
Higley Unified School District No. 60

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2023



Higley Unified School District No. 60

Gilbert, Arizona

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

Issued by:
Financial Services Department

Higley Unified School District No. 60

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Introductory Section

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December 19, 2023

Citizens and Governing Board
Higley Unified School District No. 60
2935 South Recker Road
Gilbert, Arizona 85295

State law mandates that school districts required to undergo an annual single audit publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States by a certified public accounting firm licensed in the State of Arizona. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the Higley Unified School District No. 60 (District) for the fiscal year ended June 30, 2023.

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

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

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

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

Profile of the District

The District is one of 58 public school districts located in Maricopa County, Arizona and serves approximately 91,988 residents in a 24 square-mile area located largely within the boundaries of the Town of Gilbert. The District's 13 campuses and 1 online academy provide a program of public education from preschool through grade twelve, with an average daily membership of 12,527. Finances continue to improve, with increased state funding, growing enrollment and healthy management practices leading to greater financial flexibility.

The District's Governing Board is organized under Section 15-321 of the Arizona Revised Statutes (A.R.S.). Management of the District is independent of other state or local governments. The membership of the Governing Board consists of five members elected by the public. Under existing statutes, the Governing Board's duties and powers include, but are not limited to, the acquisition, maintenance, and disposition of school property; the development and adoption of a school program; and the establishment, organization and operation of schools. The Board also has broad financial responsibilities, including the approval of the annual budget, and the establishment of a system of accounting and budgetary controls.

The financial reporting entity consists of a primary government and its component units. A component unit is a legally separate entity that must be included in the reporting entity in conformity with generally accepted accounting principles. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Furthermore, there are no component units combined with the District for financial statement presentation purposes, and the District is not included in any other governmental reporting entity. Consequently, the District's financial statements include only the funds of those organizational entities for which its elected governing board is financially accountable. The District's major operations include education, student transportation, construction and maintenance of District facilities, food services, bookstore, and athletic functions.

The District maintains budgetary controls as an integral part of its overall system of internal controls. The objective of these budgetary controls is to ensure compliance with legal provisions included in the annual expenditure budget adopted by the District's Governing Board. The annual expenditure budget also serves as the foundation for the District's financial planning and control. Activities of the general fund, special revenue funds, and capital projects funds are included in the annual

appropriated budget. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is the total adopted expenditure budget. Arizona Revised Statutes permits the adopted expenditure budget to be revised annually. The District additionally exercises management control and oversight of the budget at the fund level. The District may have overexpenditures of budgeted funds as long as the necessary revenue is earned. The District is not required to prepare an annual budget of revenue; therefore, a deficit budgeted fund balance may be presented.

Geographic Location. The District overlaps three major municipalities including portions of Mesa, Gilbert and Queen Creek. Gilbert is located about 30 miles southeast of downtown Phoenix and borders the cities of Mesa, Queen Creek, and Chandler. Gilbert was founded in 1891 and incorporated in 1920; it is one of the fastest growing cities in the United States of America. The Town of Gilbert government consists of a Mayor and a six-member town council. The population within the Higley School District has increased an average of 4,500 per year for most of the past decade and continues to be one of the few growth areas in the State. The housing industry continues to prosper as new home construction and new subdivisions are underway.

The City of Phoenix is the capital and largest city of Arizona and is the county seat as well. Phoenix was founded in 1870 and incorporated in 1881. The city encompasses an area over 500 square miles. Phoenix is the fifth most populous city in the United States and according to the 2018 U.S. Census Bureau, estimates the population of the city was approximately 1,660,272. The Phoenix metropolitan area is the population and economic activity center of the entire state. Phoenix is one of the leaders in the economics of the Southwestern area of the United States. The City of Phoenix maintains a Moody's general obligation bond rating of Aa1. It enjoys a highly diversified economic base consisting of manufacturing, agriculture, tourism, construction, education, distribution centers, finance, and retailing.

Maricopa County is in the south-central portion of Arizona and encompasses an area of approximately 9,224 square miles. Its boundaries encompass the cities of Phoenix, Scottsdale, Mesa, Tempe, Glendale, Chandler, and such towns as Gilbert, Paradise Valley, and Fountain Hills. Maricopa County is currently the nation's fourth largest county in terms of population size and the 14th in land area. As of July 2021, the County's population is approximately 4,541,258 and is expected to reach six million by 2030. Maricopa County has a very wide range of economic sectors supporting its projected growth. Maricopa County has, for some time, enjoyed an unemployment rate that was somewhat lower than the national average.

Factors Affecting Financial Condition

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

Local Economy. Arizona's economy is booming, and Phoenix is at the center. According to Inc. Magazine, Phoenix is the 11th best city in the nation to start a business. This ranking came from the magazine's 2020 Surge Cities index which analyzes data such as job creation and regulation. That same index also gave Phoenix the second spot in net business creation, seventh in population growth and ninth in job creation.

A few of the major firms represented in the Phoenix metropolitan area include Honeywell International, Inc., Banner Health Systems, LG, Wal-Mart Stores, Inc., Wells Fargo Company, and Bashas'. In addition, the metropolitan area provides excellent educational and training opportunities through seven community colleges, four private colleges and graduate schools, and one state university.

Service is the largest employment sector in the County, partly fueled by the tourist industry. The County has excellent accommodations, diverse cultural and recreational activities, and a favorable climate attracting millions to the area annually. Wholesale and retail trade is the second largest employment category.

The economy of Gilbert is a diverse mix of manufacturing, high technology, agriculture, tourism and recently there has been a large amount of retail development. The building boom in the Gilbert area has caused the land available for agricultural activities to decline. Gilbert has a very favorable unemployment rate of 3.1 percent in 2023. Retail and construction dominate the top employers of Gilbert. During the current economic recovery, the area continues to see expansion in retail service centers and commercial warehouse facilities. Major development continues along the Loop 202, a regional freeway that connects Gilbert with the rest of the Phoenix metropolitan area. Gilbert was named a 2023 Best City for First-Time Home Buyers, is ranked as one of the safest cities in the country, and is home to a booming tech industry with its business development Rivulon, which houses business including Deloitte and TD Synnex.

The Williams Gateway Community is a major development area. It contains a regional airport, Arizona State University East Campus, the Chandler-Gilbert Community College as well as numerous commercial and light industrial areas. The Williams Gateway area is projected to gain 100,000 jobs over the next 30 years, according to the Maricopa Association of Governments.

The Higley Unified School District is currently experiencing growth in both residential and commercial real estate sales. A commercial complex to include restaurants, retail stores and a movie theater is currently under development within the district boundaries. We also have several residential neighborhoods consisting of approximately 500 homes in development within the Higley Unified School District.

Long-term Financial Planning.

The Higley Unified School District is in the middle to late stages of its growth. The twenty-four square mile District is land-locked but has not been fully developed. The District has benefited from the passage of Students First Bonds, which changed the landscape of school construction. Until recently, the Arizona School Facilities Board funded the construction of new schools; eight schools in the District were constructed under this system. Through the use of school bonds, the District was able to add three buildings on the Higley Traditional Academy campus, build Centennial Elementary in 2009, complete additional school buildings in 2014, and build Bridges Elementary in 2016. Through a lease purchase agreement, the District was able to build Cooley and Sossaman middle schools.

The District's average age of the school buildings is 16 years.

Awards and Acknowledgment

Awards. The Association of School Business Officials (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its annual comprehensive financial report for the fiscal year ended June 30, 2022. This was the 19th year that the District received this prestigious award. In addition, the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its annual comprehensive financial report for the fiscal year ended June 30, 2022. In order to be awarded these certificates, the District published an easily readable and efficiently organized annual comprehensive financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

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

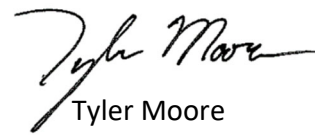
Acknowledgments. The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the financial services department. Each member of the department has our sincere appreciation for the contributions made in the preparation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

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

Respectfully submitted,



Sherry Richards
Interim Superintendent



Tyler Moore
Chief Financial Officer



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

Higley Unified School District 60

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

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



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

**John W. Hutchison
President**

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

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



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

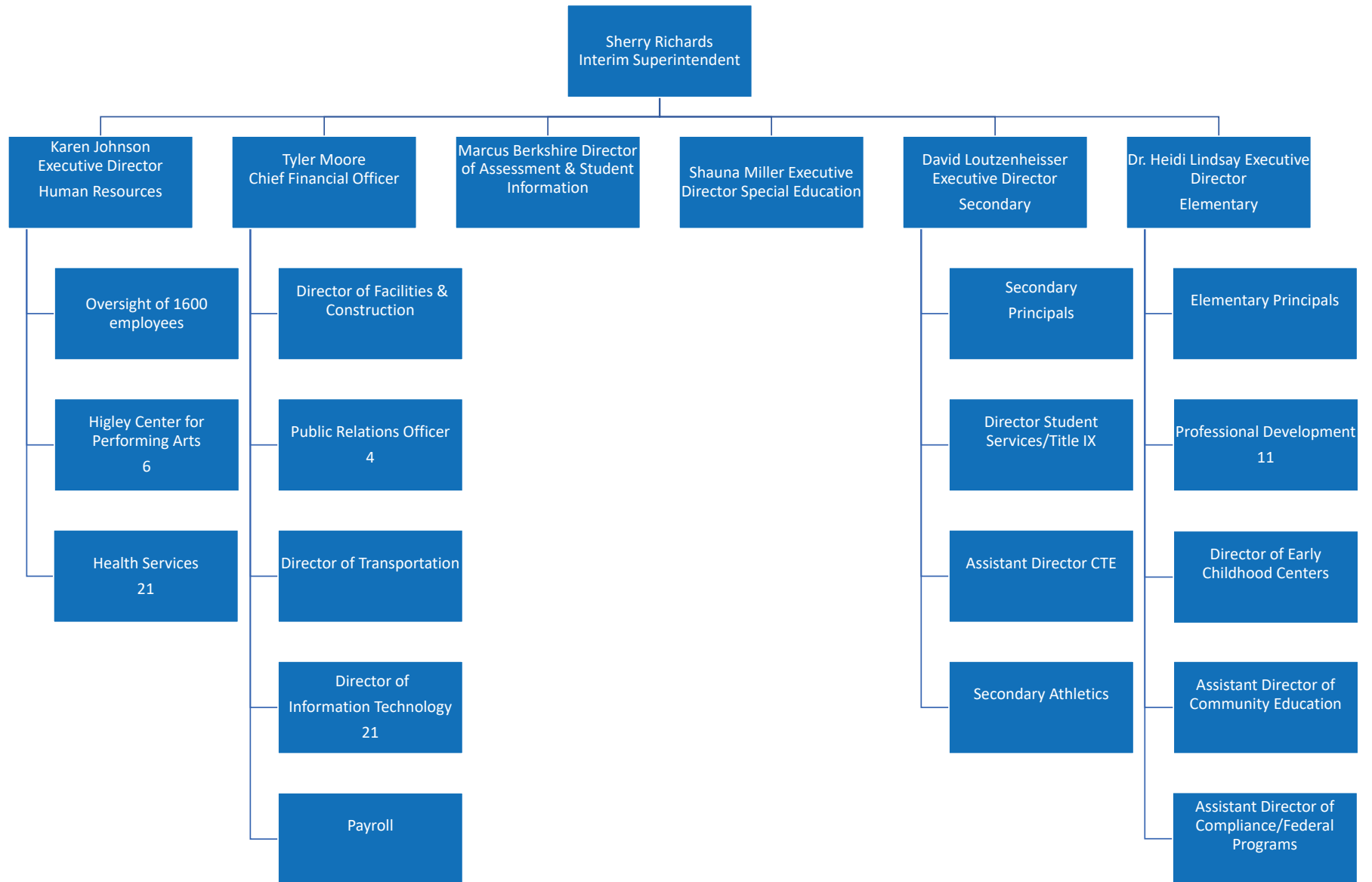
Higley Unified School District No. 60
Arizona

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO



Green represents the temporarily reassigned departments for the 2023-2024 school year.

Higley Unified School District No. 60

List of Principal Officials

Governing Board

Tiffany Shultz, President

Michelle Anderson, Vice President

Kristina Reese, Member

Anna Van Hoek, Member

Amanda Wade, Member

Administrative Staff

Sherry Richards, Interim Superintendent

Tyler Moore, Chief Financial Officer

Karen Johnson, Executive Director of Human Resources

Heidi Lindsay, Executive Director of Elementary Education

David Loutzenheiser, Executive Director of Secondary Education

Sauna Miller, Executive Director of Special Education

James Walker, Director of Student Services

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Financial Section

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Independent Auditor's Report

Governing Board
Higley Unified School District No. 60

Report on Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Higley Unified School District No. 60 (District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Higley Unified School District No. 60, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Higley Unified School District No. 60 and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Other Matters

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2023, on our consideration of Higley Unified School District No. 60's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Higley Unified School District No. 60's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Higley Unified School District No. 60's internal control over financial reporting and compliance.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Scottsdale, Arizona
December 19, 2023

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

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Higley Unified School District No. 60
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2023

As management of the Higley Unified School District No. 60 (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2023. The management's discussion and analysis is presented as required supplementary information to supplement the basic financial statements. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The District's total net position of governmental activities increased \$13.8 million which represents a nine percent increase from the prior fiscal year.
- General revenues accounted for \$135.6 million in revenue, or 79 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$35.2 million or 21 percent of total current fiscal year revenues.
- The District had approximately \$157.0 million in expenses related to governmental activities, an increase of nine percent from the prior fiscal year due primarily to increased per-pupil spending.
- Among major funds, the General Fund had \$113.4 million current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$179.5 million in expenditures. The General Fund's fund balance decreased from \$56.2 million at the prior fiscal year end to \$50.2 million at the end of the current fiscal year due to the retirement of long-term debt.

Overview of Financial Statements

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

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

Higley Unified School District No. 60
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2023

Overview of Financial Statements

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

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

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

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds.

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

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

Higley Unified School District No. 60
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2023

Overview of Financial Statements

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

Proprietary funds. The District maintains one type of proprietary fund. The internal service funds are accounting devices used to accumulate and allocate costs internally among the District's various functions. The District uses one internal service fund to account for its Insurance Trust activity. Because this service predominantly benefits governmental functions, it has been included within governmental activities in the government-wide financial statements. The District uses another internal service fund to account for its District Services Fund which accounts for the operation of District functions that provide goods or services to other District departments on a cost reimbursement basis. Because this service predominantly benefits governmental functions, it has been included within governmental activities in the government-wide financial statements.

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

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

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

Higley Unified School District No. 60
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2023

Government-Wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$165.7 million at the current fiscal year end.

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

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

	As of June 30, 2023	As of June 30, 2022
Current assets	\$ 102,244,494	\$ 97,013,804
Capital assets, net	295,959,226	289,244,325
Total assets	<u>398,203,720</u>	<u>386,258,129</u>
Deferred outflows	<u>18,240,344</u>	<u>26,419,464</u>
Current liabilities	6,451,177	5,346,731
Long-term liabilities	240,786,918	235,016,013
Total liabilities	<u>247,238,095</u>	<u>240,362,744</u>
Deferred inflows	<u>3,470,629</u>	<u>25,353,534</u>
Net position:		
Net investment in capital assets	157,097,931	140,585,726
Restricted	29,357,089	30,902,052
Unrestricted	(20,719,680)	(24,526,463)
Total net position	<u>\$ 165,735,340</u>	<u>\$ 146,961,315</u>

At the end of both the current and prior fiscal year the District reported positive balances in two categories of net position. The District's unrestricted net position reported a deficit due to the District's proportionate share of the state pension plan's unfunded liability.

Higley Unified School District No. 60
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2023

Government-Wide Financial Analysis

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

- The issuance of certificates of participation payable of \$55.8 million.
- The early redemption of finance purchase payable of \$62.7 million.
- The principal retirement of \$8.5 million of general obligation bonds.
- The net addition of \$6.8 million in capital assets through school improvement projects and purchases of vehicles, furniture and equipment.
- The increase of \$18.0 million in pension liabilities.

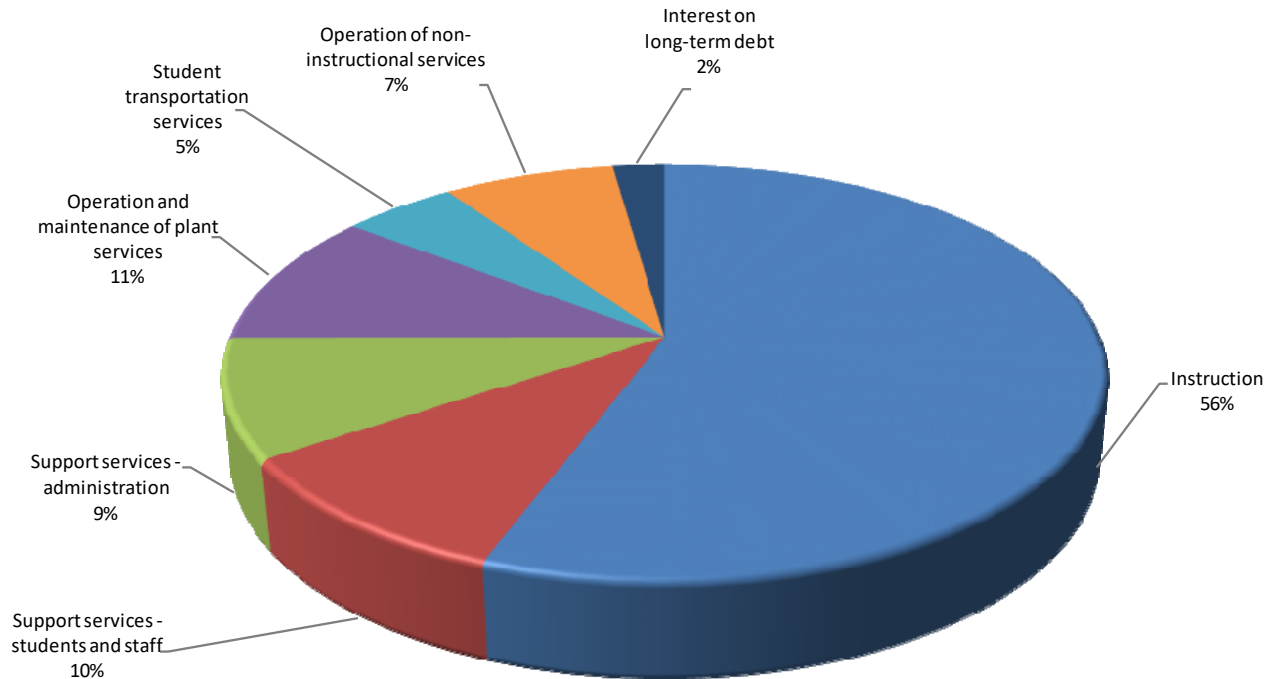
Changes in net position. The District's total revenues for the current fiscal year were \$170.7 million. The total cost of all programs and services was \$157.0 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2023 and June 30, 2022.

	Fiscal Year Ended June 30, 2023	Fiscal Year Ended June 30, 2022
Revenues:		
Program revenues:		
Charges for services	\$ 14,179,148	\$ 11,696,277
Operating grants and contributions	18,025,228	20,687,388
Capital grants and contributions	2,963,196	3,383,618
General revenues:		
Property taxes	46,761,427	42,924,404
Investment income	1,323,429	521,394
Unrestricted county aid		5,459,141
Unrestricted state aid	87,224,633	75,244,926
Unrestricted federal aid	266,923	518,825
Total revenues	<u>170,743,984</u>	<u>160,435,973</u>
Expenses:		
Instruction	87,437,859	79,265,921
Support services - students and staff	15,784,818	13,051,455
Support services - administration	14,468,133	12,419,555
Operation and maintenance of plant services	16,363,720	14,138,972
Student transportation services	7,794,165	7,015,614
Operation of non-instructional services	11,649,076	12,308,627
Interest on long-term debt	3,495,080	6,011,577
Total expenses	<u>156,992,851</u>	<u>144,211,721</u>
Changes in net position	13,751,133	16,224,252
Net position, beginning, as restated	151,984,207	130,737,063
Net position, ending	<u><u>\$ 165,735,340</u></u>	<u><u>\$ 146,961,315</u></u>

Higley Unified School District No. 60
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2023

Government-Wide Financial Analysis

Expenses - Fiscal Year 2023



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

- Unrestricted state aid increased \$12.0 million as a result of increased funding from the state legislature.
- Instruction expenses increased \$8.2 million as a result of increased spending on curriculum and instructional aides.
- Property tax revenues increased \$3.8 million as a result of an increase in property tax values in the current fiscal year.

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

Higley Unified School District No. 60
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2023

Government-Wide Financial Analysis

	Year Ended June 30, 2023		Year Ended June 30, 2022	
	Total	Net (Expense)/	Total	Net (Expense)/
	Expenses	Revenue	Expenses	Revenue
Instruction	\$ 87,437,859	\$ (72,991,200)	\$ 79,265,921	\$ (62,976,370)
Support services - students and staff	15,784,818	(12,917,206)	13,051,455	(11,729,461)
Support services - administration	14,468,133	(14,265,283)	12,419,555	(11,593,617)
Operation and maintenance of plant services	16,363,720	(14,046,511)	14,138,972	(12,891,939)
Student transportation services	7,794,165	(6,295,759)	7,015,614	(6,877,670)
Operation of non-instructional services	11,649,076	2,185,760	12,308,627	3,636,196
Interest on long-term debt	3,495,080	(3,495,080)	6,011,577	(6,011,577)
Total	<u>\$ 156,992,851</u>	<u>\$(121,825,279)</u>	<u>\$ 144,211,721</u>	<u>\$(108,444,438)</u>

- The cost of all governmental activities this year was \$157.0 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$35.2 million.
- Net cost of governmental activities of \$121.8 million was financed by general revenues, which are made up of primarily property taxes of \$46.8 million and state aid of \$87.2 million. Investment earnings accounted for \$1.3 million of funding.

Financial Analysis of the District's Funds

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

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

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$72.5 million, a decrease of \$2.8 million due primarily to an increase in per-pupil spending.

Higley Unified School District No. 60
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2023

Financial Analysis of the District's Funds

The General Fund comprises 69 percent of the total fund balance. Approximately \$48.6 million, or 97 percent of the General Fund's fund balance is unassigned.

The General Fund is the principal operating fund of the District. The decrease in fund balance from \$56.2 million to \$50.2 million as of fiscal year end was due to the retirement of long term debt. General Fund revenues increased \$9.6 million, while expenditures increased \$80.4 million due to the net effect of several long-term debt transactions.

The fund balance increased \$3.1 million in the Other Federal Projects Fund. This was primarily due to a conservative spending approach.

The fund balance decreased \$813,587 in the Federal and State Grants Fund. This was primarily due to timing of grant reimbursements.

The fund balance in the Debt Service Fund decreased \$182,224 to \$543,393 which was not significant.

Budgetary Highlights

Over the course of the year, the District revised the General Fund annual expenditure budget for changes in student growth throughout the year. The difference between the original budget and the final amended budget was a \$3.1 million, or a three percent increase.

Significant variances for the final amended budget and actual revenues resulted from the District not being required by the State of Arizona to prepare a revenue budget. A schedule showing the original and final budget amounts compared to the District's actual financial activity for the General Fund is provided in this report as required supplementary information. The significant favorable expenditure variance of \$20.1 million in instruction and \$3.6 million in operation and maintenance of plant services was primarily a result of conservative budgeting to ensure a healthy contingency.

Capital Assets and Debt Administration

Capital Assets. At year end, the District had invested \$398.7 million in capital assets, including school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. This amount represents a net increase prior to depreciation of \$15.2 million from the prior fiscal year, primarily due to various land improvements, school remodels, and weatherization projects. Total depreciation and amortization expense for the current fiscal year was \$8.8 million.

Higley Unified School District No. 60
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2023

Capital Assets and Debt Administration

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

	As of June 30, 2023	As of June 30, 2022
Capital assets - non-depreciable	\$ 50,754,945	\$ 50,811,593
Capital assets - depreciable/amortizable, net	245,204,281	238,432,732
Total	<u>\$ 295,959,226</u>	<u>\$ 289,244,325</u>

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

Debt Administration. At year-end, the District had \$140.0 million in long-term debt outstanding, \$9.5 million due within one year. Long-term debt decreased by \$13.2 million due primarily to repayment of debt according to the District's legal debt requirements.

The District's general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds (up to 30 percent of the total net full cash assessed valuation) and the statutory debt limit on Class B bonds (the greater of 20 percent of the net full cash assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$359.1 million and the Class B debt limit is \$239.4 million, both of which are greater than the District's outstanding debt.

In May 2022, S&P Global Ratings upgraded the District's General Obligation bond rating from A+ to AA-.

Additional information on the District's long-term debt can be found in Notes 8 through 10.

Economic Factors and Next Year's Budget and Rates

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

- Fiscal year 2022-23 budget balance carry forward \$23.8 million.
- District student population (estimated 12,533).

Higley Unified School District No. 60
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2023

Economic Factors and Next Year's Budget and Rates

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

Budgeted expenditures in the General Fund increased four percent to \$124.8 million in fiscal year 2023-24 primarily due to an increase in the adjusted state base level support. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2023-24 budget.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Financial Services Department, Higley Unified School District, 2935 South Recker Road, Gilbert, Arizona 85295.

Basic Financial Statements

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Government-Wide Financial Statements

Higley Unified School District No. 60
Statement of Net Position
June 30, 2023

	Governmental
	Activities
Assets	
Current assets:	
Cash and investments	\$ 74,144,221
Property taxes receivable	382,653
Accounts receivable	485,950
Due from governmental entities	25,646,626
Prepaid items	1,025,542
Inventory	559,502
Total current assets	<u>102,244,494</u>
Noncurrent assets:	
Capital assets not being depreciated	50,754,945
Capital assets, net accumulated depreciation	243,899,476
Right-to-use assets, net accumulated amortization	1,304,805
Total noncurrent assets	<u>295,959,226</u>
Total assets	<u>398,203,720</u>
 Deferred outflows of resources	
Deferred charge on refunding	1,149,831
Pension plan items	17,090,513
Total deferred outflows of resources	<u>18,240,344</u>
 Liabilities	
Current liabilities:	
Accounts payable	4,710,033
Claims payable	55,496
Unearned revenues	192,360
Compensated absences payable	200,000
Certificates of participation payable	870,000
Bonds payable	8,605,000
Accrued interest payable	1,493,288
Total current liabilities	<u>16,126,177</u>
Noncurrent liabilities:	
Non-current portion of long-term obligations	231,111,918
Total noncurrent liabilities	<u>231,111,918</u>
Total liabilities	<u>247,238,095</u>
 Deferred inflows of resources	
Pension plan items	3,470,629
Total deferred inflows of resources	<u>3,470,629</u>
 Net position	
Net investment in capital assets	157,097,931
Restricted for:	
Instruction	16,441,260
Food service	3,482,890
Non-instructional purposes	4,369,403
Debt service	567,066
Capital outlay	4,496,470
Unrestricted	<u>(20,719,680)</u>
Total net position	<u>\$ 165,735,340</u>

Higley Unified School District No. 60
Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenue			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Governmental Activities
Governmental activities					
Instruction	\$ 87,437,859	\$ 4,996,458	\$ 7,642,272	\$ 1,807,929	\$ (72,991,200)
Support services - students and staff	15,784,818		2,867,612		(12,917,206)
Support services - administration	14,468,133		202,850		(14,265,283)
Operation and maintenance of plant services	16,363,720	359,340	802,602	1,155,267	(14,046,511)
Student transportation services	7,794,165		1,498,406		(6,295,759)
Operation of non-instructional services	11,649,076	8,823,350	5,011,486		2,185,760
Interest on long-term debt	3,495,080				(3,495,080)
Total governmental activities	<u>\$ 156,992,851</u>	<u>\$ 14,179,148</u>	<u>\$ 18,025,228</u>	<u>\$ 2,963,196</u>	<u>(121,825,279)</u>
General revenues					
Property taxes					46,761,427
Investment income					1,323,429
Unrestricted state aid					87,224,633
Unrestricted federal aid					266,923
Total general revenues					<u>135,576,412</u>
Changes in net position					13,751,133
Net position, beginning of year, as restated					<u>151,984,207</u>
Net position, end of year					<u>\$ 165,735,340</u>

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Fund Financial Statements

Higley Unified School District No. 60

Balance Sheet
Governmental Funds
June 30, 2023

	General	Classroom Site	Federal and State Grants	Debt Service
Assets				
Cash and investments	\$ 27,845,641	\$ 11,422,068	\$	\$ 10,576,969
Property taxes receivable	294,268			88,385
Accounts receivable	25,143			
Due from governmental entities	15,483,726		8,728,492	
Due from other funds	6,994,489			
Prepaid items	1,025,542			
Inventory	559,502			
Total assets	<u>\$ 52,228,311</u>	<u>\$ 11,422,068</u>	<u>\$ 8,728,492</u>	<u>\$ 10,665,354</u>
Liabilities				
Accounts payable	\$ 1,990,220	\$	\$ 420,163	\$
Due to other funds			6,994,489	
Unearned revenues			28,557	
Bonds payable				8,605,000
Bond interest payable				1,493,288
Total liabilities	<u>1,990,220</u>	<u></u>	<u>7,443,209</u>	<u>10,098,288</u>
Deferred inflows of resources				
Unavailable revenues - property taxes	87,559			23,673
Unavailable revenues - intergovernmental			6,988,214	
Total deferred inflows of resources	<u>87,559</u>	<u></u>	<u>6,988,214</u>	<u>23,673</u>
Fund balances				
Nonspendable	1,585,044			
Restricted		11,422,068		543,393
Unassigned	48,565,488		(5,702,931)	
Total fund balances	<u>50,150,532</u>	<u>11,422,068</u>	<u>(5,702,931)</u>	<u>543,393</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 52,228,311</u>	<u>\$ 11,422,068</u>	<u>\$ 8,728,492</u>	<u>\$ 10,665,354</u>

Non-Major Governmental Funds	Total Governmental Funds
\$ 15,601,231	\$ 65,445,909
	382,653
\$ 32,405	57,548
1,434,408	25,646,626
	6,994,489
	1,025,542
	559,502
<u>\$ 17,068,044</u>	<u>\$ 100,112,269</u>
\$ 821,569	\$ 3,231,952
	6,994,489
163,803	192,360
	8,605,000
	1,493,288
<u>985,372</u>	<u>20,517,089</u>
	111,232
	6,988,214
	7,099,446
	1,585,044
16,082,672	28,048,133
	42,862,557
<u>16,082,672</u>	<u>72,495,734</u>
<u>\$ 17,068,044</u>	<u>\$ 100,112,269</u>

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Higley Unified School District No. 60
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2023

Total fund balances - governmental funds **\$ 72,495,734**

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

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

Governmental capital assets	\$ 398,700,788	
Less accumulated depreciation/amortization	<u>(102,741,562)</u>	
		295,959,226

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

Property taxes	111,232	
Intergovernmental	<u>6,988,214</u>	
		7,099,446

Deferred items related to the refunding of bonds are amortized over the life of the associated bond issue in the government-wide statements but not reported in the funds.		1,149,831
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Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows of resources related to pensions	17,090,513	
Deferred inflows of resources related to pensions	<u>(3,470,629)</u>	
		13,619,884

The Internal Service Fund is used by management to charge the cost of insurance to the individual funds. The assets and liabilities of the Internal Service Fund are included in the Statement of Net Position.		6,810,417
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Compensated absences payable	(2,017,309)	
Certificates of participation payable	(58,536,129)	
Bonds payable	(72,869,997)	
Net pension liability	<u>(97,975,763)</u>	
		<u>(231,399,198)</u>

Net position of governmental activities **\$ 165,735,340**

Higley Unified School District No. 60
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	General	Classroom Site	Federal and State Grants	Debt Service
Revenues				
Other local	\$ 2,440,852	\$ 189,802	\$ 122,945	\$ 113,385
Property taxes	35,429,666			11,280,742
State aid and grants	75,281,649	11,026,876	1,672,749	
Federal aid, grants and reimbursements	<u>266,923</u>		<u>14,240,987</u>	
Total revenues	<u>113,419,090</u>	<u>11,216,678</u>	<u>16,036,681</u>	<u>11,394,127</u>
Expenditures				
Current:				
Instruction	55,226,322	7,673,687	6,116,997	
Support services - students and staff	11,202,257	410,832	2,736,276	
Support services - administration	12,145,898		202,529	
Operation and maintenance of plant services	12,831,769		678,444	
Student transportation services	4,110,612		1,429,556	
Operation of non-instructional services	370,403		2,767,251	
Capital outlay	17,369,424		1,981,642	
Debt service:				
Principal retirement	63,045,000			8,605,000
Interest and fiscal charges	912,099			2,987,917
Issuance costs	<u>2,285,725</u>			
Total expenditures	<u>179,499,509</u>	<u>8,084,519</u>	<u>15,912,695</u>	<u>11,592,917</u>
Excess (deficiency) of revenues over expenditures	<u>(66,080,419)</u>	<u>3,132,159</u>	<u>123,986</u>	<u>(198,790)</u>
Other financing sources (uses)				
Transfers in	962,573			16,566
Transfers out			(937,573)	
Premium on issuance of certificates of participation	3,152,833			
Certificates of participation agreements	55,840,000			
Insurance recoveries	11,345			
Proceeds from sale of capital assets	<u>23,043</u>			
Total other financing sources (uses)	<u>59,989,794</u>		<u>(937,573)</u>	<u>16,566</u>
Changes in fund balances	<u>(6,090,625)</u>	<u>3,132,159</u>	<u>(813,587)</u>	<u>(182,224)</u>
Fund balances, beginning of year, as restated	<u>56,241,157</u>	<u>8,289,909</u>	<u>(4,889,344)</u>	<u>725,617</u>
Fund balances, end of year	<u>\$ 50,150,532</u>	<u>\$ 11,422,068</u>	<u>\$ (5,702,931)</u>	<u>\$ 543,393</u>

Non-Major Governmental Funds	Total Governmental Funds
\$ 14,886,849	\$ 17,753,833
	46,710,408
927,948	88,909,222
<u>2,110,959</u>	<u>16,618,869</u>
<u>17,925,756</u>	<u>169,992,332</u>
3,945,840	72,962,846
413,564	14,762,929
135,685	12,484,112
98,928	13,609,141
164,012	5,704,180
7,707,498	10,845,152
4,301,558	23,652,624
	71,650,000
	3,900,016
	<u>2,285,725</u>
<u>16,767,085</u>	<u>231,856,725</u>
<u>1,158,671</u>	<u>(61,864,393)</u>
	979,139
(41,566)	(979,139)
	3,152,833
	55,840,000
	11,345
	<u>23,043</u>
<u>(41,566)</u>	<u>59,027,221</u>
<u>1,117,105</u>	<u>(2,837,172)</u>
<u>14,965,567</u>	<u>75,332,906</u>
<u>\$ 16,082,672</u>	<u>\$ 72,495,734</u>

Higley Unified School District No. 60
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2023

Changes in fund balances - total governmental funds **\$ (2,837,172)**

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

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

Expenditures for capitalized assets	\$ 15,474,685	
Less current year depreciation/amortization	<u>(8,759,784)</u>	
		6,714,901

Issuance of long-term debt provides current financial resources to governmental funds, but the issuance increases long-term liabilities in the Statement of Net Position.

Certificates of participation		(55,840,000)
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Some revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes	51,019	
Intergovernmental	<u>565,952</u>	
		616,971

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

Financed purchase principal retirement	62,690,000	
Certificates of participation retirement	355,000	
Bond principal retirement	<u>8,605,000</u>	
		71,650,000

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

Current year pension contributions	9,531,884	
Pension expense	<u>(13,495,195)</u>	
		(3,963,311)

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

Deferred bond items on issuance of refunding debt	(287,457)	
Amortization of deferred certificates of participation items	(3,051,129)	
Amortization of deferred bond items	590,689	
Compensated absences	<u>(233,192)</u>	
		(2,981,089)

The Internal Service Fund is used by management to charge the cost of insurance to the individual funds. The changes in net position of the Internal Service Fund is reported with governmental activities in the Statement of Activities.

		<u>390,833</u>
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Changes in net position in governmental activities **\$ 13,751,133**

Higley Unified School District No. 60
Statement of Net Position
Proprietary Funds
June 30, 2023

	Governmental Activities Internal Service Funds
Assets	
Current assets:	
Cash and investments	\$ 8,698,312
Accounts receivable	428,402
Total current assets	<u>9,126,714</u>
Total assets	<u><u>9,126,714</u></u>
Liabilities	
Current liabilities:	
Accounts payable	1,478,081
Claims payable	55,496
Total current liabilities	<u>1,533,577</u>
Noncurrent liabilities:	
Non-current portion of long-term obligations	<u>782,720</u>
Total noncurrent liabilities	<u>782,720</u>
Total liabilities	<u><u>2,316,297</u></u>
Net position	
Unrestricted	<u>6,810,417</u>
Total net position	<u><u>\$ 6,810,417</u></u>

Higley Unified School District No. 60
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2023

	Governmental Activities Internal Service Funds
Operating revenues	
Charges for services	\$ 972,274
Contributions	9,235,551
Total operating revenues	<u>10,207,825</u>
Operating expenses	
Claims	8,737,800
Adjustments to prior year claims reserve	782,720
Administrative fees	15,583
Other	381,182
Total operating expenses	<u>9,917,285</u>
Operating income (loss)	<u>290,540</u>
Nonoperating revenues (expenses)	
Investment income	100,293
Total nonoperating revenue (expenses)	<u>100,293</u>
Changes in net position	390,833
Total net position, beginning of year	<u>6,419,584</u>
Total net position, end of year	<u><u>\$ 6,810,417</u></u>

Higley Unified School District No. 60
Statement of Cash Flows
Proprietary Funds
June 30, 2023

	Governmental Activities Internal Service Funds
<u>Increase/Decrease in Cash and Cash Equivalents</u>	
Cash flows from operating activities	
Cash received from contributions	\$ 8,807,149
Cash received from charges for services	972,274
Cash payments to suppliers for goods and services	(396,765)
Cash payments for claims	(7,204,223)
Net cash provided by/used for operating activities	<u>2,178,435</u>
Cash flows from investing activities	
Investment income	<u>100,293</u>
Net cash provided by/used for investing activities	<u>100,293</u>
Net increase/decrease in cash and cash equivalents	2,278,728
Cash and cash equivalents, beginning of year	<u>6,419,584</u>
Cash and cash equivalents, end of year	<u>\$ 8,698,312</u>
<u>Reconciliation of Cash and Cash Equivalents to the Statement of Net Position</u>	
Cash and investments	\$ 8,698,312
Less investments not maturing in less than three months	
Total cash and cash equivalents	<u>\$ 8,698,312</u>
<u>Reconciliation of Operating Income/Loss to Net Cash Provided by/Used for Operating</u>	
Operating income/loss	\$ 290,540
Adjustments to reconcile operating income/loss to net cash provided by/used for operating activities:	
Changes in assets and liabilities:	
Increase/decrease in accounts receivable	(428,402)
Increase/decrease in accounts payable	1,478,081
Increase/decrease in claims payable	838,216
Total adjustments	<u>1,887,895</u>
Net cash provided by/used for operating activities	<u>\$ 2,178,435</u>

Higley Unified School District No. 60
Notes to Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

The financial statements of the Higley Unified School District No. 60 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

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

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

A. Reporting Entity

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

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

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

Higley Unified School District No. 60
Notes to Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

The financial reporting entity consists of a primary government and its component units. A component unit is a legally separate entity that must be included in the reporting entity in conformity with generally accepted accounting principles. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Furthermore, there are no component units combined with the District for financial statement presentation purposes, and the District is not included in any other governmental reporting entity. Consequently, the District's financial statements include only the funds of those organizational entities for which its elected governing board is financially accountable. The District's major operations include education, student transportation, construction and maintenance of District facilities, food services, bookstore and athletic functions.

B. Government-Wide and Fund Financial Statements

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

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

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

Higley Unified School District No. 60
Notes to Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

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

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

Fund Financial Statements – Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. As permitted by generally accepted accounting principles the District applies the “early recognition” option for debt service payments. Property tax resources are provided in the Debt Service Fund during the current year for the payment of debt service principal and interest due early in the following year (less than one month). Therefore, the expenditures and related liabilities have been recognized in the current period. Capital asset acquisitions are reported as expenditures in governmental funds. Issuances of long-term debt and acquisitions under lease contracts and subscription-based information technology arrangements are reported as other financing sources.

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

Higley Unified School District No. 60
Notes to Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

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

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

The District reports the following major governmental funds:

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

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

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

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

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 for activities related to transportation.

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.

Higley Unified School District No. 60
Notes to Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

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 fund are charges to District departments for goods and services. Operating expenses for internal service funds include the cost of goods and services, administrative expenses, and the depreciation/amortization on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Cash and Investments

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

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

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

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

Higley Unified School District No. 60
Notes to Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

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

E. Investment Income

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

F. Receivables and Payables

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

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

G. Property Tax Calendar

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

Higley Unified School District No. 60
Notes to Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

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

H. Inventory

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

I. Prepaid Items

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

J. Capital Assets

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

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

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

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

Land improvements	5 - 50 years
Buildings and improvements	5 - 75 years
Vehicles, furniture and equipment	5 - 25 years
Intangible right-to-use assets	3 – 5 years

Higley Unified School District No. 60
Notes to Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

K. Deferred Outflows/Inflows of Resources

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

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

L. Compensated Absences

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

M. Pensions

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

N. Long-term Obligations

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

Higley Unified School District No. 60
Notes to Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

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

O. Interfund Activity

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

P. Net Position Flow Assumption

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

Q. Estimates

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

R. Subscription-Based Information Technology Arrangements (SBITAs)

As the end user of subscription-based technology, the District recognizes SBITA obligations with an initial, individual value of \$5,000 or more. The District uses its estimated incremental borrowing rate to measure SBITA obligations unless it can readily determine the interest rate implicit in the SBITA contract. The District currently has SBITA right-to-use assets with no corresponding liability as all arrangements were prepaid.

Higley Unified School District No. 60
Notes to Financial Statements
June 30, 2023

Note 2 – Fund Balance Classifications

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

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

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

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

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

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

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

Higley Unified School District No. 60
Notes to Financial Statements
June 30, 2023

Note 2 – Fund Balance Classifications

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

	General	Classroom Site	Federal and State Grants	Debt Service	Non-Major Governmental Funds
Fund Balances:					
Nonspendable:					
Inventory	\$ 559,502	\$	\$	\$	\$
Prepaid items	1,025,542				
Restricted:					
Debt service				543,393	
Capital projects					4,496,470
Voter approved initiatives		11,422,068			749,413
Food service					3,482,890
Civic center					591,512
Community schools					3,760,506
Extracurricular activities					1,029,577
Career technical education					1,176,891
Student activities					718,248
Other purposes					77,165
Unassigned	48,565,488		(5,702,931)		
Total fund balances	<u>\$ 50,150,532</u>	<u>\$ 11,422,068</u>	<u>\$ (5,702,931)</u>	<u>\$ 543,393</u>	<u>\$ 16,082,672</u>

Note 3 – Stewardship, Compliance and Accountability

Individual Deficit Fund Balances – At year end, the following major and non-major governmental funds reported deficits in fund balance.

	Deficit
Major Fund:	
Federal and State Grants	\$ 5,702,931

The deficits arose because of pending grant reimbursements. Additional revenues received in fiscal year 2023-24 are expected to eliminate the deficits.

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

Higley Unified School District No. 60
Notes to Financial Statements
June 30, 2023

Note 4 – Cash and Investments

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure the District's deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the District's deposits was \$501,590 and the bank balance was \$562,588. At year end, \$312,588 of the District's deposits were covered by collateral held by the pledging financial institution's trust department or agent but not in the District's name.

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

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

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

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

	Average	Fair Value
County Treasurer's investment pool	469 days	\$ 73,232,867
Kairos investment pool	0.53 years	409,764
Total investments		<u>\$ 73,642,631</u>

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

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

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

Higley Unified School District No. 60
Notes to Financial Statements
June 30, 2023

Note 5 – Receivables

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

	General	Federal and State Grants	Non-Major Governmental Funds
Due from other governmental entities:			
Due from federal government	\$	\$ 8,571,049	\$
Due from state government	15,483,726	157,443	671,919
Due from other districts			762,489
Net due from governmental entities	<u>\$ 15,483,726</u>	<u>\$ 8,728,492</u>	<u>\$ 1,434,408</u>

Note 6 – Capital Assets

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

Governmental Activities	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 50,458,736	\$	\$	\$ 50,458,736
Construction in progress	352,857	296,209	352,857	296,209
Total capital assets, not being depreciated	<u>50,811,593</u>	<u>296,209</u>	<u>352,857</u>	<u>50,754,945</u>
Capital assets, being depreciated:				
Land improvements	13,986,625	1,052,474		15,039,099
Buildings and improvements	298,000,824	11,083,122		309,083,946
Vehicles, furniture and equipment	20,679,675	1,988,618	252,614	22,415,679
Total capital assets being depreciated	<u>332,667,124</u>	<u>14,124,214</u>	<u>252,614</u>	<u>346,538,724</u>
Less accumulated depreciation for:				
Land improvements	(5,815,234)	(926,362)		(6,741,596)
Buildings and improvements	(71,554,386)	(6,545,868)		(78,100,254)
Vehicles, furniture and equipment	(16,864,772)	(1,185,240)	(252,614)	(17,797,398)
Total accumulated depreciation	<u>(94,234,392)</u>	<u>(8,657,470)</u>	<u>(252,614)</u>	<u>(102,639,248)</u>
Total capital assets, being depreciated, net	<u>238,432,732</u>	<u>5,466,744</u>		<u>243,899,476</u>
SBITA right-to-use assets:				
SBITA assets		1,407,119		1,407,119
Less accumulated amortization		(102,314)		(102,314)
Total SBITA right-to-use assets, net		<u>1,304,805</u>		<u>1,304,805</u>
Governmental activities capital assets, net	<u>\$ 289,244,325</u>	<u>\$ 7,067,758</u>	<u>\$ 352,857</u>	<u>\$ 295,959,226</u>

Higley Unified School District No. 60
Notes to Financial Statements
June 30, 2023

Note 6 – Capital Assets

Depreciation expense was charged to governmental functions as follows:

Instruction	\$	5,778,831
Support services – students and staff		176,965
Support services – administration		182,183
Operation and maintenance of plant services		1,951,331
Student transportation services		381,280
Operation of non-instructional services		289,194
Total depreciation expense – governmental activities	\$	<u>8,759,784</u>

Construction Commitments – At year end, the District had contractual commitments related to building improvements at Higley High School and playground upgrades at several school sites. At year end the District had spent \$296,209 on the projects and had estimated remaining contractual commitments of \$185,885 million. This project is being funded with District Additional Assistance.

Note 7 – Short-Term Debt – Revolving Line of Credit

The District has a revolving line of credit to provide cash flow during the year to mitigate the impact of timing differences of expenditures and the receipt of state aid and property tax revenues. At year end, the District had \$10.0 million in unused line of credit.

Note 8 – Certificates of Participation Payable

During the year ended June 30, 2023, the District issued \$55.8 million in certificates of participation with an average interest rate of 4.0 percent to retire \$62.2 of outstanding finance purchase liabilities, with an average interest rate of 4.2 percent. The debt is related to two middle schools. The net proceeds of \$64.0, which includes \$3.2 million of premium and \$5.0 million in finance purchase reserve funds, were used to purchase certificates of participation. The finance purchase liability exceeded the net carrying amount of the certificates of participation by \$6.3 million. This transaction was undertaken to reduce total debt service payments over the next 30 years by \$18.7 million.

The certificates are both callable and noncallable, with interest payable semiannually. The General Fund is responsible to make the principal and interest payments on the certificates of participation.

Higley Unified School District No. 60
Notes to Financial Statements
June 30, 2023

Note 8 – Certificates of Participation Payable

Principal and interest requirements at year end, were as follows:

		Outstanding	
	Interest	Principal	Due Within
Purpose	Rates	June 30, 2023	One Year
Governmental activities:			
Certificates of Participation, Series 2023	4.125-5.00%	\$ 55,485,000	\$ 870,000
Total		\$ 55,485,000	\$ 870,000

Certificates of participation debt service requirements to maturity are as follows:

Year ending June 30:	Governmental Activities	
	Principal	Interest
2024	\$ 870,000	\$ 2,652,380
2025	915,000	2,608,882
2026	960,000	2,563,132
2027	1,010,000	2,515,132
2028	1,060,000	2,464,630
2029-33	6,120,000	11,475,160
2034-38	7,740,000	9,791,156
2039-43	7,660,000	7,710,730
2044-48	11,565,000	5,419,224
2049-53	17,585,000	2,307,250
Total	<u>\$ 55,485,000</u>	<u>\$ 49,507,676</u>

Higley Unified School District No. 60
Notes to Financial Statements
June 30, 2023

Note 9 – General Obligation Bonds Payable

Bonds payable at year end, consisted of the following outstanding general obligation bonds. The bonds are both noncallable and callable with interest payable semiannually. Property taxes from the Debt Service Fund are used to pay bonded debt. The District's legal debt limit is \$359.1 million and the available margin is \$280.6 million.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2023	Due Within One Year
Governmental activities:					
School Improvement Bonds Project of 2006, Series D (2009)	\$ 4,500,000	4.25-5.00%	7/1/23-27	\$ 2,145,000	\$ 390,000
Refunding Bonds, Series 2012	11,780,000	4.0%	7/1/2023	1,865,000	1,865,000
School Improvement Bonds Project of 2013, Series A (2014)	25,795,000	3.00-5.00%	7/1/23-33	17,745,000	1,325,000
School Improvement Bonds Project of 2013, Series B (2015)	19,000,000	2.50-5.00%	7/1/23-34	16,385,000	1,065,000
Refunding Bonds, Series 2015	38,165,000	3.00-5.00%	7/1/23-27	21,725,000	2,755,000
School Improvement Bonds Project of 2013, Series C (2016)	25,785,000	2.00-4.00%	7/1/23-35	18,605,000	1,205,000
Total				<u>\$ 78,470,000</u>	<u>\$ 8,605,000</u>

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

Year ending June 30:	Governmental Activities	
	Principal	Interest
2024	\$ 8,605,000	\$ 2,837,282
2025	8,655,000	2,496,913
2026	9,045,000	2,099,363
2027	9,455,000	1,682,838
2028	9,875,000	1,312,263
2029-33	22,810,000	3,851,356
2034-38	10,025,000	404,147
Total	<u>\$ 78,470,000</u>	<u>\$ 14,684,162</u>

Higley Unified School District No. 60
Notes to Financial Statements
June 30, 2023

Note 10 – Changes in Long-Term Liabilities

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 86,925,000	\$	\$ 8,455,000	\$ 78,470,000	\$ 8,605,000
Premium	3,595,686		590,689	3,004,997	
Total bonds payable	90,520,686		9,045,689	81,474,997	8,605,000
Financed purchases payable	62,690,000		62,690,000		
Certificate of participation payable		55,840,000	355,000	55,485,000	870,000
Certificate of participation premium		3,152,833	101,704	3,051,129	
Net pension liability	80,021,210	17,954,553		97,975,763	
Claims and judgments payable		6,384,536	5,546,320	838,216	55,496
Compensated absences payable	1,784,117	2,249,376	2,016,184	2,017,309	200,000
Total long-term liabilities	\$ 235,016,013	\$ 85,581,298	\$ 79,754,897	\$ 240,842,414	\$ 9,730,496

Note 11 – Interfund Receivables, Payables, and Transfers

At year end, interfund balances were as follows:

Due to/from other funds – At year end, the Federal and State Grants Fund had a negative cash balance in the Treasurer’s pooled cash accounts of \$6,994,489. Negative cash on deposit with the County Treasurer was by interfund borrowing with the General Fund. All interfund balances are expected to be paid within one year.

Interfund transfers:

Transfers out	Transfers in		
	General	Debt Service	Total
Federal and State Grants	\$ 937,573		\$ 937,573
Non-Major Governmental Funds	25,000	16,566	41,566
Total	\$ 962,573	\$ 16,566	\$ 979,139

Transfers between funds were used (1) to move federal grant funds restricted for indirect costs and (2) to move investment income earned in the Bond Building Fund that is required by statute to be expended in the Debt Service Fund.

Higley Unified School District No. 60
Notes to Financial Statements
June 30, 2023

Note 12 – Contingent Liabilities

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

Note 13 – Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To obtain access to professional management services and reinsurance and to achieve greater economies of scale, the District joined the following pools described below.

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

Higley Unified School District No. 60
Notes to Financial Statements
June 30, 2023

Note 13 – Risk Management

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

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

Insurance Trust	Claims Payable at Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Claims Payable at End of Year
2022-23	\$	\$ 6,384,536	\$ 5,546,320	\$ 838,216

Note 14 – Pensions

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

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

Higley Unified School District No. 60
Notes to Financial Statements
June 30, 2023

Note 14 – Pensions

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

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

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

Contributions. In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 12.17 percent (12.03 percent for retirement and 0.14 percent for long-term disability) of the members' annual covered payroll, and the District was required by statute to contribute at the actuarially determined rate of 12.17 percent (11.92 percent for retirement, 0.11 percent for health insurance premium benefit, and 0.14 percent for long-term disability) of the active members' annual covered payroll. The District's contributions to the pension plan for the year ended June 30, 2023 were \$9,531,884.

Higley Unified School District No. 60
Notes to Financial Statements
June 30, 2023

Note 14 – Pensions

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

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

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

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

Net Liability	District % Proportion	Increase (Decrease)
\$ 97,975,763	0.600	(0.009)

Pension Expense and Deferred Outflows/Inflows of Resources. The District has deferred outflows and inflows of resources related to the net pension liability. Certain changes in the net pension liability are recognized as pension expense over a period of time rather than the year of occurrence. The District's pension expense for the year ended June 30, 2023 was \$13,495,195.

Higley Unified School District No. 60
Notes to Financial Statements
June 30, 2023

Note 14 – Pensions

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 834,812	\$
Changes of assumptions or other inputs	4,862,727	
Net difference between projected and actual earnings on pension investments		2,580,776
Changes in proportion and differences between contributions and proportionate share of contributions	1,861,090	889,853
Contributions subsequent to the measurement date	9,531,884	
Total	<u>\$ 17,090,513</u>	<u>\$ 3,470,629</u>

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

Year Ending June 30:

2024	\$ 6,033,606
2025	(1,595,426)
2026	(4,480,834)
2027	4,130,654

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

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

Higley Unified School District No. 60
Notes to Financial Statements
June 30, 2023

Note 14 – Pensions

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

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

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

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

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

Higley Unified School District No. 60
Notes to Financial Statements
June 30, 2023

Note 14 – Pensions

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

	Current		
	1% Decrease	Discount Rate	1% Increase
Rate	6.0%	7.0%	8.0%
Net liability	\$ 144,560,327	\$ 97,975,763	\$ 59,131,516

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

Note 15 – Prior Period Adjustments

The July 1, 2022 government-wide net position and the fund balances of the General Fund, Federal and State Grants Fund, and the previously separately presented Unrestricted Capital Outlay Funds do not agree to the prior year financial statements. First, the District recorded capital and debt reserve funds related to a Finance Purchase agreement in the General Fund and government-wide statements. Second, the District reclassified prior year expenditures activity in the Federal and State Grants Fund and the General Fund. Finally, the District consolidated the Unrestricted Capital Outlay Fund into the General Fund for financial reporting purposes.

	Statement of Activities	Governmental Funds		
		General	Federal and State Grants	Unrestricted Capital Outlay
Net Position/fund balance, June 30, 2022 as previously reported	\$ 146,961,315	\$ 42,031,435	\$ (5,240,867)	\$ 9,538,353
Finance purchase related reserve funds	5,022,892	5,022,892		
Reclassification of prior year expenditures		(351,523)	351,523	
Reclassification of Unrestricted Capital Outlay Fund		9,538,353		(9,538,353)
Net Position/fund balance, July 1, 2022, as restated	<u>\$ 151,984,207</u>	<u>\$ 56,241,157</u>	<u>\$ (4,889,344)</u>	<u>\$ -0-</u>

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Required Supplementary Information

Higley Unified School District No. 60
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General
For the Year Ended June 30, 2023

	<u>Budget</u>		<u>Non-GAAP</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues				
Other local	\$	\$	\$ 648,013	\$ 648,013
Property taxes			35,422,704	35,422,704
State aid and grants			67,284,677	67,284,677
Total revenues			<u>103,355,394</u>	<u>103,355,394</u>
Expenditures				
Current:				
Instruction	79,006,458	74,587,094	54,465,192	20,121,902
Support services - students and staff	11,196,767	10,782,079	11,051,512	(269,433)
Support services - administration	10,797,157	12,172,908	11,454,156	718,752
Operation and maintenance of plant services	11,835,144	16,303,098	12,707,317	3,595,781
Student transportation services	3,972,471	5,759,657	4,007,215	1,752,442
Operation of non-instructional services	109,850	412,610	366,863	45,747
Total expenditures	<u>116,917,847</u>	<u>120,017,446</u>	<u>94,052,255</u>	<u>25,965,191</u>
Excess (deficiency) of revenues over expenditures	<u>(116,917,847)</u>	<u>(120,017,446)</u>	<u>9,303,139</u>	<u>129,320,585</u>
Other financing sources (uses)				
Transfers out			(7,879,407)	(7,879,407)
Total other financing sources (uses)			<u>(7,879,407)</u>	<u>(7,879,407)</u>
Changes in fund balances	<u>(116,917,847)</u>	<u>(120,017,446)</u>	<u>1,423,732</u>	<u>121,441,178</u>
Fund balances, beginning of year			<u>33,249,368</u>	<u>33,249,368</u>
Fund balances, end of year	<u>\$ (116,917,847)</u>	<u>\$ (120,017,446)</u>	<u>\$ 34,673,100</u>	<u>\$ 154,690,546</u>

Higley Unified School District No. 60
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Classroom Site
For the Year Ended June 30, 2023

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other local	\$	\$	\$ 189,802	\$ 189,802
State aid and grants			11,026,876	11,026,876
Total revenues			11,216,678	11,216,678
Expenditures				
Current:				
Instruction	19,410,212	18,391,963	7,673,687	10,718,276
Support services - students and staff	1,151,215	924,275	410,832	513,443
Total expenditures	20,561,427	19,316,238	8,084,519	11,231,719
Changes in fund balances	(20,561,427)	(19,316,238)	3,132,159	22,448,397
Fund balances, beginning of year			8,289,909	8,289,909
Fund balances, end of year	\$ (20,561,427)	\$ (19,316,238)	\$ 11,422,068	\$ 30,738,306

See accompanying notes to this schedule.

Higley Unified School District No. 60
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Federal and State Grants
For the Year Ended June 30, 2023

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Other local	\$	\$	\$ 122,945	\$ 122,945
State aid and grants			1,672,749	1,672,749
Federal aid, grants and reimbursements			14,240,987	14,240,987
Total revenues			16,036,681	16,036,681
Expenditures				
Current:				
Instruction	6,632,678	6,530,223	6,116,997	413,226
Support services - students and staff	2,966,952	2,921,122	2,736,276	184,846
Support services - administration	219,603	216,211	202,529	13,682
Operation and maintenance of plant services	735,639	724,275	678,444	45,831
Student transportation services	1,550,072	1,526,128	1,429,556	96,572
Operation of non-instructional services	3,000,539	2,954,189	2,767,251	186,938
Capital outlay	2,148,700	2,115,509	1,981,642	133,867
Total expenditures	17,254,183	16,987,658	15,912,695	1,074,963
Excess (deficiency) of revenues over expenditures	(17,254,183)	(16,987,658)	123,986	17,111,644
Other financing sources (uses)				
Transfers out			(937,573)	(937,573)
Total other financing sources (uses)			(937,573)	(937,573)
Changes in fund balances	(17,254,183)	(16,987,658)	(813,587)	16,174,071
Fund balances, beginning of year			(4,889,344)	(4,889,344)
Fund balances, end of year	\$ (17,254,183)	\$ (16,987,658)	\$ (5,702,931)	\$ 11,284,727

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Higley Unified School District No. 60
Schedule of the Proportionate Share of the Net Pension Liability
Arizona State Retirement System
Last Nine Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Measurement date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
District's proportion of the net pension (assets) liability	0.60%	0.61%	0.57%	0.55%
District's proportionate share of the net pension (assets) liability	\$ 79,965,470	\$ 80,021,210	\$ 98,804,481	\$ 80,373,352
District's covered payroll	\$ 71,463,064	\$ 68,086,575	\$ 62,817,074	\$ 58,302,299
District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	111.90%	117.53%	157.29%	137.86%
Plan fiduciary net position as a percentage of the total pension liability	74.26%	78.58%	69.33%	73.24%

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Actuarially determined contribution	\$ 9,531,884	\$ 8,582,714	\$ 7,932,086	\$ 7,192,555
Contributions in relation to the actuarially determined contribution	<u>9,531,884</u>	<u>8,582,714</u>	<u>7,932,086</u>	<u>7,192,555</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 79,965,470	\$ 71,463,064	\$ 68,086,575	\$ 62,817,074
Contributions as a percentage of covered payroll	11.92%	12.01%	11.65%	11.45%

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

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
0.50%	0.49%	0.42%	0.44%	0.46%
\$ 70,090,828	\$ 76,167,321	\$ 67,096,542	\$ 68,904,231	\$ 68,660,474
\$ 49,901,954	\$ 47,591,929	\$ 38,702,940	\$ 40,904,013	\$ 41,630,346
140.46%	160.04%	173.36%	168.45%	164.93%
73.40%	69.92%	67.06%	68.35%	69.49%

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 6,518,197	\$ 5,439,313	\$ 5,130,410	\$ 4,199,269	\$ 4,454,447
6,518,197	5,439,313	5,130,410	4,199,269	4,454,447
\$	\$	\$	\$	\$
\$ 58,302,299	\$ 49,901,954	\$ 47,591,929	\$ 38,702,940	\$ 40,904,013
11.18%	10.90%	10.78%	10.85%	10.89%

Higley Unified School District No. 60
Notes to Required Supplementary Information
June 30, 2023

Note 1 – Budgetary Basis of Accounting

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

- Certain activities reported in the General Fund are budgeted in separate funds in accordance with Arizona Revised Statutes.
- Prepaid items are budgeted in the year prepaid.
- Employee insurance expenditures are budgeted in the year the employee insurance account is funded.
- Intra-fund activity eliminated for financial reporting but budgeted in the General Fund.

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

	Total	Fund
	Expenditures	Balances
	End of Year	
Statement of Revenues, Expenditures and Changes in		
Fund Balances - Governmental Funds	\$ 179,499,509	\$ 50,150,532
Activity budgeted as special revenue funds	(2,639,467)	(7,758,346)
Activity budgeted as capital projects funds	(82,631,051)	1,292,890
Current-year prepaid items	(176,736)	(1,025,542)
Employee insurance account		(107,027)
Eliminated intra-fund activity		(7,879,407)
Schedule of Revenue, Expenditures and Changes in		
Fund Balances – Budget and Actual - General Fund	<u>\$ 94,052,255</u>	<u>\$ 34,673,100</u>

Note 2 – Pension Plan Schedules

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

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

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

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Governmental Funds

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Non-Major Governmental Funds

Special Revenue Funds

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

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

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

Capital Projects Funds

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

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

Other Capital Projects Funds – to account for the revenues and expenditures of other capital projects activities, including the following: capital gifts and donations, energy water and savings, and building renewal grant.

Higley Unified School District No. 60
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2023

	Special Revenue Funds			Capital Projects Funds
	Instructional Improvement	Food Service	Other Special Revenue	Adjacent Ways
Assets				
Cash and investments	\$ 77,494	\$ 4,098,120	\$ 6,660,447	\$ 1,958,651
Accounts receivable			32,405	
Due from governmental entities	671,919		762,489	
Total assets	<u>\$ 749,413</u>	<u>\$ 4,098,120</u>	<u>\$ 7,455,341</u>	<u>\$ 1,958,651</u>
Liabilities				
Accounts payable	\$	\$ 451,427	\$ 101,442	\$ 198,422
Unearned revenues		163,803		
Total liabilities		<u>615,230</u>	<u>101,442</u>	<u>198,422</u>
Fund balances				
Nonspendable				
Restricted	749,413	3,482,890	7,353,899	1,760,229
Total fund balances	<u>749,413</u>	<u>3,482,890</u>	<u>7,353,899</u>	<u>1,760,229</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 749,413</u>	<u>\$ 4,098,120</u>	<u>\$ 7,455,341</u>	<u>\$ 1,958,651</u>

Capital Projects			
Funds			
Other Capital		Total Non-Major	
Projects		Governmental	
		Funds	
\$	2,806,519	\$	15,601,231
			32,405
			1,434,408
\$	2,806,519	\$	17,068,044
\$	70,278	\$	821,569
			163,803
	70,278		985,372
	2,736,241		16,082,672
	2,736,241		16,082,672
\$	2,806,519	\$	17,068,044

Higley Unified School District No. 60
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Funds			Capital Projects Funds
	Instructional Improvement	Food Service	Other Special Revenue	Adjacent Ways
Revenues				
Other local	\$ 2,940	\$ 2,722,768	\$ 10,924,897	\$ 36,854
State aid and grants	916,108		11,840	
Federal aid, grants and reimbursements		2,110,959		
Total revenues	<u>919,048</u>	<u>4,833,727</u>	<u>10,936,737</u>	<u>36,854</u>
Expenditures				
Current:				
Instruction	764,739		3,181,101	
Support services - students and staff			413,564	
Support services - administration			135,685	
Operation and maintenance of plant services		11,127	87,801	
Student transportation services			164,012	
Operation of non-instructional services		3,857,289	3,850,209	
Capital outlay		351,022	427,394	306,205
Total expenditures	<u>764,739</u>	<u>4,219,438</u>	<u>8,259,766</u>	<u>306,205</u>
Excess (deficiency) of revenues over expenditures	<u>154,309</u>	<u>614,289</u>	<u>2,676,971</u>	<u>(269,351)</u>
Other financing sources (uses)				
Transfers out		(25,000)		
Total other financing sources (uses)		<u>(25,000)</u>		
Changes in fund balances	<u>154,309</u>	<u>589,289</u>	<u>2,676,971</u>	<u>(269,351)</u>
Fund balances, beginning of year	<u>595,104</u>	<u>2,893,601</u>	<u>4,676,928</u>	<u>2,029,580</u>
Fund balances, end of year	<u>\$ 749,413</u>	<u>\$ 3,482,890</u>	<u>\$ 7,353,899</u>	<u>\$ 1,760,229</u>

<u>Capital Projects Funds</u>		<u>Total Non-Major Governmental Funds</u>
<u>Bond Building Fund</u>	<u>Other Capital Projects</u>	
\$ 16,566	\$ 1,182,824	\$ 14,886,849
		927,948
		2,110,959
<u>16,566</u>	<u>1,182,824</u>	<u>17,925,756</u>
		3,945,840
		413,564
		135,685
		98,928
		164,012
		7,707,498
<u>3,114,799</u>	<u>102,138</u>	<u>4,301,558</u>
<u>3,114,799</u>	<u>102,138</u>	<u>16,767,085</u>
<u>(3,098,233)</u>	<u>1,080,686</u>	<u>1,158,671</u>
<u>(16,566)</u>		<u>(41,566)</u>
<u>(16,566)</u>		<u>(41,566)</u>
<u>(3,114,799)</u>	<u>1,080,686</u>	<u>1,117,105</u>
<u>3,114,799</u>	<u>1,655,555</u>	<u>14,965,567</u>
<u>\$</u>	<u>\$ 2,736,241</u>	<u>\$ 16,082,672</u>

Higley Unified School District No. 60
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Instructional Improvement
For the Year Ended June 30, 2023

	<u>Budget</u>		<u>Variance with</u>
	<u>Original and Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues			
Other local	\$	\$ 2,940	\$ 2,940
State aid and grants		916,108	916,108
Total revenues		919,048	919,048
Expenditures			
Current:			
Instruction	600,000	764,739	(164,739)
Total expenditures	600,000	764,739	(164,739)
Changes in fund balances	(600,000)	154,309	754,309
Fund balances, beginning of year		595,104	595,104
Fund balances, end of year	\$ (600,000)	\$ 749,413	\$ 1,349,413

Higley Unified School District No. 60
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Food Service
For the Year Ended June 30, 2023

	<u>Budget</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues				
Other local	\$	\$	\$ 2,722,768	\$ 2,722,768
Federal aid, grants and reimbursements			2,110,959	2,110,959
Total revenues			<u>4,833,727</u>	<u>4,833,727</u>
Expenditures				
Current:				
Operation and maintenance of plant services	6,065	16,482	11,127	5,355
Operation of non-instructional services	2,102,594	5,713,570	3,857,289	1,856,281
Capital outlay	191,341	519,948	351,022	168,926
Total expenditures	<u>2,300,000</u>	<u>6,250,000</u>	<u>4,219,438</u>	<u>2,030,562</u>
Excess (deficiency) of revenues over expenditures	<u>(2,300,000)</u>	<u>(6,250,000)</u>	<u>614,289</u>	<u>6,864,289</u>
Other financing sources (uses)				
Transfers out			(25,000)	(25,000)
Total other financing sources (uses)			<u>(25,000)</u>	<u>(25,000)</u>
Changes in fund balances	<u>(2,300,000)</u>	<u>(6,250,000)</u>	<u>589,289</u>	<u>6,839,289</u>
Fund balances, beginning of year			<u>2,893,601</u>	<u>2,893,601</u>
Fund balances, end of year	<u>\$ (2,300,000)</u>	<u>\$ (6,250,000)</u>	<u>\$ 3,482,890</u>	<u>\$ 9,732,890</u>

Higley Unified School District No. 60
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Other Special Revenue
For the Year Ended June 30, 2023

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other local	\$	\$	\$ 10,924,897	\$ 10,924,897
State aid and grants			11,840	11,840
Total revenues			<u>10,936,737</u>	<u>10,936,737</u>
Expenditures				
Current:				
Instruction	1,947,189	3,489,902	3,181,101	308,801
Support services - students and staff	253,147	453,710	413,564	40,146
Support services - administration	83,054	148,856	135,685	13,171
Operation and maintenance of plant services	53,744	96,324	87,801	8,523
Student transportation services	100,394	179,933	164,012	15,921
Operation of non-instructional services	2,356,758	4,223,963	3,850,209	373,754
Capital outlay	261,613	468,883	427,394	41,489
Total expenditures	<u>5,055,900</u>	<u>9,061,571</u>	<u>8,259,766</u>	<u>801,805</u>
Excess (deficiency) of revenues over expenditures	<u>(5,055,900)</u>	<u>(9,061,571)</u>	<u>2,676,971</u>	<u>11,738,542</u>
Changes in fund balances	<u>(5,055,900)</u>	<u>(9,061,571)</u>	<u>2,676,971</u>	<u>11,738,542</u>
Fund balances, beginning of year			<u>4,676,928</u>	<u>4,676,928</u>
Fund balances, end of year	<u>\$ (5,055,900)</u>	<u>\$ (9,061,571)</u>	<u>\$ 7,353,899</u>	<u>\$ 16,415,470</u>

Higley Unified School District No. 60
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Debt Service
For the Year Ended June 30, 2023

	<u>Budget</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues				
Other local	\$	\$	\$ 113,385	\$ 113,385
Property taxes			11,280,742	11,280,742
Total revenues			11,394,127	11,394,127
Expenditures				
Debt service:				
Principal retirement	8,395,000	8,605,000	8,605,000	
Interest and fiscal charges	105,000	1,395,000	2,987,917	(1,592,917)
Total expenditures	8,500,000	10,000,000	11,592,917	(1,592,917)
Excess (deficiency) of revenues over expenditures	(8,500,000)	(10,000,000)	(198,790)	9,801,210
Other financing sources (uses)				
Transfers in			16,566	16,566
Changes in fund balances	(8,500,000)	(10,000,000)	(182,224)	9,817,776
Fund balances, beginning of year			725,617	725,617
Fund balances, end of year	<u>\$ (8,500,000)</u>	<u>\$ (10,000,000)</u>	<u>\$ 543,393</u>	<u>\$ 10,543,393</u>

Higley Unified School District No. 60
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Adjacent Ways
For the Year Ended June 30, 2023

	<u>Budget</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues				
Other local	\$	\$	\$ 36,854	\$ 36,854
Property taxes				
Total revenues			<u>36,854</u>	<u>36,854</u>
Expenditures				
Capital outlay	<u>2,000,000</u>	<u>2,029,580</u>	<u>306,205</u>	<u>1,723,375</u>
Total expenditures	<u>2,000,000</u>	<u>2,029,580</u>	<u>306,205</u>	<u>1,723,375</u>
Excess (deficiency) of revenues over expenditures	<u>(2,000,000)</u>	<u>(2,029,580)</u>	<u>(269,351)</u>	<u>1,760,229</u>
Changes in fund balances	<u>(2,000,000)</u>	<u>(2,029,580)</u>	<u>(269,351)</u>	<u>1,760,229</u>
Fund balances, beginning of year			<u>2,029,580</u>	<u>2,029,580</u>
Fund balances, end of year	<u>\$ (2,000,000)</u>	<u>\$ (2,029,580)</u>	<u>\$ 1,760,229</u>	<u>\$ 3,789,809</u>

Higley Unified School District No. 60
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Bond Building
For the Year Ended June 30, 2023

	<u>Budget</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues				
Other local	\$	\$	\$ 16,566	\$ 16,566
Total revenues			16,566	16,566
Expenditures				
Capital outlay	1,675,000	3,114,799	3,114,799	
Total expenditures	1,675,000	3,114,799	3,114,799	
Excess (deficiency) of revenues over expenditures	(1,675,000)	(3,114,799)	(3,098,233)	16,566
Other financing sources (uses)				
Transfers out			(16,566)	(16,566)
Total other financing sources (uses)			(16,566)	(16,566)
Changes in fund balances	(1,675,000)	(3,114,799)	(3,114,799)	
Fund balances, beginning of year			3,114,799	3,114,799
Fund balances, end of year	<u>\$ (1,675,000)</u>	<u>\$ (3,114,799)</u>	<u>\$</u>	<u>\$ 3,114,799</u>

Higley Unified School District No. 60
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Other Capital Projects
For the Year Ended June 30, 2023

	<u>Budget</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues				
Other local	\$	\$	\$ 1,182,824	\$ 1,182,824
Total revenues			<u>1,182,824</u>	<u>1,182,824</u>
Expenditures				
Capital outlay	<u>1,635,000</u>	<u>2,635,000</u>	<u>102,138</u>	<u>2,532,862</u>
Total expenditures	<u>1,635,000</u>	<u>2,635,000</u>	<u>102,138</u>	<u>2,532,862</u>
Excess (deficiency) of revenues over expenditures	<u>(1,635,000)</u>	<u>(2,635,000)</u>	<u>1,080,686</u>	<u>3,715,686</u>
Changes in fund balances	<u>(1,635,000)</u>	<u>(2,635,000)</u>	<u>1,080,686</u>	<u>3,715,686</u>
Fund balances, beginning of year			<u>1,655,555</u>	<u>1,655,555</u>
Fund balances, end of year	<u>\$ (1,635,000)</u>	<u>\$ (2,635,000)</u>	<u>\$ 2,736,241</u>	<u>\$ 5,371,241</u>

Internal Service Funds

District Services - to account for the operation of District functions that provide goods or services to other District departments on a cost reimbursement basis.

Insurance Trust - to account for the financial activity associated with the District's risk management program for employee benefits.

Higley Unified School District No. 60
Combining Statement of Net Position
Internal Service Funds
June 30, 2023

	<u>District Services</u>	<u>Insurance Trust</u>	<u>Total Internal Service Funds</u>
Assets			
Current assets:			
Cash and investments	\$ 1,176,804	\$ 7,521,508	\$ 8,698,312
Accounts receivable	<u>428,402</u>	<u>428,402</u>	<u>428,402</u>
Total current assets	<u>1,176,804</u>	<u>7,949,910</u>	<u>9,126,714</u>
Total assets	<u>1,176,804</u>	<u>7,949,910</u>	<u>9,126,714</u>
Liabilities			
Current liabilities:			
Accounts payable		1,478,081	1,478,081
Claims payable		<u>55,496</u>	<u>55,496</u>
Total current liabilities		<u>1,533,577</u>	<u>1,533,577</u>
Noncurrent liabilities:			
Non-current portion of long-term obligations		<u>782,720</u>	<u>782,720</u>
Total noncurrent liabilities		<u>782,720</u>	<u>782,720</u>
Total liabilities		<u>2,316,297</u>	<u>2,316,297</u>
Net position			
Unrestricted	<u>1,176,804</u>	<u>5,633,613</u>	<u>6,810,417</u>
Total net position	<u>\$ 1,176,804</u>	<u>\$ 5,633,613</u>	<u>\$ 6,810,417</u>

Higley Unified School District No. 60
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2023

	<u>District Services</u>	<u>Insurance Trust</u>	<u>Total Internal Service Funds</u>
Operating revenues			
Charges for services	\$ 972,274	\$	\$ 972,274
Contributions		9,235,551	9,235,551
Total operating revenues	<u>972,274</u>	<u>9,235,551</u>	<u>10,207,825</u>
Operating expenses			
Claims		8,737,800	8,737,800
Administrative fees		15,583	15,583
Other	381,182		381,182
Adjustments to prior year claims reserve		782,720	782,720
Total operating expenses	<u>381,182</u>	<u>9,536,103</u>	<u>9,917,285</u>
Operating income (loss)	<u>591,092</u>	<u>(300,552)</u>	<u>290,540</u>
Nonoperating revenues (expenses)			
Investment income	11,072	89,221	100,293
Total nonoperating revenue (expenses)	<u>11,072</u>	<u>89,221</u>	<u>100,293</u>
Income (loss) before transfers and special items	602,164	(211,331)	390,833
Changes in net position	602,164	(211,331)	390,833
Total net position, beginning of year	<u>574,640</u>	<u>5,844,944</u>	<u>6,419,584</u>
Total net position, end of year	<u>\$ 1,176,804</u>	<u>\$ 5,633,613</u>	<u>\$ 6,810,417</u>

Higley Unified School District No. 60
Combining Statement of Cash Flows
Internal Service Funds
June 30, 2023

	<u>District Services</u>	<u>Insurance Trust</u>	<u>Total Internal Service Funds</u>
<u>Increase/Decrease in Cash and Cash Equivalents</u>			
Cash flows from operating activities			
Cash received from contributions	\$	\$ 8,807,149	\$ 8,807,149
Cash received from charges for services	972,274		972,274
Cash payments to suppliers for goods and services	(381,182)	(15,583)	(396,765)
Cash payments for claims		(7,204,223)	(7,204,223)
Net cash provided by/used for operating activities	<u>591,092</u>	<u>1,587,343</u>	<u>2,178,435</u>
Cash flows from investing activities			
Investment income	<u>11,072</u>	<u>89,221</u>	<u>100,293</u>
Net cash provided by/used for investing activities	<u>11,072</u>	<u>89,221</u>	<u>100,293</u>
Net increase/decrease in cash and cash equivalents	602,164	1,676,564	2,278,728
Cash and cash equivalents, beginning of year	<u>574,640</u>	<u>5,844,944</u>	<u>6,419,584</u>
Cash and cash equivalents, end of year	<u>\$ 1,176,804</u>	<u>\$ 7,521,508</u>	<u>\$ 8,698,312</u>
<u>Reconciliation of Cash and Cash Equivalents to the Statement of Net Position</u>			
Cash and investments	\$ 1,176,804	\$ 7,521,508	\$ 8,698,312
Less investments not maturing in less than three months			
Total cash and cash equivalents	<u>\$ 1,176,804</u>	<u>\$ 7,521,508</u>	<u>\$ 8,698,312</u>
<u>Reconciliation of Operating Income/Loss to Net Cash Provided by/Used for Operating Activities</u>			
Operating income/loss	\$ 591,092	\$ (300,552)	\$ 290,540
Adjustments to reconcile operating income/loss to net cash provided by/used for operating activities:			
Changes in assets and liabilities:			
Increase/decrease in accounts receivable		(428,402)	(428,402)
Increase/decrease in accounts payable		1,478,081	1,478,081
Increase/decrease in claims payable		838,216	838,216
Total adjustments		<u>1,887,895</u>	<u>1,887,895</u>
Net cash provided by/used for operating activities	<u>\$ 591,092</u>	<u>\$ 1,587,343</u>	<u>\$ 2,178,435</u>

Statistical Section

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

Note: For locally assessed property (i.e., excluding mines, utilities, etc.) Proposition 117, approved by voters in 2012, amended the Arizona Constitution to require that all property taxes after fiscal year 2014-15 be based upon property values limited to 5 percent in annual growth. The aggregate assessed value of all taxable properties within a taxing jurisdiction (i.e., after applying assessment ratios based on the use of a property), including property values with a growth limit, is currently referred to as net limited assessed value and formerly as primary assessed value. In accordance with Proposition 117, this value is used for all taxing purposes beginning fiscal year 2015-16. Aggregate assessed value without a growth limit is currently referred to as net full cash assessed value and formerly as secondary assessed value. This remains the value utilized for determining debt capacity limits.

Higley Unified School District No. 60
Net Position by Component
Last Ten Fiscal Years
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Net Position:					
Net investment in capital assets	\$ 157,097,931	\$ 140,585,726	\$ 134,705,903	\$ 132,112,648	\$ 128,967,692
Restricted	29,357,089	30,902,052	23,444,407	27,294,465	29,737,489
Unrestricted	<u>(20,719,680)</u>	<u>(24,526,463)</u>	<u>(27,413,247)</u>	<u>(35,972,478)</u>	<u>(37,479,780)</u>
Total net position	<u><u>\$ 165,735,340</u></u>	<u><u>\$ 146,961,315</u></u>	<u><u>\$ 130,737,063</u></u>	<u><u>\$ 123,434,635</u></u>	<u><u>\$ 121,225,401</u></u>
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Net Position:					
Net investment in capital assets	\$ 128,858,122	\$ 128,433,323	\$ 130,773,955	\$ 135,151,560	\$ 141,445,657
Restricted	27,621,125	21,924,467	16,692,139	9,422,063	6,561,802
Unrestricted	<u>(40,274,425)</u>	<u>(44,738,431)</u>	<u>(49,873,364)</u>	<u>(53,774,225)</u>	<u>10,377,440</u>
Total net position	<u><u>\$ 116,204,822</u></u>	<u><u>\$ 105,619,359</u></u>	<u><u>\$ 97,592,730</u></u>	<u><u>\$ 90,799,398</u></u>	<u><u>\$ 158,384,899</u></u>

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

Higley Unified School District No. 60
Expenses, Program Revenues, and Net (Expense)/Revenue
Last Ten Fiscal Years
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Expenses					
Instruction	\$ 87,437,859	\$ 79,265,921	\$ 76,017,421	\$ 71,958,335	\$ 58,486,306
Support services - students and staff	15,784,818	13,051,455	12,161,028	11,671,577	9,853,686
Support services - administration	14,468,133	12,419,555	10,998,030	11,505,496	12,306,380
Operation and maintenance of plant services	16,363,720	14,138,972	13,176,540	12,424,676	11,002,100
Student transportation services	7,794,165	7,015,614	5,651,430	6,440,651	5,385,063
Operation of non-instructional services	11,649,076	12,308,627	9,405,326	9,413,744	8,373,003
Interest on long-term debt	3,495,080	6,011,577	6,423,258	6,608,376	7,026,324
Total expenses	<u>156,992,851</u>	<u>144,211,721</u>	<u>133,833,033</u>	<u>130,022,855</u>	<u>112,432,862</u>
Program Revenues					
Charges for services:					
Instruction	4,996,458	4,110,775	3,126,545	2,380,965	2,640,652
Operation of non-instructional services	8,823,350	7,072,509	3,162,030	5,905,476	7,207,456
Other activities	359,340	512,993	352,598	160,249	215,165
Operating grants and contributions	18,025,228	20,687,388	14,807,268	6,998,907	6,652,702
Capital grants and contributions	2,963,196	3,383,618	3,340,051	5,222,153	232,827
Total program revenues	<u>35,167,572</u>	<u>35,767,283</u>	<u>24,788,492</u>	<u>20,667,750</u>	<u>16,948,802</u>
Net (Expense)/Revenue	<u>\$ (121,825,279)</u>	<u>\$ (108,444,438)</u>	<u>\$ (109,044,541)</u>	<u>\$ (109,355,105)</u>	<u>\$ (95,484,060)</u>

(Continued)

Higley Unified School District No. 60
Expenses, Program Revenues, and Net (Expense)/Revenue
Last Ten Fiscal Years
(Accrual basis of accounting)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Expenses					
Instruction	\$ 53,219,020	\$ 51,516,904	\$ 43,532,200	\$ 44,082,080	\$ 42,805,014
Support services - students and staff	9,079,961	10,020,317	7,570,336	8,677,732	9,172,502
Support services - administration	9,426,535	8,485,992	7,866,516	8,049,124	7,972,965
Operation and maintenance of plant services	10,322,963	9,292,783	8,842,980	8,905,405	9,037,497
Student transportation services	5,367,763	4,834,573	4,215,449	4,340,606	4,443,798
Operation of non-instructional services	7,750,744	6,585,746	5,869,724	6,762,133	6,674,982
Interest on long-term debt	7,362,903	7,561,154	6,880,263	6,485,369	6,398,447
Total expenses	<u>102,529,889</u>	<u>98,297,469</u>	<u>84,777,468</u>	<u>87,302,449</u>	<u>86,505,205</u>
Program Revenues					
Charges for services:					
Instruction	1,698,524	2,285,105	1,923,404	1,275,667	1,277,114
Operation of non-instructional services	6,365,826	5,427,421	5,180,447	5,891,463	4,675,694
Other activities	22,600	537,671	517,666	864,743	33,423
Operating grants and contributions	5,979,785	5,010,894	5,158,046	4,645,459	5,188,182
Capital grants and contributions	5,326,271	700,562	446,499	308,529	678,656
Total program revenues	<u>19,393,006</u>	<u>13,961,653</u>	<u>13,226,062</u>	<u>12,985,861</u>	<u>11,853,069</u>
Net (Expense)/Revenue	<u>\$ (83,136,883)</u>	<u>\$ (84,335,816)</u>	<u>\$ (71,551,406)</u>	<u>\$ (74,316,588)</u>	<u>\$ (74,652,136)</u>

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

(Concluded)

Higley Unified School District No. 60
General Revenues and Total Changes in Net Position
Last Ten Fiscal Years
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Net (Expense)/Revenue	\$ (121,825,279)	\$ (108,444,438)	\$ (109,044,541)	\$ (109,355,105)	\$ (95,484,060)
General Revenues:					
Property taxes	46,761,427	42,924,404	43,908,763	39,340,137	37,514,194
Investment income	1,323,429	521,394	558,791	1,089,320	1,004,204
Unrestricted county aid		5,459,141	5,474,795	4,786,078	4,519,439
Unrestricted state aid	87,224,633	75,244,926	65,891,139	64,629,396	56,996,105
Unrestricted federal aid	266,923	518,825	513,481	443,164	470,697
Total general revenues	<u>135,576,412</u>	<u>124,668,690</u>	<u>116,346,969</u>	<u>110,288,095</u>	<u>100,504,639</u>
Changes in Net Position	<u>\$ 13,751,133</u>	<u>\$ 16,224,252</u>	<u>\$ 7,302,428</u>	<u>\$ 932,990</u>	<u>\$ 5,020,579</u>

(Continued)

Higley Unified School District No. 60
General Revenues and Total Changes in Net Position
Last Ten Fiscal Years
(Accrual basis of accounting)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Net (Expense)/Revenue	\$ (83,136,883)	\$ (84,335,816)	\$ (71,551,406)	\$ (74,316,588)	\$ (74,652,136)
General Revenues:					
Property taxes	37,507,871	37,960,306	29,112,280	30,560,467	28,697,122
Investment income	708,989	326,326	253,933	143,381	83,140
Unrestricted county aid	4,352,601	3,948,588	3,675,703	3,506,988	3,236,919
Unrestricted state aid	50,578,796	47,324,979	45,106,669	42,055,233	38,254,334
Special item - Gain on sale of capital assets		1,058,793			
Unrestricted federal aid	560,532	258,013	196,153	244,535	152,734
Total general revenues	<u>93,708,789</u>	<u>90,877,005</u>	<u>78,344,738</u>	<u>76,510,604</u>	<u>70,424,249</u>
Changes in Net Position	<u>\$ 10,571,906</u>	<u>\$ 6,541,189</u>	<u>\$ 6,793,332</u>	<u>\$ 2,194,016</u>	<u>\$ (4,227,887)</u>

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

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

(Concluded)

Higley Unified School District No. 60
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
General Fund:					
Nondisposable	\$ 1,585,044	\$ 1,606,969	\$ 445,381	\$ 428,686	\$ 110,136
Unassigned	48,565,488	40,424,466	38,384,552	24,232,234	14,293,325
Total General Fund	<u>\$ 50,150,532</u>	<u>\$ 42,031,435</u>	<u>\$ 38,829,933</u>	<u>\$ 24,660,920</u>	<u>\$ 14,403,461</u>
All Other Governmental Funds:					
Unassigned	\$ (5,934,750)	\$ (5,700,367)	\$ (4,839,047)	\$ (1,203,430)	\$ (393,031)
Restricted	28,048,133	33,978,946	28,406,470	37,254,898	43,792,818
Total all other governmental funds	<u>\$ 22,113,383</u>	<u>\$ 28,278,579</u>	<u>\$ 23,567,423</u>	<u>\$ 36,051,468</u>	<u>\$ 43,399,787</u>

(Continued)

Higley Unified School District No. 60
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Fund:					
Unassigned	\$ 13,777,344	\$ 11,652,445	9,747,958	4,487,521	1,523,962
Total General Fund	<u>\$ 13,777,344</u>	<u>\$ 11,865,806</u>	<u>\$ 9,767,958</u>	<u>\$ 4,487,521</u>	<u>\$ 1,523,962</u>
All Other Governmental Funds:					
Restricted	\$ 44,382,795	\$ 42,184,771	47,479,275	29,637,813	22,527,272
Total all other governmental funds	<u>\$ 44,382,795</u>	<u>\$ 42,184,771</u>	<u>\$ 47,479,275</u>	<u>\$ 29,637,813</u>	<u>\$ 22,559,699</u>

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

(Concluded)

Higley Unified School District No. 60
Governmental Funds Revenues
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Federal sources:					
Federal grants	\$ 14,507,910	\$ 11,820,157	\$ 6,218,170	\$ 3,673,709	\$ 4,450,595
National School Lunch Program	2,110,959	8,009,870	4,623,337	2,285,251	1,259,503
Total federal sources	<u>16,618,869</u>	<u>19,830,027</u>	<u>10,841,507</u>	<u>5,958,960</u>	<u>5,710,098</u>
State sources:					
State equalization assistance	75,281,649	63,342,131	58,843,488	57,714,578	50,131,139
State grants	1,672,749	1,495,386	1,417,110	922,830	924,403
School Facilities Oversight Board			1,527,396	4,676,124	89,780
Other revenues	<u>11,954,824</u>	<u>11,902,795</u>	<u>7,049,300</u>	<u>6,932,696</u>	<u>6,864,966</u>
Total state sources	<u>88,909,222</u>	<u>76,740,312</u>	<u>68,837,294</u>	<u>70,246,228</u>	<u>58,010,288</u>
Local sources:					
Property taxes	46,710,408	43,454,522	44,033,549	40,807,910	38,950,375
County aid		5,459,141	5,474,795	4,786,078	4,519,439
Food service sales	2,662,584	703,570	397,300	1,569,859	1,945,367
Investment income	1,223,136	497,989	534,063	1,061,390	976,396
Other revenues	<u>13,868,113</u>	<u>12,726,224</u>	<u>6,626,995</u>	<u>8,204,846</u>	<u>8,635,660</u>
Total local sources	<u>64,464,241</u>	<u>62,841,446</u>	<u>57,066,702</u>	<u>56,430,083</u>	<u>55,027,237</u>
Total revenues	<u><u>\$ 169,992,332</u></u>	<u><u>\$ 159,411,785</u></u>	<u><u>\$ 136,745,503</u></u>	<u><u>\$ 132,635,271</u></u>	<u><u>\$ 118,747,623</u></u>

(Continued)

Higley Unified School District No. 60
Governmental Funds Revenues
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Federal sources:					
Federal grants	\$ 3,275,999	\$ 3,637,913	\$ 3,323,771	\$ 3,188,126	\$ 3,117,637
National School Lunch Program	1,429,252	1,314,797	1,315,052	1,317,942	1,459,124
Total federal sources	<u>4,705,251</u>	<u>4,952,710</u>	<u>4,638,823</u>	<u>4,506,068</u>	<u>4,576,761</u>
State sources:					
State equalization assistance	44,572,118	42,281,700	40,146,339	37,836,775	33,832,300
State grants	776,127	66,934	67,730	54,096	44,926
School Facilities Oversight Board	5,054,053	44,794	171,199		
Other revenues	6,006,678	5,043,279	4,789,131	4,218,458	4,422,034
Total state sources	<u>56,408,976</u>	<u>47,436,707</u>	<u>45,174,399</u>	<u>42,109,329</u>	<u>38,299,260</u>
Local sources:					
Property taxes	36,903,974	37,795,688	30,669,919	30,343,438	28,762,338
County aid	4,352,601	3,948,588	3,675,703	3,506,988	3,236,919
Food service sales	1,726,929	1,655,419	1,399,883	1,779,149	1,369,687
Investment income	697,478	321,389	237,597	147,162	76,030
Other revenues	7,328,049	7,284,450	7,155,141	7,020,464	5,996,592
Total local sources	<u>51,009,031</u>	<u>51,005,534</u>	<u>43,138,243</u>	<u>42,797,201</u>	<u>39,441,566</u>
Total revenues	<u>\$ 112,123,258</u>	<u>\$ 103,394,951</u>	<u>\$ 92,951,465</u>	<u>\$ 89,412,598</u>	<u>\$ 82,317,587</u>

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

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

(Concluded)

Higley Unified School District No. 60
Governmental Funds Expenditures and Debt Service Ratio
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Expenditures:					
Current -					
Instruction	\$ 72,962,846	\$ 68,057,260	\$ 64,087,048	\$ 58,052,628	\$ 52,981,647
Support services - students and staff	14,762,929	12,081,147	11,024,160	10,197,703	9,539,414
Support services - administration	12,484,112	10,838,337	9,153,220	8,903,495	11,307,630
Operation and maintenance of plant services	13,609,141	12,440,358	10,607,057	9,438,772	9,189,074
Student transportation services	5,704,180	4,985,499	3,739,315	3,849,122	3,723,042
Operation of non-instructional services	10,845,152	11,495,682	8,619,035	8,469,601	8,015,220
Capital outlay	23,652,624	13,144,129	11,650,350	17,206,530	9,255,585
Debt service -					
Principal retirement	71,650,000	9,385,000	9,530,000	8,370,000	7,260,000
Interest and fiscal charges	3,900,016	6,314,809	6,726,490	6,911,608	7,168,709
Issuance costs	2,285,725				
Total expenditures	<u>\$ 231,856,725</u>	<u>\$ 148,742,221</u>	<u>\$ 135,136,675</u>	<u>\$ 131,399,459</u>	<u>\$ 118,440,321</u>
Expenditures for capitalized assets	\$ 15,474,685	\$ 6,008,084	\$ 5,848,295	\$ 8,570,791	\$ 3,617,229
Debt service as a percentage of noncapital expenditures	35%	11%	13%	12%	13%

(Continued)

Higley Unified School District No. 60
Governmental Funds Expenditures and Debt Service Ratio
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Expenditures:					
Current -					
Instruction	\$ 46,480,609	\$ 44,659,788	\$ 35,896,133	\$ 36,650,566	\$ 36,116,959
Support services - students and staff	8,558,918	8,669,777	6,592,511	7,880,325	8,384,231
Support services - administration	8,020,043	7,821,237	7,184,666	7,505,711	7,244,306
Operation and maintenance of plant services	8,516,089	8,100,955	7,475,474	7,628,948	8,065,504
Student transportation services	3,409,584	3,495,941	3,112,947	3,262,713	3,274,948
Operation of non-instructional services	7,370,583	6,364,700	5,676,439	6,504,880	6,450,672
Capital outlay	12,633,179	16,806,315	19,094,459	16,585,054	16,610,646
Debt service -					
Principal retirement	5,585,000	5,055,000	4,195,000	6,001,470	10,883,807
Interest and fiscal charges	7,517,596	7,715,847	7,034,956	6,572,869	6,343,618
Issuance costs			504,341	849,624	431,489
Total expenditures	<u>\$ 108,091,601</u>	<u>\$ 108,689,560</u>	<u>\$ 96,766,926</u>	<u>\$ 99,442,160</u>	<u>\$ 103,806,180</u>
Expenditures for capitalized assets	\$ 6,686,073	\$ 9,874,854	\$ 14,254,848	\$ 13,307,293	\$ 10,472,222
Debt service as a percentage of noncapital expenditures	13%	13%	14%	15%	18%

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

(Concluded)

Higley Unified School District No. 60
Other Financing Sources and Uses and Net Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Excess (deficiency) of revenues over expenditures	\$ (61,864,393)	\$ 10,669,564	\$ 1,608,828	\$ 1,235,812	\$ 307,302
Other financing sources (uses):					
Premium on issuance of debt	3,152,833				
Certificates of participation	55,840,000				
Insurance recoveries	11,345			78,534	
Proceeds from sale of capital assets	23,043	87,101	59,445		
Transfers in	979,139	349,183	1,281,977	868,767	664,424
Transfers out	(979,139)	(348,183)	(1,281,977)	(868,767)	(664,424)
Total other financing sources (uses)	<u>59,027,221</u>	<u>88,101</u>	<u>59,445</u>	<u>78,534</u>	
Changes in fund balances	<u>\$ (2,837,172)</u>	<u>\$ 10,757,665</u>	<u>\$ 1,668,273</u>	<u>\$ 1,314,346</u>	<u>\$ 307,302</u>
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Excess (deficiency) of revenues over expenditures	\$ 4,031,657	\$ (5,294,609)	\$ (3,815,461)	\$ (10,029,562)	\$ (21,488,593)
Other financing sources (uses):					
General obligation bonds issued			25,785,000	19,000,000	25,795,000
Refunding bonds issued				38,165,000	
Premium on issuance of debt			1,276,670	4,882,417	1,231,267
Payment to refunded bond escrow agent				(42,084,286)	
Insurance recoveries	12,736				
Proceeds from sale of capital assets		1,408,793			
Transfers in	598,138	4,874,640	7,436,001	503,536	1,627,481
Transfers out	(598,138)	(4,874,640)	(7,436,001)	(503,536)	(1,627,481)
Total other financing sources (uses)	<u>12,736</u>	<u>1,408,793</u>	<u>27,061,670</u>	<u>19,963,131</u>	<u>27,026,267</u>
Changes in fund balances	<u>\$ 4,044,393</u>	<u>\$ (3,885,816)</u>	<u>\$ 23,246,209</u>	<u>\$ 9,933,569</u>	<u>\$ 5,537,674</u>

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

Higley Unified School District No. 60
Net Limited Assessed Value and Full Cash Value of Taxable Property by Class
Last Ten Fiscal Years

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Commercial, Industrial, Utilities and Mining	\$ 114,477,044	\$ 101,056,916	\$ 82,225,750	\$ 75,958,904	\$ 75,068,065
Agricultural and Vacant	14,262,875	17,374,744	17,399,630	15,475,331	12,822,649
Residential (Owner Occupied)	544,706,905	515,332,299	485,838,811	447,917,934	416,709,005
Residential (Rental)	196,708,959	170,770,989	156,892,244	144,210,450	132,777,604
Railroad, Private Cars and Airlines	1,043,698	757,973	688,345	728,756	742,976
Historical Property				40,365	20,300
Certain Government Property Improvements				136,421	178,996
Total	<u>\$ 871,199,481</u>	<u>\$ 805,292,921</u>	<u>\$ 743,044,780</u>	<u>\$ 684,468,161</u>	<u>\$ 638,319,595</u>
Gross Full Cash Value	\$ 12,595,415,740	\$ 11,352,733,677	\$ 7,919,225,936	\$ 9,237,110,048	\$ 8,442,712,203
Ratio of Net Limited Assessed Value to Gross Full Cash Value	7%	7%	9%	7%	8%
Total Direct Rate	6.29	6.32	6.91	7.05	7.21

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Commercial, Industrial, Utilities and Mining	\$ 68,087,664	\$ 62,401,742	\$ 62,477,829	\$ 57,904,803	\$ 52,831,398
Agricultural and Vacant	14,376,768	15,890,364	18,626,558	20,132,584	17,355,081
Residential (Owner Occupied)	387,269,082	354,568,597	325,174,391	304,110,475	276,527,036
Residential (Rental)	126,173,725	121,187,472	113,128,677	96,037,105	72,695,871
Railroad, Private Cars and Airlines	774,212	721,965	771,985	815,714	729,399
Historical Property	36,620	49,965	47,040	55,465	86,674
Certain Government Property Improvements	100,713	126,578	71,591	22,820	22,125
Total	<u>\$ 596,818,784</u>	<u>\$ 554,946,683</u>	<u>\$ 520,298,071</u>	<u>\$ 479,078,966</u>	<u>\$ 420,247,584</u>
Gross Full Cash Value	\$ 7,879,544,694	\$ 7,548,423,595	\$ 6,840,406,706	\$ 5,401,686,621	\$ 4,534,222,802
Ratio of Net Limited Assessed Value to Gross Full Cash Value	8%	7%	8%	9%	9%
Total Direct Rate	7.71	7.94	6.95	7.27	7.71

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

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

Higley Unified School District No. 60
Net Full Cash Assessed Value of Taxable Property by Class
Last Ten Fiscal Years

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Commercial, Industrial, Utilities and Mining	\$ 149,006,432	\$ 137,288,233	\$ 112,628,143	\$ 99,042,173	\$ 92,325,971
Agricultural and Vacant	29,995,771	33,658,295	33,034,126	28,650,258	23,104,888
Residential (Owner Occupied)	735,432,737	678,747,351	627,190,373	552,936,391	507,821,166
Residential (Rental)	281,054,392	233,440,565	210,561,992	183,752,552	167,508,266
Railroad, Private Cars and Airlines	1,371,217	979,798	868,948	898,409	893,694
Historical Property			-	40,365	20,300
Certain Government Property Improvements			-	193,045	258,925
Total	<u>\$ 1,196,860,549</u>	<u>\$ 1,084,114,242</u>	<u>\$ 984,283,582</u>	<u>\$ 865,513,193</u>	<u>\$ 791,933,210</u>
Gross Full Cash Value	\$ 12,595,415,740	\$ 11,352,733,677	\$ 7,919,225,936	\$ 9,237,110,048	\$ 8,442,712,203
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	10%	10%	12%	9%	9%
Estimated Net Full Cash Value	<u>\$ 10,726,197,956</u>	<u>\$ 9,677,045,751</u>	<u>\$ 6,679,349,272</u>	<u>\$ 7,739,628,124</u>	<u>\$ 7,094,705,627</u>
Total Direct Rate	6.29	6.32	6.91	7.05	7.21

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Commercial, Industrial, Utilities and Mining	\$ 83,803,636	\$ 74,838,897	\$ 67,268,784	\$ 58,486,420	\$ 53,130,102
Agricultural and Vacant	25,014,161	26,566,899	26,889,582	22,295,697	18,423,108
Residential (Owner Occupied)	470,703,254	443,532,489	407,038,426	320,953,690	276,649,233
Residential (Rental)	158,330,653	154,876,879	142,529,518	101,849,249	72,937,940
Railroad, Private Cars and Airlines	900,303	771,926	786,421	823,136	736,074
Historical Property	36,620	49,965	47,040	55,465	86,674
Certain Government Property Improvements	150,347	184,776	91,569	24,555	22,125
Total	<u>\$ 738,938,974</u>	<u>\$ 700,821,831</u>	<u>\$ 644,651,340</u>	<u>\$ 504,488,212</u>	<u>\$ 421,985,256</u>
Gross Full Cash Value	\$ 7,879,544,694	\$ 7,548,423,595	\$ 6,840,406,706	\$ 5,401,686,621	\$ 4,534,222,802
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	9%	9%	9%	9%	9%
Estimated Net Full Cash Value	<u>\$ 6,605,328,750</u>	<u>\$ 6,261,420,746</u>	<u>\$ 5,698,063,487</u>	<u>\$ 4,384,988,088</u>	<u>\$ 3,631,245,802</u>
Total Direct Rate	7.71	7.94	6.95	7.27	7.71

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

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

Higley Unified School District No. 60
Property Tax Assessment Ratios
Last Ten Fiscal Years

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

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Commercial, Industrial, Utilities and Mining	18 %	18 %	19 %	19 %	21 %
Agricultural and Vacant	15	15	16	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	15	14	15	16	17

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

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

Higley Unified School District No. 60
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Fiscal Year Ended June 30	Overlapping Rates										District Direct Rates		
	State	County	County	Flood	Community	Fire District	East Valley Institute of	City	Town	Town of	Primary	Secondary	Total
	Equalization		Free	Control	College	Assistance	Technology School	of	of	Queen			
			Library	District	District		District No. 401	Mesa	Gilbert	Creek			
2023	0.00	1.25	0.05	0.16	1.19	1.25	0.05	1.21	0.99	1.8257	3.50	2.79	6.29
2022	0.43	1.35	0.06	0.18	1.11	0.01	0.05	1.19	0.99	1.8257	3.60	2.72	6.32
2021	0.44	1.40	0.06	0.18	1.29	0.01	0.05	0.86	0.99	1.82	3.74	3.17	6.91
2020	0.46	1.40	0.06	0.18	1.33	0.01	0.05	0.51	0.99	1.95	3.86	3.19	7.05
2019	0.00	1.40	0.06	0.18	1.38	0.01	0.05	0.45	0.99	1.95	3.99	3.22	7.21
2018	0.00	1.40	0.06	0.18	1.41	0.01	0.05	0.35	1.03	1.95	4.48	3.23	7.71
2017	0.00	1.40	0.06	0.18	1.47	0.01	0.05	0.30	1.06	0.00	4.84	3.10	7.94
2016	0.00	1.36	0.06	0.16	1.49	0.01	0.05	0.00	1.06	0.00	5.17	1.78	6.95
2015	0.00	1.32	0.06	0.14	1.52	0.01	0.05	0.00	1.07	0.00	5.16	2.11	7.27
2014	0.00	1.28	0.04	0.14	1.53	0.01	0.05	0.00	1.15	0.00	4.98	2.73	7.71

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

Higley Unified School District No. 60
Principal Property Taxpayers
Current Fiscal Year and Fiscal Year Nine Years Prior

Taxpayer	2023		2014	
	Net Limited Assessed Valuation	Percentage of District's Net Limited Assessed Valuation	Net Full Cash Assessed Valuation	Percentage of District's Net Full Cash Assessed Valuation
American Furniture Warehouse Co	\$ 7,840,256	0.90 %		%
BCI IV Commerce Park LLC	5,731,977	0.66		
Gilbert Gateway Towne Center Holdings	5,303,919	0.61		
Mid America Apartments LP	5,035,653	0.58	2,100,000	0.50
IH6 Property Phoenix LP	4,404,976	0.51		
Southwest Gas Corporation (T&D)	4,009,926	0.46	2,652,802	0.63
ULF Power 202 LLC	3,895,874	0.45		
Fulton Homes Corporation	3,828,606	0.44		
Fri San Tan LLC	3,575,442	0.41		
Vivace at Gateway Place LLC	3,324,277	0.38		
Power & Ray LLC			5,800,963	1.37
Broadstone at Twin Fields LP			2,200,000	0.52
Wal Mart Stores Inc			1,941,477	0.46
Target Corporation			1,827,660	0.43
San Clemente Apartments LP			1,731,100	0.41
MPT of Gilbert LLC			1,686,778	0.40
Gilbert Chandler Heights 1 LLC			1,518,121	0.36
Lowe's HIW Inc.			1,509,793	0.36
Total	<u>\$ 46,950,906</u>	<u>5.40 %</u>	<u>\$ 22,968,694</u>	<u>5.44 %</u>

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

Note: Informational assistance provided by Stifel, Nicolaus & Company.

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

Higley Unified School District No. 60
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Fiscal Years	Collected to the End of the Current Fiscal Year	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2023	\$ 54,952,617	\$ 52,681,635	95.87 %		\$ 52,681,635	95.87 %
2022	50,917,657	48,178,502	94.62	2,729,476	50,907,978	99.98
2021	51,499,511	49,057,065	95.26	2,437,327	51,494,392	99.99
2020	48,136,457	45,421,292	94.36	2,715,599	48,136,891	100.00
2019	45,795,193	43,165,559	94.26	2,629,966	45,795,525	100.00
2018	43,476,745	40,652,006	93.50	2,822,536	43,474,542	99.99
2017	44,271,278	41,384,868	93.48	2,884,071	44,268,939	99.99
2016	35,989,265	35,496,274	98.63	492,494	35,988,768	100.00
2015	35,300,645	33,353,379	94.48	1,946,898	35,300,277	100.00
2014	32,471,667	30,631,628	94.33	1,839,712	32,471,340	100.00

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

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

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

Higley Unified School District No. 60
Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30	General Obligation Bonds						Total Outstanding Debt				
	General Obligation Bonds	Less: Restricted for Principal	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Financed Purchases	Certificates of Participation	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Percentage of Personal Income
2023	\$ 81,474,997	\$ 567,066	\$ 80,907,931	0.64 %	\$ 880	\$	\$ 55,485,000	\$ 136,959,997	1.09 %	\$ 1,489	N/A %
2022	90,520,686	763,522	89,757,164	0.79	1,011	62,690,000		153,210,686	1.35	1,726	0.06
2021	99,736,375	659,443	99,076,932	1.25	1,303	63,620,000		163,356,375	2.06	2,149	0.08
2020	107,822,064	850,694	106,971,370	1.16	1,267	64,525,000		172,347,064	1.87	2,041	0.08
2019	114,822,753	811,981	114,010,772	1.35	1,525	65,400,000		180,222,753	2.13	2,411	0.09
2018	120,999,891	591,324	120,408,567	1.53	1,649	66,250,000		187,249,891	2.38	2,565	0.10
2017	126,659,335		126,659,335	1.68	1,809	66,250,000		192,909,335	2.56	2,756	0.07
2016	131,458,779	1,074,623	130,384,156	1.91	1,917	66,250,000		197,708,779	2.89	2,907	0.11
2015	110,086,553	522,805	109,563,748	2.03	1,611	66,250,000		176,336,553	3.26	2,593	0.10
2014	86,990,000	1,218,191	85,771,809	1.89	1,361	67,166,470		154,156,470	3.40	2,447	0.10

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

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

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

Higley Unified School District No. 60
Direct and Overlapping Governmental Activities Debt
June 30, 2023

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Overlapping:			
Maricopa County Community College District	\$ 135,585,000	1.69 %	\$ 2,291,387
Maricopa County Special Health Care District	\$ 600,335,000	1.69	\$ 10,145,662
City of Mesa	318,950,000	0.48	1,530,960
Town of Gilbert	298,465,000	25.57	76,317,501
Subtotal, Overlapping Debt			<u>90,285,510</u>
Direct:			
Higley Unified School District No. 60	78,470,000	100.00	<u>136,959,997</u>
Total Direct and Overlapping Governmental Activities Debt			<u><u>\$ 227,245,507</u></u>

Direct and Overlapping General Bonded Debt Ratios

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation	9.01	%
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 1,835	
As a Percentage of Net Limited Assessed Valuation	19.37	%
As a Percentage of Gross Full Value	1.34	%

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

Note: Estimated percentage of debt outstanding applicable to the District is calculated based on a portion of the District's net limited assessed valuation as a percentage of the net limited assessed valuation of the overlapping jurisdiction.

Higley Unified School District No. 60
Legal Debt Margin Information
Last Ten Fiscal Years

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

Net full cash assessed valuation	\$ 1,196,860,549
Debt limit (20% of assessed value)	239,372,110
Debt applicable to limit	<u>78,470,000</u>
Legal debt margin	<u><u>\$ 160,902,110</u></u>

Total Legal Debt Margin Calculation for Fiscal Year 2023:

Net full cash assessed valuation	\$ 1,196,860,549
Debt limit (30% of assessed value)	359,058,165
Debt applicable to limit	<u>78,470,000</u>
Legal debt margin	<u><u>\$ 280,588,165</u></u>

	Fiscal Year Ended June 30				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Debt Limit	\$ 359,058,165	\$ 325,234,273	\$ 295,285,075	\$ 259,653,958	\$ 237,579,963
Total net debt applicable to limit	<u>\$ 78,470,000</u>	<u>\$ 86,925,000</u>	<u>\$ 95,550,000</u>	<u>\$ 103,045,000</u>	<u>\$ 109,455,000</u>
Legal debt margin	<u><u>\$ 280,588,165</u></u>	<u><u>\$ 238,309,273</u></u>	<u><u>\$ 199,735,075</u></u>	<u><u>\$ 156,608,958</u></u>	<u><u>\$ 128,124,963</u></u>
Total net debt applicable to the limit as a percentage of debt limit	22%	27%	32%	40%	46%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Debt Limit	\$ 221,681,692	\$ 210,246,549	\$ 193,395,402	\$ 151,346,464	\$ 151,346,464
Total net debt applicable to limit	<u>115,040,000</u>	<u>120,095,000</u>	<u>124,290,000</u>	<u>110,086,553</u>	<u>86,990,000</u>
Legal debt margin	<u><u>\$ 106,641,692</u></u>	<u><u>\$ 90,151,549</u></u>	<u><u>\$ 69,105,402</u></u>	<u><u>\$ 41,259,911</u></u>	<u><u>\$ 64,356,464</u></u>
Total net debt applicable to the limit as a percentage of debt limit	52%	57%	64%	73%	57%

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

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

Higley Unified School District No. 60
County-Wide Demographic and Economic Statistics
Last Ten Calendar Years

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands)</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>	<u>Estimated District Population</u>
2022	4,586,431	\$ N/A	\$ N/A	3.3 %	91,988
2021	4,496,588	268,713,717	59,759	4.5	88,742
2020	4,651,440	196,779,825	45,454	6.6	76,030
2019	4,367,835	209,719,687	47,606	3.6	84,456
2018	4,294,460	210,370,180	47,694	4.1	74,763
2017	4,221,684	196,286,191	43,628	4.3	73,004
2016	4,137,076	280,120,037	40,415	4.5	70,000
2015	4,076,438	175,437,829	42,092	4.6	68,000
2014	4,087,191	168,483,421	41,222	5.9	68,000
2013	4,009,412	147,700,000	27,552	6.2	63,000

Sources: The source of the "Personal Income" and "Per Capita" information is the Bureau of Economic Analysis for 2008-2016 and the U.S. Census Bureau, Small Area Income and Poverty Program (SAIPE) for 2017.
The source of the "Population" and "Unemployment Rate" information is the Arizona Office of Employment and Population Statistics.

Note: Informational assistance provided by Stifel, Nicolaus & Company.

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

Higley Unified School District No. 60
Principal Employers
Current Fiscal Year and Fiscal Year Nine Years Prior

Employer	2023			2014		
	Employees	Percentage of Total Employment		Employees	Percentage of Total Employment	
Banner Health	28,740	1.56	%	24,825	1.36	%
State of Arizona	25,640	1.39		49,800	2.74	
Walmart Inc	20,080	1.09		30,634	1.68	
Amazon	18,780	1.02				
Fry's Food Stores	15,620	0.85				
Wells Fargo & Co	13,960	0.76		13,308	0.73	
Maricopa County	12,730	0.69		12,792	0.70	
Intel Corporation	11,810	0.64				
Arizona State University	11,360	0.62		11,185	0.61	
City of Phoenix	10,430	0.57		15,100	0.83	
Bank of America				13,300	0.73	
Raytheon Co.				11,500	0.63	
Apollo Group				11,000	0.60	
Total	169,150	9.19	%	193,444	10.61	%
Total employment	1,845,910			1,819,800		

Source: 2019 Arizona COG/MPO Employer Database and the Arizona Office of Economic Opportunity.

These figures are based on Maricopa County. The Book of Lists pertained to the entire state for 2011 info. We find these sources to be reliable and expect them to be available for the foreseeable future.

Note: The principal employers were not available for the District alone, therefore the principal employers for Maricopa County are presented. Informational assistance provided by Maricopa Association of Governments.

Higley Unified School District No. 60
Full-Time Equivalent District Employees by Type
Last Ten Fiscal Years

	Full-time Equivalent Employees as of June 30				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
School Administration (Function 2400)					
Principals and Assistant Principals	36	36	36	30	30
Principals Office Classified Staff	37	22	23	30	30
Total school administration	<u>73</u>	<u>58</u>	<u>59</u>	<u>60</u>	<u>60</u>
Instruction (Function 1000)					
Teachers	726	740	752	700	685
Classroom Aides	177	182	156	134	151
Total instruction	<u>903</u>	<u>922</u>	<u>908</u>	<u>834</u>	<u>836</u>
Student and Staff Support Services (Functions 2100 and 2200)					
Attendance and Registration Services	19	11	15	20	16
Guidance Services	11	12	14	13	10
Health Services	15	6	26	33	19
Psychologist and Speech Services	45	54	59	21	29
Curriculum and Library Services	39	33	44	97	83
Total student staff and support services	<u>129</u>	<u>116</u>	<u>158</u>	<u>184</u>	<u>157</u>
Central Office Administration and Support (Functions 2300, 2500-3300)					
Governing Board, Superintendent, Public Relations	11	10	7	10	13
Business Services	16	16	11	11	9
Operation and Maintenance Services	103	116	106	222	155
Transportation Services	84	90	90	85	171
Human Resources	10	6	8	14	11
Information and Technical Services	20	20	25	5	4
Other Services	144	128	113	118	146
Total support and administration	<u>388</u>	<u>386</u>	<u>360</u>	<u>465</u>	<u>509</u>
Total	<u><u>1,493</u></u>	<u><u>1,482</u></u>	<u><u>1,485</u></u>	<u><u>1,543</u></u>	<u><u>1,562</u></u>

(Continued)

Higley Unified School District No. 60
Full-Time Equivalent District Employees by Type
Last Ten Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
School Administration (Function 2400)					
Principals and Assistant Principals	31	28	27	26	29
Principals Office Classified Staff	32	29	25	27	25
Total school administration	<u>63</u>	<u>57</u>	<u>52</u>	<u>53</u>	<u>54</u>
Instruction (Function 1000)					
Teachers	667	633	538	525	517
Classroom Aides	135	139	107	105	71
Total instruction	<u>802</u>	<u>772</u>	<u>645</u>	<u>630</u>	<u>588</u>
Student and Staff Support Services (Functions 2100 and 2200)					
Attendance and Registration Services	16	16	16	13	17
Guidance Services	12	12	9	8	2
Health Services	18	19	18	12	17
Psychologist and Speech Services	25	34	19	19	28
Curriculum and Library Services	69	56	46	69	38
Total student staff and support services	<u>140</u>	<u>137</u>	<u>108</u>	<u>121</u>	<u>102</u>
Central Office Administration and Support (Functions 2300, 2500-3300)					
Governing Board, Superintendent, Public Relations	9	6	4	4	4
Business Services	14	11	8	5	6
Operation and Maintenance Services	137	130	81	100	115
Transportation Services	205	93	69	88	75
Human Resources	8	10	9	11	7
Information and Technical Services	4	6	5	5	2
Other Services	118	42	68	78	13
Total support and administration	<u>495</u>	<u>298</u>	<u>244</u>	<u>291</u>	<u>222</u>
Total	<u><u>1,500</u></u>	<u><u>1,264</u></u>	<u><u>1,049</u></u>	<u><u>1,095</u></u>	<u><u>966</u></u>

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

(Concluded)

Higley Unified School District No. 60
Operating Statistics
Last Ten Fiscal Years

Fiscal Year Ended June 30	Average Daily Membership	Operating Expenditures	Cost per Pupil	Percentage Change	Expenses	Cost per Pupil	Percentage Change	Teaching Staff	Pupil- Teacher Ratio	Percentage of Free/Reduced Students
2023	12,527	\$ 130,368,360	\$ 10,407	9.83 %	\$ 156,992,851	\$ 12,532	9.96 %	726	17.3	17.0 %
2022	12,653	119,898,283	9,476	8.95	144,211,721	11,397	5.00	740	17.1	13.7
2021	12,329	107,229,835	8,697	10.07	133,833,033	10,855	4.51	752	16.4	16.4
2020	12,518	98,911,321	7,902	0.88	130,022,855	10,387	11.76	700	17.9	18.3
2019	12,098	94,756,027	7,832	13.31	112,432,862	9,294	7.99	685	17.7	18.0
2018	11,914	82,355,826	6,913	2.40	102,529,889	8,606	2.60	667	17.9	21.0
2017	11,719	79,112,398	6,751	16.01	98,297,469	8,388	12.11	633	18.5	17.0
2016	11,331	65,938,170	5,819	(9.32)	84,777,468	7,482	(7.27)	538	21.1	19.0
2015	10,820	69,433,143	6,417	(0.09)	87,302,449	8,069	0.98	525	20.6	18.0
2014	10,826	69,536,620	6,423	4.27	86,505,205	7,991	(8.11)	517	20.9	21.0

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

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

Higley Unified School District No. 60
Capital Assets Information
Last Ten Fiscal Years

	Fiscal Year Ended June 30									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Schools</u>										
Elementary and Middle										
Buildings	42	42	42	42	42	42	42	40	40	40
Square feet	1,213,115	1,213,115	1,213,115	1,213,115	1,213,115	1,213,115	1,213,115	1,114,657	1,114,657	1,114,657
Capacity	12,600	12,600	12,600	12,600	12,600	12,600	12,600	12,363	12,636	12,636
Enrollment	8,000	8,454	8,239	8,805	8,805	8,793	8,620	8,119	8,341	8,341
High										
Buildings	16	15	15	15	15	15	15	15	15	15
Square feet	561,278	467,340	467,340	467,340	467,340	467,340	467,340	467,340	467,340	467,340
Capacity	3,750	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,400
Enrollment	4,300	4,199	4,090	3,786	3,786	3,661	3,512	3,661	3,050	3,050
Other										
Buildings	1	1	1	1	1	1	1	1	1	1
Square feet	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500
<u>Administrative</u>										
Buildings	7	7	7	7	7	7	7	7	7	7
Square feet	68,443	68,443	68,443	68,443	68,443	68,443	68,443	68,443	68,443	68,443
<u>Transportation</u>										
Garages	1	1	1	1	1	1	1	1	1	1
Buses	80	80	79	78	78	67	69	69	69	69
<u>Athletics</u>										
Football fields	4	4	4	4	4	4	4	4	4	4
Soccer fields	5	5	5	5	5	5	5	5	5	5
Running tracks	2	2	2	2	2	2	2	2	2	2
Baseball/softball	24	24	24	24	24	24	24	24	24	24
Swimming pools	1	1	1	1	1	1	1	1	1	1
Playgrounds	19	19	19	19	19	19	19	18	18	18

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