the largest community in the County since its incorporation in 1915.

The following table illustrates respective population statistics for the City.

POPULATION STATISTICS

	<u>City of Casa Grande</u>
2025 Estimate (a)	69,405
2020 Census	53,568
2010 Census	48,571
2000 Census	25,224
1990 Census	19,076
1980 Census	14,971

(a) Estimate as of July 2025 (data released in December 2025).

Source: Arizona Department of Commerce, Population Statistics Unit and the U.S. Census Bureau.

Municipal Government and Organization

The City is governed by a Mayor, six Council Members, and a City Manager. Police protection is provided by the City and the Pinal County Sheriff's Department. There are three fire stations with full-time emergency medical personnel. All stations are staffed with Advanced Life Support Paramedics.

Employment

The City is strategically located at the intersection of two interstate highways (Interstate 8 and Interstate 10) in an area known as Arizona’s Golden Corridor. Once dependent on agriculture and mining, the community has evolved into a diversified full-service area with manufacturing, retail trade, government and tourist-related employment. All of the County is a designated Enterprise Zone.

MAJOR EMPLOYERS City of Casa Grande, Arizona

Employer	Description	Approximate Number of Employees
Casa Grande Union High School District No. 82	Education	1,070
Lucid Motors	Manufacturing	1,030
Walmart	Retail	850
Banner Health	Healthcare	658
City of Casa Grande	Government	440
Bureau of Customs and Border Protection	Government	370
Abbott Laboratories	Medical Technology	330
Frito Lay	Distribution	300
State of Arizona	Government	299
Veterans Health Administration	Government	260

Source: Arizona COG/MPO Employer Database, Maricopa Association of Governments (data February 12, 2026).

The table below illustrates the unemployment rate averages for the City.

UNEMPLOYMENT RATE AVERAGES

Calendar Year	City of Casa Grande (a)
2026 (b)	5.4%
2025	4.7
2024	4.1
2023	4.2
2022	4.0
2021	5.4

(a) Each year, historical estimates from the Local Area Unemployment Statistics (LAUS) program are revised to reflect new population controls from the Census Bureau, updated input data, and re-estimation. The data for model-based areas also incorporate new seasonal adjustment, and the unadjusted estimates are controlled to new census division and U.S. totals. Sub-state area data subsequently are revised to incorporate updated inputs, re-estimation, and controlling to new statewide totals.

(b) Data as of January 2026.

Source: Arizona Office of Employment and Population Statistics, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Commerce

Transaction privilege (sales) tax collections is an indicator of overall economic activity within the City. The following table shows the history of transaction privilege tax collections for the City.

MUNICIPAL PRIVILEGE TAX COLLECTIONS
City of Casa Grande, Arizona
(\$000s omitted)

<u>Fiscal Year</u>	<u>City of Casa Grande</u>
2025/26 (a)	\$35,575
2024/25	59,220
2023/24	62,803
2022/23	58,668
2021/22	43,640
2020/21	33,960

(a) Data as of February 2026.

Source: Arizona Department of Revenue.

[THIS PAGE INTENTIONALLY LEFT BLANK]

PINAL COUNTY, ARIZONA

The following information concerning the County is provided for background information only. No attempt has been made to determine what part, if any, of the data presented is applicable to the District; consequently, no representation is made as to the relevance of the data to the District or the Bonds. THE BONDS WILL NOT BE OBLIGATIONS OF THE COUNTY. The Bonds will be direct obligations of the District, payable solely from ad valorem taxes levied against all taxable property in the District as described under the heading "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS."

General

The County was formed in 1875 from portions of Maricopa County, Arizona, and Pima County, Arizona. The principal geographic and economic features of the County consist of mountains with elevations of 6,000 feet and copper mining in the eastern portion of the County and primarily low desert valleys and irrigated agriculture in the western portion of the County.

The County encompasses approximately 5,374 square miles of which 4.5 square miles is water.

**LAND OWNERSHIP
Pinal County, Arizona**

Control/Ownership	Percent of Land in County
State Trust Land	35.0%
Indian Reservation	23.0
Individuals or Corporations	22.0
U.S. Forest Service and Bureau of Land Management	14.0
Other Public Lands	<u>6.0</u>
Total	<u>100.0%</u>

Source: *Arizona County Profiles*, Arizona Commerce Authority.

Municipal Government and Organization

The governmental and administrative affairs of the County are carried out by a Board of Supervisors (the "Board") comprised of five members who each serve four-year terms. The Board appoints a County Administrator, responsible for the day to day operation of the County. The County Administrator supervises the work of appointed department directors and is responsible for the appointment of non-elected department directors, with concurrence of the Board. In addition, the Board appoints all members of the many boards and commissions that assist these programs.

Located within the County are the Cities of Eloy, Casa Grande, Maricopa and Coolidge, Arizona, a portion of the City of Apache Junction, Arizona, the Towns of Florence, Kearney, Mammoth and Superior, Arizona and a portion of the Town of Queen Creek, Arizona. The following table illustrates respective population statistics for the principal communities located within the County, the County and the State.

POPULATION STATISTICS

Year	City of Apache Junction	City of Casa Grande	City of Coolidge	City of Eloy	Town of Florence	Town of Kearny
2025 Estimate (a)	44,529(b)	69,405	20,027	19,531	25,065	1,756
2020 Census	38,499	53,658	13,218	15,635	26,785	1,741
2010 Census	35,546	48,571	11,825	16,631	25,536	1,950
2000 Census	31,814	25,224	7,786	10,375	14,466	2,249
1990 Census	18,092	19,076	6,934	7,211	7,321	2,262
1980 Census	9,935	14,971	6,851	6,240	3,391	2,646

Year	Town of Mammoth	City of Maricopa	Town of Queen Creek	Town of Superior	Pinal County	State of Arizona
2025 Estimate (a)	1,078	78,194	16,357 (c)	2,470	502,071	7,718,747
2020 Census	1,076	58,125	59,519	2,407	425,264	7,151,502
2010 Census	1,426	43,482	449	2,837	375,770	6,392,017
2000 Census	1,762	N/A	N/A	3,254	179,727	5,130,632
1990 Census	1,845	N/A	N/A	3,468	116,397	3,665,339
1980 Census	1,906	N/A	N/A	4,600	90,918	2,716,546

N/A = Not applicable.

- (a) Estimates as of July 1, 2025 (data released December 2025).
- (b) Represents the portion of the City of Apache Junction, Arizona, located in the County only. Does not include the people located in Maricopa County, Arizona. For the 2025 estimate, this amount approximated 405 people.
- (c) Represents the portion of the Town of Queen Creek, Arizona, located in the County only. Does not include the people located in Maricopa County, Arizona. For the 2025 estimate, this amount approximated 71,693.

Source: Arizona Office of Economic Opportunity, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Economy

Communities within the eastern portion of the County have traditionally been active in copper mining, smelting, milling and refining, whereas communities in the western portion of the County have traditionally focused on agricultural industries. The communities adjacent to the Phoenix metropolitan area have diversified their economic base to include manufacturing, trade and services – facilitated by their location in the major growth corridor between Phoenix, Arizona, and Tucson, Arizona, near the junction of Interstate 10 and Interstate 8.

NON-AGRICULTURAL EMPLOYMENT STRUCTURE Pinal County, Arizona

	2026 (a) Percent of Total
Mining and construction	7.9%
Manufacturing	9.0
Trade, transportation and utilities	18.5
Information	0.9
Financial activities	2.7
Professional and business services	10.1
Educational and health services	9.3
Leisure and hospitality	12.1
Other services	3.2
Government	26.5
Total	<u>100.0%</u>

(a) Data as of January 2026.

Source: Arizona Office of Economic Opportunity, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

LABOR FORCE AND NONFARM EMPLOYMENT Pinal County, Arizona

	2026 (a)	2025	2024	2023	2022	2021
Mining and construction	6,825	6,800	5,950	5,050	4,225	3,750
Manufacturing	7,650	7,100	6,650	7,175	6,700	4,650
Trade, transportation, and utilities	14,875	14,750	14,700	13,925	13,450	13,200
Information	650	675	625	625	550	375
Financial activities	2,050	2,075	2,025	1,975	2,000	1,825
Professional and business services	7,600	7,600	7,525	6,825	6,100	6,125
Educational and health services	7,850	7,650	7,175	6,750	6,450	6,275
Leisure and hospitality	9,250	9,150	9,000	8,750	8,150	7,175
Other Services	2,200	2,225	2,375	2,200	1,950	1,700
Government	20,800	21,150	21,075	19,975	19,275	18,950
	<u>79,750</u>	<u>79,175</u>	<u>77,100</u>	<u>73,250</u>	<u>68,850</u>	<u>64,025</u>

(a) Data as of January 2026.

Source: Arizona Office of Economic Opportunity, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

The following table illustrates the unemployment averages for the County, the State and the United States.

UNEMPLOYMENT AVERAGES

Calendar Year	Pinal County (a)	State of Arizona (a)	United States of America
2026 (b)	5.0%	4.8%	4.7%
2025	4.3	4.2	4.3
2024	3.8	3.6	4.0
2023	3.7	3.7	3.6
2022	3.7	3.8	3.6
2021	4.9	5.0	5.3

(a) Each year, historical estimates from the Local Area Unemployment Statistics (LAUS) program are revised to reflect new population controls from the Census Bureau, updated input data, and re-estimation. The data for model-based areas also incorporate new seasonal adjustment, and the unadjusted estimates are controlled to new census division and U.S. totals. Substate area data subsequently are revised to incorporate updated inputs, re-estimation, and controlling to new statewide totals.

(b) Data as of January 2026.

Source: Arizona Office of Economic Opportunity, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Bank Deposits

The following table illustrates bank deposits in the County.

**BANK DEPOSITS
Pinal County, Arizona
(\$ in millions)**

Fiscal Year	Amount
2025	\$3,311
2024	3,390
2023	3,344
2022	3,505
2021	3,122

Source: Federal Deposit Insurance Corporation.

FORM OF APPROVING LEGAL OPINION

[Closing Date]

GOVERNING BOARD
CASA GRANDE ELEMENTARY SCHOOL DISTRICT
NO. 4 OF PINAL COUNTY, ARIZONA

We have acted as bond counsel to the Casa Grande Elementary School District No. 4 (the “*District*”) of Pinal County, Arizona (the “*County*”) in connection with the issuance of its \$18,760,000* aggregate principal amount of School Improvement Bonds, Project of 2025, Series A (2026) (the “*Bonds*”). The Bonds are dated [Closing Date], and bear interest payable January 1 and July 1 of each year to maturity [or prior redemption], commencing January 1, 2027*. In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to give the opinions below.

As to questions of fact material to the opinions below, we have relied upon, and assumed due and continuing compliance with the provisions of, the certified proceedings and other certifications, covenants, and representations furnished to us without undertaking to verify them by independent investigation, including, without limitation, those with respect to causing interest on the Bonds to be and remain excluded from gross income for federal income tax purposes.

Based upon the foregoing, we are of the opinion, as of this date, which is the date of initial delivery of the Bonds against payment therefor, that:

1. The Bonds have been duly authorized and executed by the District and are valid and binding general obligations of the District.

2. All taxable property within the District is subject to the levy of a direct, annual, ad valorem tax to pay the principal of and interest on the Bonds without limit as to rate or amount. It is required by law that the Board of Supervisors of the County levy, at the time of making the levy of taxes for County purposes, an annual tax upon the taxable property in the District sufficient to pay the principal of and interest on the Bonds when due.

3. Under existing laws, regulations, rulings and judicial decisions, the interest income on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “*Code*”) and is exempt from Arizona income taxes. Interest income on the Bonds is not an item of tax preference for purposes of the alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the federal alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes under Section 103 of the Code. The District has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. For purposes of this opinion, we have assumed continuing compliance by the District with such restrictions, conditions, and requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

* *Subject to change.*

The rights of the owners of the Bonds and the enforceability of the Bonds are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting the rights and remedies of creditors, and by equitable principles, whether considered at law or in equity.

We express no opinion herein regarding the accuracy, adequacy, or completeness of the Official Statement dated as of [_____, 2026], relating to the Bonds. Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

The opinions given in this opinion letter are given as of the date set forth above, and we assume no obligation to revise or supplement them to reflect any facts or circumstances that may later come to our attention, or any changes in law that may later occur.

Respectfully submitted,

FORM OF CONTINUING DISCLOSURE CERTIFICATE

\$18,760,000*
CASA GRANDE ELEMENTARY SCHOOL DISTRICT NO. 4
OF PINAL COUNTY, ARIZONA
SCHOOL IMPROVEMENT BONDS,
PROJECT OF 2025, SERIES A (2026)

CONTINUING DISCLOSURE CERTIFICATE
(CUSIP Base No. 722086)

This Continuing Disclosure Certificate (this “Disclosure Certificate”) is undertaken by Casa Grande Elementary School District No. 4 of Pinal County, Arizona (the “District”) in connection with the issuance of its \$18,760,000* School Improvement Bonds, Project of 2025, Series A (2026) (the “Bonds”). In consideration of the initial sale and delivery of the Bonds, the District covenants as follows:

Section 1. **Purpose of the Disclosure Certificate.** This Disclosure Certificate is for the benefit of the Bondholders (as defined herein) and in order to assist the Participating Underwriter (as defined herein) in complying with the Rule (as defined herein).

Section 2. **Definitions.** Any capitalized term used herein shall have the following meanings, unless otherwise defined herein:

“Annual Report” shall mean the annual report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Audited Financial Statements” shall mean the District’s annual financial statements, which are currently prepared in accordance with generally accepted accounting principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and which the District intends to continue to prepare in substantially the same form.

“Bond Counsel” shall mean Gust Rosenfeld P.L.C. or such other nationally recognized bond counsel as may be selected by the District.

“Bondholder” shall mean any registered owner or beneficial owner of the Bonds.

“Dissemination Agent” shall mean the District, or any person designated in writing by the District as the Dissemination Agent.

“EMMA” shall mean the Electronic Municipal Market Access system of MSRB, or any successor thereto approved by the Securities and Exchange Commission, as a repository for municipal continuing disclosure information pursuant to the Rule.

“Financial Obligation” shall mean (i) a debt obligation; (ii) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii), except that “Financial Obligation” does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

* *Subject to change.*

“Listed Events” shall mean any of the events listed in Section 5 of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board, or any successor thereto.

“Official Statement” shall mean the final official statement dated [_____, 2026] relating to the Bonds.

“Participating Underwriter” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) Commencing February 1, 2027, and by no later than February 1 of each year thereafter (the “Filing Date”), the District shall, either directly or by directing the Dissemination Agent to do so, provide an Annual Report to MSRB. The Annual Report shall be provided electronically and in a format prescribed by MSRB. The Annual Report shall be consistent with the requirements of Section 4 of this Disclosure Certificate and shall include information from the fiscal year ending on the preceding June 30. All documents provided to MSRB shall be accompanied by identifying information prescribed by MSRB. Currently, filings are required to be made with EMMA. Not later than fifteen (15) business days prior to such Filing Date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District).

(b) If the District is unable or for any reason fails to provide electronically to EMMA an Annual Report or any part thereof by the Filing Date required in subsection (a) above, the District shall, in a timely manner, send a notice to EMMA in substantially the form attached as Exhibit A not later than the Filing Date.

(c) If the District’s Audited Financial Statements are not submitted with the Annual Report and the District fails to provide to EMMA a copy of its Audited Financial Statements within thirty (30) days of receipt thereof by the District, then the District shall, in a timely manner, send a notice to EMMA in substantially the form attached as Exhibit B.

(d) The Dissemination Agent shall:

(i) Determine the proper electronic filing address of EMMA each year prior to the date(s) for providing the Annual Report and Audited Financial Statements; and

(ii) If the Dissemination Agent is other than the District, file a report or reports with the District certifying that the Annual Report and Audited Financial Statements, if applicable, have been provided pursuant to this Disclosure Certificate, stating the date such information was provided and listing where it was provided.

Section 4. Content of Annual Reports.

(a) The Annual Report may be submitted as a single document or as separate documents comprising an electronic package, and may incorporate by reference other information as provided in this Section, including the Audited Financial Statements of the District; provided, however, that if the Audited Financial Statements of the District are not available at the time of the filing of the Annual Report, the District shall file unaudited financial statements of the District with the Annual Report and, when the Audited Financial Statements of the District are available, the same shall be submitted to EMMA within thirty (30) days of receipt thereof by the District.

(b) The District’s Annual Report shall contain or incorporate by reference the following:

(i) Type of Financial and Operating Data to be Provided:

(A) Subject to the provisions of Sections 3 and 4(a) hereof, Audited Financial Statements for the District.

(B) Annually updated financial information and operating data of the type contained in the following tables in APPENDIX A – “THE DISTRICT – DISTRICT INFORMATION” and APPENDIX B – “THE DISTRICT – FINANCIAL INFORMATION” of the Official Statement:

- (1) Table 2 – Average Daily Membership;
- (2) Table 7 – Property Taxes Levied and Collected;
- (3) Table 9 – Net Limited Assessed Property Value by Property Classification;
- (4) Table 10 – Net Limited Assessed Property Value of Major Taxpayers; and
- (5) Tables 15 and 16 – Constitutional/Statutory Debt Limit/Unused Borrowing Capacity after Bond Issuance.

(C) In the event of an amendment pursuant to Section 8 of this Disclosure Certificate not previously described in an Annual Report, an explanation, in narrative form, of the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided and, if the amendment is made to the accounting principles to be followed, a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles, including a qualitative discussion of the differences, and the impact on the presentation and, to the extent feasible, a quantitative comparison.

(ii) Accounting Principles Pursuant to Which Audited Financial Statements Shall Be Prepared: The Audited Financial Statements shall be prepared in accordance with generally accepted accounting principles and state law requirements as are in effect from time to time. A more complete description of the accounting principles currently followed in the preparation of the District’s Audited Financial Statements is contained in Note 1 of the Audited Financial Statements included within the Official Statement.

Notice of amendment to the accounting principles shall be sent within thirty (30) days to EMMA.

(c) Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the District or related public entities, which have been submitted to EMMA or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from EMMA. The District shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Listed Events.

(a) This Section shall govern the giving of notices by the District, either directly or by directing the Dissemination Agent to do so, of the occurrence of any of the following events with respect to the Bonds. The District shall in a timely manner, not in excess of ten (10) business days after the occurrence of the event, provide notice of the following events with EMMA:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service (the "IRS") of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) Modifications to rights of Bondholders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the District;
- (xiii) The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of

business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

- (xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (xv) The incurrence of a Financial Obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect Bondholders, if material; and
- (xvi) A default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties.

(b) “Materiality” will be determined in accordance with the applicable federal securities laws.

Note to Section 5(a)(xii): For the purposes of the event identified in subsection (a)(xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

Section 6. Termination of Reporting Obligation. The District’s obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. Such termination shall not terminate the obligation of the District to give notice of such defeasance or prior redemption.

Section 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 8. Amendment. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate if:

(a) The amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in identity, nature or status of the District, or the type of business conducted;

(b) This Disclosure Certificate, as amended, would, in the opinion of Bond Counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment does not materially impair the interests of Bondholders, as determined by Bond Counsel.

Section 9. Filing with EMMA. The District shall, or shall cause the Dissemination Agent to, electronically file all items required to be filed with EMMA.

Section 10. Additional Information. The District may, at the District’s election, include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate. If the District chooses to include such information, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate, any Bondholder may seek specific performance by court order to cause the District to comply with its obligations under this Disclosure Certificate. The sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance and such failure shall not constitute a default under the Bonds or the resolution authorizing the Bonds.

Section 12. Compliance by District. The District hereby covenants to comply with the terms of this Disclosure Certificate. The District expressly acknowledges and agrees that compliance with the undertaking contained in this Disclosure Certificate is its sole responsibility and the responsibility of the Dissemination Agent, if any, and that such compliance, or monitoring thereof, is not the responsibility of, and no duty is present with respect thereto for, the Participating Underwriter or Bond Counsel.

Section 13. Subject to Appropriation. Pursuant to Arizona law, the District's undertaking to provide information under this Disclosure Certificate is subject to appropriation to cover the costs of preparing and sending the Annual Report and notices of Listed Events to EMMA. Should funds that would enable the District to provide the information required to be disclosed hereunder not be appropriated, then notice of such fact shall, in a timely manner, be sent to EMMA in substantially the form attached as Exhibit C.

Section 14. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and the Bondholders, and shall create no rights in any other person or entity.

Section 15. Governing Law and Interpretation of Terms. This Disclosure Certificate shall be governed by the law of the State of Arizona and any action to enforce this Disclosure Certificate must be brought in an Arizona state court. The terms and provisions of this Disclosure Certificate shall be interpreted in a manner consistent with the interpretation of such terms and provisions under the Rule and the federal securities law.

Dated: [Closing Date].

**CASA GRANDE ELEMENTARY SCHOOL DISTRICT
NO. 4 OF PINAL COUNTY, ARIZONA**

By _____
Chief Financial Officer

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Casa Grande Elementary School District No. 4 of Pinal County, Arizona
Name of Bond Issue: \$18,760,000* School Improvement Bonds, Project of 2025, Series A (2026)
Dated Date of Bonds: [Closing Date] Base CUSIP: 722086

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by Section 3(a) of the Continuing Disclosure Certificate dated [Closing Date]. The District anticipates that the Annual Report for fiscal year ended June 30, ____ will be filed by _____.

Dated: _____

Casa Grande Elementary School District No. 4 of Pinal
County, Arizona
By _____
Its _____

EXHIBIT B

NOTICE OF FAILURE TO FILE AUDITED FINANCIAL STATEMENTS

Name of Issuer: Casa Grande Elementary School District No. 4 of Pinal County, Arizona
Name of Bond Issue: \$18,760,000* School Improvement Bonds, Project of 2025, Series A (2026)
Dated Date of Bonds: [Closing Date] Base CUSIP: 722086

NOTICE IS HEREBY GIVEN that the District failed to provide its Audited Financial Statements with its Annual Report or, if not then available, within 30 days of receipt as required by Section 4(a) of the Continuing Disclosure Certificate dated [Closing Date], with respect to the above-named Bonds. The District anticipates that the Audited Financial Statements for the fiscal year ended June 30, ____ will be filed by _____.

Dated: _____

Casa Grande Elementary School District No. 4 of Pinal
County, Arizona
By _____
Its _____

EXHIBIT C

NOTICE OF FAILURE TO APPROPRIATE FUNDS

Name of Issuer: Casa Grande Elementary School District No. 4 of Pinal County, Arizona
Name of Bond Issue: \$18,760,000* School Improvement Bonds, Project of 2025, Series A (2026)
Dated Date of Bonds: [Closing Date] Base CUSIP: 722086

NOTICE IS HEREBY GIVEN that the District failed to appropriate funds necessary to perform the undertaking required by the Continuing Disclosure Certificate dated [Closing Date].

Dated: _____

Casa Grande Elementary School District No. 4 of Pinal
County, Arizona
By _____
Its _____

* Subject to change.

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company (“DTC”) will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants” and together with the Direct Participants, the “Participants”). DTC has Standard & Poor’s rating of: “AA+.” The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial

Owners may wish to provide their names and addresses to the Bond Registrar and Paying Agent and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payment of principal of and interest on the Bonds and the redemption price of any Bond will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Bond Registrar and Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Bond Registrar and Paying Agent or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of and interest on the Bonds and the redemption price of any Bonds will be made to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or Bond Registrar and Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Bond Registrar and Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.