



PVSchools[™]
A Journey of Excellence

Annual Comprehensive
**FINANCIAL
REPORT**

For the Year Ended June 30, 2023

Phoenix, Arizona

Paradise Valley Unified School District No. 69

Phoenix, Arizona

Annual Comprehensive Financial Report

Year Ended June 30, 2023

Board of Education

Nancy Case	President
Kerry Baker	Member
Sandra Christensen	Member
Anne Greenberg	Member
Tony Pantera.....	Member

Superintendent
Dr. Troy Bales

Prepared by:
Business Operations Office
Jill Barragan, Assistant Superintendent for Business Operations

Paradise Valley Unified School District No. 69

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Introductory Section

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December 14, 2023

Citizens and Governing Board
Paradise Valley Unified School District No. 69
15002 North 32nd Street
Phoenix, Arizona 85032-4441

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 Paradise Valley Unified School District No. 69 (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 not only report 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. The Paradise Valley Unified School District offers a premiere education to students in preschool through grade 12. The District has 27 elementary schools offering free, full-day kindergarten through grade 6; one kindergarten through grade 8 school, seven middle schools with grades 7 and 8; five high schools, grades 9 through 12; two alternative schools and one comprehensive online school serving kindergarten through grade 12. The district offers a variety of education programs including Kindergarten through grade 12 International Baccalaureate Programmes; Advancement Via Individual Determination, Core Knowledge®; Science, Technology, Engineering, Math (STEM), gifted and special education, dual language immersion (Mandarin and Spanish), fine arts including the North Valley Arts Academies (grades 5 through 12) at Desert Cove Elementary, Shea Middle and Shadow Mountain High School, Career and Technical Education, before- after-school programs, sports and extracurricular activities, and pre-K programs.

The District is located in 98 square miles of northeast metropolitan Phoenix and a portion of north Scottsdale. With more than 26,000 students, the District is the seventh-largest school district in the state of Arizona. The District employs 108 administrators, more than 2,193 certified classroom teachers and other instructional personnel, and 1,739 support personnel.

Vision:

Every learner empowered for a lifetime of success.

Motto:

A Journey of Excellence

Mission:

We engage, inspire, and nurture students through high-quality instruction, meaningful educational opportunities, and dynamic learning experiences.

Goals:

1. Student Experience - Provide students with learning environments that include rich academic and extracurricular experiences, supports, and programs to prepare them for a successful future. To create a culturally proficient climate that ensures equity and access for all in PVSchools.
2. Staff Experience - Foster a supportive and collaborative work environment that makes PVSchools an exemplary place to thrive.
3. Educational Environment - Support a district-wide culture that promotes a robust equitable educational experience; prioritizes relationships among students, staff, and families; and meets learners' unique needs to maximize their potential.
4. Community Strength - Build meaningful relationships with new and existing partners to provide opportunities that enrich the lives of our diverse students, staff, families, and community.
5. Diversity, Equity, and Inclusion - Develop, respect, and value diverse thinking and experiences that lead to safe, equitable, and inclusive environments for all.
6. Optimized Resources - Acquire and prioritize resources to equitably advance PVSchools' vision, mission, values, and strategic goals.

Values:

1. Student-Focus - We approach each decision and interaction with every student's success and well-being as a priority.
2. Innovation - We nurture creativity, curiosity, and strategic thinking through dynamic learning experiences.
3. Collaboration - We cultivate respectful and meaningful relationships to support high expectations and a culture of growth.
4. Integrity - We model character, equity, and ethical behavior in all we do.
5. Growth - We foster continuous progress, development and learning.
6. Respect - We model civility, dignity, and thoughtful consideration in our communication and actions.

PVSchools' faculty and staff received numerous awards during the 2022-23 school year, including the Arizona Thespian Teacher of the Year, the Arizona Association of school Psychologists Administrator of the Year, the National Association of Biology Teachers Outstanding Biology Teacher of the Year, the Arizona Community Education Association Administrator Regional Leader of the Year, and the Arizona Interscholastic Athletic Administrators Associations 4A Conference Athletic Director of the Year.

PVSchools students also received numerous awards during the 2022-23 school year, including but not limited to, Arizona's Academic Standards Assessment for English Arts and Math perfect scores recognitions, National Merit finalists, Flinn Scholarship recipients, gold medal winners in the FCCLA competition, InvestWrite Elementary School State Competition, Arizona DECA Conference winner, First Robotics regional winner, and U.S. Presidential Scholar.

Historically, PVSchools graduating seniors have earned millions of dollars in scholarships. Scholarships disbursed among six of our schools have exceeded \$50 million in previous school years.

The 2022-23 school year has presented our district with many challenges. The continued recovery from COVID-19 has impacted most educational aspects of our district and student achievement has been no exception. The district is leveraging resources to address learning loss and increase student preparedness for the upcoming 2024 state assessments. PVUSD schools received a letter grade of B for the 2022-2023 school year. At the end of the 2023, PVUSD had 22 A rated schools, 12 B rated schools and 7 C rated schools.

In the Spring of 2023, PVUSD administered AASA, Arizona's Academic Standards Assessment for English Language Arts (ELA) and Mathematics to all students in grade 3-8 and AzSCI for 5th, 8th and 11th grade students. PVUSD 11th grade students took the ACT assessment as part of the state's menu of assessments, and 9th graders took the ACT Aspire Assessment.

In 2023, all grade levels (3rd-8th and 11th) in PVUSD surpassed the state average percent passing rate in ELA, math and science.

The District's Governing Board is organized under Section 15-321 of the A.R.S. Management of the District is independent of other state or local governments. The County Treasurer collects taxes for the District, but exercises no control over its expenditures/expenses. The membership of the Governing Board consists of five members elected by the public. Under existing statutes, the Governing Board's duties and powers include, but are not limited to, the acquisition, maintenance and disposition of school property; the development and adoption of a school program; and the establishment, organization and operation of schools. The Board also has broad financial responsibilities, including the approval of the annual budget, and the establishment of a system of accounting and budgetary controls.

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

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

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. The Phoenix economy is based on several major industries and commercial activity. Manufacturing and tourism have traditionally been the basis of the economy of Phoenix, the rest of Maricopa County, and continue to be important. Major industrial products manufactured by companies include aircraft parts, electronic equipment, agricultural chemicals and Native American crafts. Tourism is an especially vital part of the Phoenix economy. The economy relies on a combination of warm climate, a substantial well educated labor pool, a wide range of support industries, and a governmental climate that is supportive of economic growth and investment.

A few of the major financial and banking firms represented in the Phoenix metropolitan area include American Express, Chase Bank, Bank of America, Discover Card Services and Wells Fargo Bank. Many Fortune 500 companies operate within the Phoenix area such as Boeing, Bank of America, Time Warner Telecom, IBM and Intel. In addition, the metropolitan area provides excellent educational and training opportunities through seven community colleges, 11 private colleges and graduate schools, and one state university.

Maricopa County is located 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. The County's population is estimated at almost 4.5 million people and makes up more than half of Arizona's population. Maricopa County is the fastest-growing county in the United States, with more than 600,000 people added from April 2010 through April 2021.

Tourism and business services in particular now account for nearly 77 percent of the area's total employment. The County has excellent accommodations, diverse cultural and recreational activities, and a favorable climate attracting millions to the area annually. Another sector of growth has been financial services and banking as several significant processing and/or regional headquarters operations are located in Phoenix, such as American Express, Chase Bank, Bank of America, Discover Card Services and Wells Fargo Bank. High technology and aerospace firms hold a considerable share of the manufacturing jobs throughout the state.

Manufacturing consisting of high technology companies continues to be the third largest employer in Phoenix with strong job gains in the advanced industry sectors. These sectors include industries such as aerospace, computer and electronic device production, wholesale trade, financial activities and bioscience healthcare. Other factors aiding economic growth include continued major expansions of the Sky Harbor International Airport, a favorable business climate and the presence of a well-developed and expanding transportation infrastructure including interstate highways, a large quantity of companies that provide motor freight service, rail service and wide-body freight service through American Airlines and US Airways.

The District's financial condition reflected that of the local economy. While assessed values in the District (as well as state and county-wide) fell from highs in fiscal year 2009-2010 through fiscal year 2013-2014 following the Great Recession, values have subsequently risen. For net limited assessed value in the District (i.e., the restricted value used for both primary and secondary taxes after fiscal year 2014-2015 per Proposition 117 approved by voters in 2012), values have risen since fiscal year 2013-14 by approximately 45.2% to \$4.0 billion. For net full cash value (i.e., the unrestricted value used for determining debt capacity and for secondary property taxes through fiscal year 2014-15), values have risen since fiscal year 2013-14 by approximately 91.3% to \$5.29 billion.

Long-term Financial Planning. Data from demographic studies projecting future student enrollment as well as assessments of current building conditions are used to develop future budget plans and facility needs. With the construction of new residential development being limited, the high cost of housing within the district, the addition of empowerment scholarship accounts for any student in the state, and the competition from neighboring charter schools, student enrollment in the District is predicted to decline until development within the northern part of the District resumes. Inflationary increases to funding provided through the basic funding formulas which were withheld during the economic downturn have been granted during the last several budgetary cycles and are expected to continue. The average age of classroom buildings is 30 years.

In addition to state funding, planning is heavily impacted by voter-approved portions of its budget, which includes budget overrides and bonds for construction and renovation. Budget overrides are for both capital and operations. Bonds are strictly for capital items. Bond funds provide the ability for the District to plan for the renovation of existing facilities and the construction of new schools in the growth areas of the District.

During early 2023, the District involved stakeholders in a capital planning process which developed a four year capital plan, as well as recommending that the Governing Board call for a bond election. In November 2023, District voters authorized the issuance of up to \$340 million in bonds.

An operational override used to maintain lower class sizes, as well as programs in kindergarten through third grade, including all day kindergarten, was renewed in November 2022 generating approximately \$30 million in total additional operating funds annually.


Awards And Acknowledgments

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 34th consecutive year that the District has received this prestigious award. In addition, the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its annual comprehensive financial report for the fiscal year ended June 30, 2022. In order to be awarded these certificates, the District published an easily readable and efficiently organized annual comprehensive financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

Acknowledgments. The preparation of the annual comprehensive financial report on a timely basis was made possible by the dedicated service of the entire staff of the business services office. Each member of the office 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,



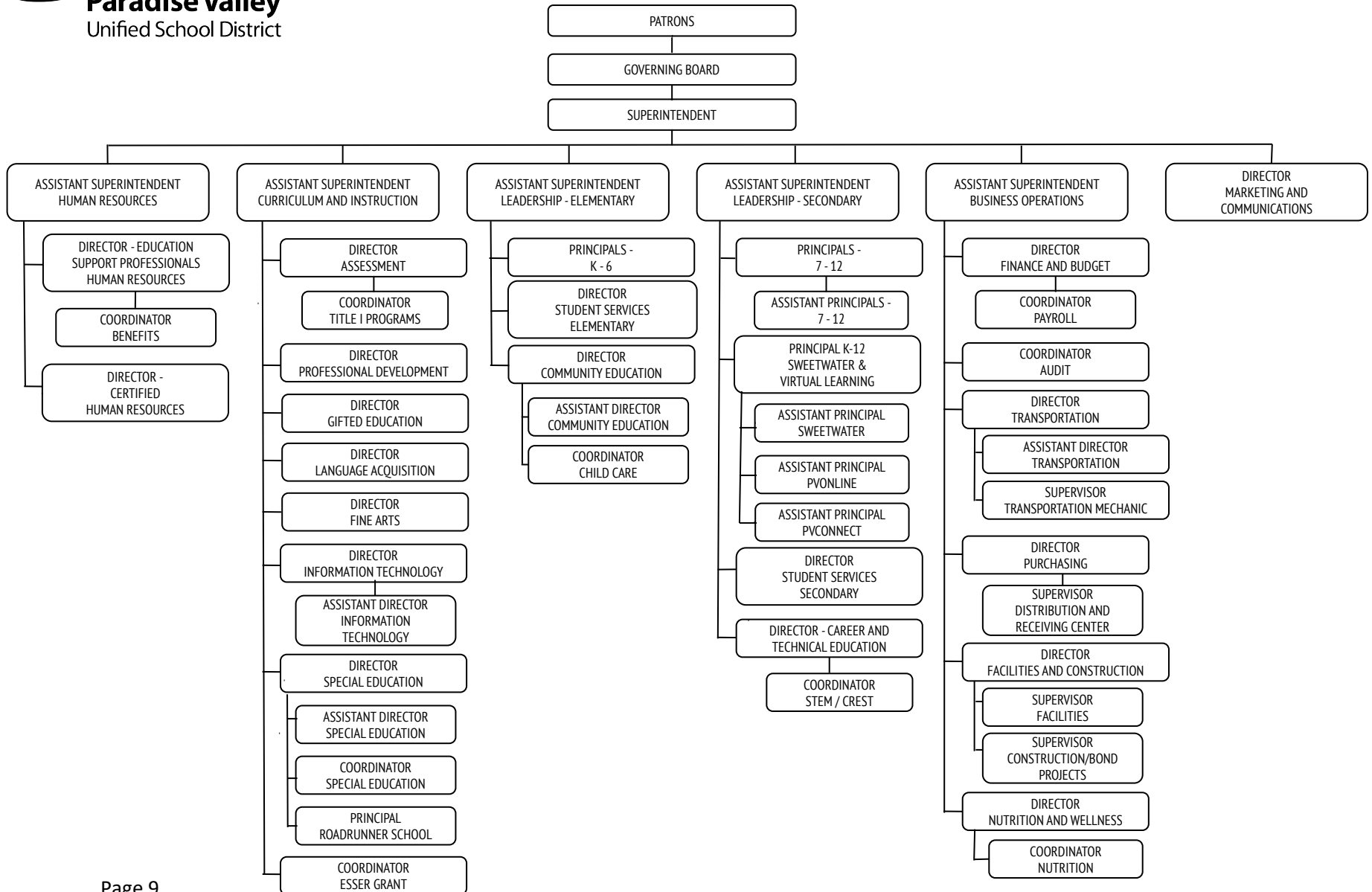
Dr. Troy Bales
Superintendent



Jill Barragan
Assistant Superintendent for
Business Operations

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2022-2023 ORGANIZATIONAL CHART



Governing Board



Ms. Nancy Case
President



Ms. Kerry Baker
Member



Ms. Sandra Christensen
Member



Ms. Anne Greenberg
Member



Mr. Tony Pantera
Member

Superintendency



Dr. Troy Bales
Superintendent



Mrs. Jill Barragan
*Assistant Superintendent
of Business Operations*



Dr. Dan Courson
*Assistant Superintendent
of Curriculum and Instruction*



Dr. Shaun Holmes
*Assistant Superintendent
of Human Resources*



Dr. Steve Jeras
*Assistant Superintendent
of Leadership - Elementary*



Ms. Jean Koeppen
*Assistant Superintendent
of Leadership - Secondary*



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Paradise Valley Unified School District 69

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 large, prominent 'J' and 'H'.

John W. Hutchison
President

A handwritten signature in black ink, reading 'Siobhán McMahon'. The signature is written in a cursive style with a large, prominent 'S' and 'M'.

Siobhán McMahon, CAE
Chief Operations Officer/
Interim Executive Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Paradise Valley Unified School District No. 69
Arizona**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

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Financial Section

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Independent Auditor's Report

Governing Board
Paradise Valley Unified School District No. 69

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 Paradise Valley Unified School District No. 69 (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 Paradise Valley Unified School District No. 69, 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 Paradise Valley Unified School District No. 69 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, net pension liability information, and other postemployment benefit plan 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 14, 2023, on our consideration of Paradise Valley Unified School District No. 69'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 Paradise Valley Unified School District No. 69'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 Paradise Valley Unified School District No. 69's internal control over financial reporting and compliance.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Scottsdale, Arizona
December 14, 2023

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

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Paradise Valley Unified School District No. 69
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2023

As management of the Paradise Valley Unified School District No. 69 (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 \$24.4 million which represents an 11 percent increase from the prior fiscal year as a result of state aid and property tax revenue increases.
- General revenues accounted for \$348.4 million in revenue, or 82 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$77.0 million or 18 percent of total current fiscal year revenues.
- The District had approximately \$401.0 million in expenses related to governmental activities, an increase of five percent from the prior fiscal year.
- Among major funds, the General Fund had \$259.5 million current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$243.0 million in expenditures. The General Fund's fund balance increase from \$106.5 million at the prior fiscal year end to \$126.7 million at the end of the current fiscal year was primarily due to a planned budgetary surplus.
- Net position for the Internal Service Fund decreased \$912,681 from the prior fiscal year. The decrease is due to the District utilizing net position for operating expenses.

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.

Paradise Valley Unified School District No. 69
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2023

Overview of Financial Statements

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

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

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

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

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

Paradise Valley Unified School District No. 69
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2023

Overview of Financial Statements

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

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Federal and State Grants, Debt Service, and Bond Building 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 fund is an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses its internal service fund to account for its other postemployment benefit program. Because this service predominantly benefits governmental functions, it has been included within governmental activities in the government-wide 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 and other postemployment benefit plan have been provided as required supplementary information.

**Paradise Valley Unified School District No. 69
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 \$247.7 million at the current fiscal year end.

The largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment and construction in progress) less any related outstanding debt used to acquire those assets.

The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related outstanding debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. In addition, a portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance is unrestricted and may be used to meet the District's ongoing obligations to its citizens and creditors, however, it is in a deficit position as described below.

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

	As of June 30, 2023	As of June 30, 2022
Current and other assets	\$ 398,604,003	\$ 318,077,218
Capital assets, net	594,120,724	589,500,069
Total assets	992,724,727	907,577,287
Deferred outflows	41,718,490	54,006,295
Current and other liabilities	31,786,453	26,900,456
Long-term liabilities	745,512,810	644,560,376
Total liabilities	777,299,263	671,460,832
Deferred inflows	9,490,656	66,911,008
Net position:		
Net investment in capital assets	245,681,512	248,076,152
Restricted	66,659,727	61,889,973
Unrestricted	(64,687,941)	(86,754,383)
Total net position	\$ 247,653,298	\$ 223,211,742

At the end of the current fiscal year the District reported positive balances in two categories of net position. Unrestricted net position was negative due to the state pension plan's unfunded liability. The same situation held true in the prior fiscal year.

**Paradise Valley Unified School District No. 69
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 have had an impact on the Statement of Net Position.

- The principal retirement of \$40.3 million of bonds.
- The net addition of \$39.0 million in capital assets through new construction, school improvements, and purchases of vehicles, furniture and equipment.
- The issuance of \$86.6 million in school improvement bonds and \$7.1 million in associated premium.

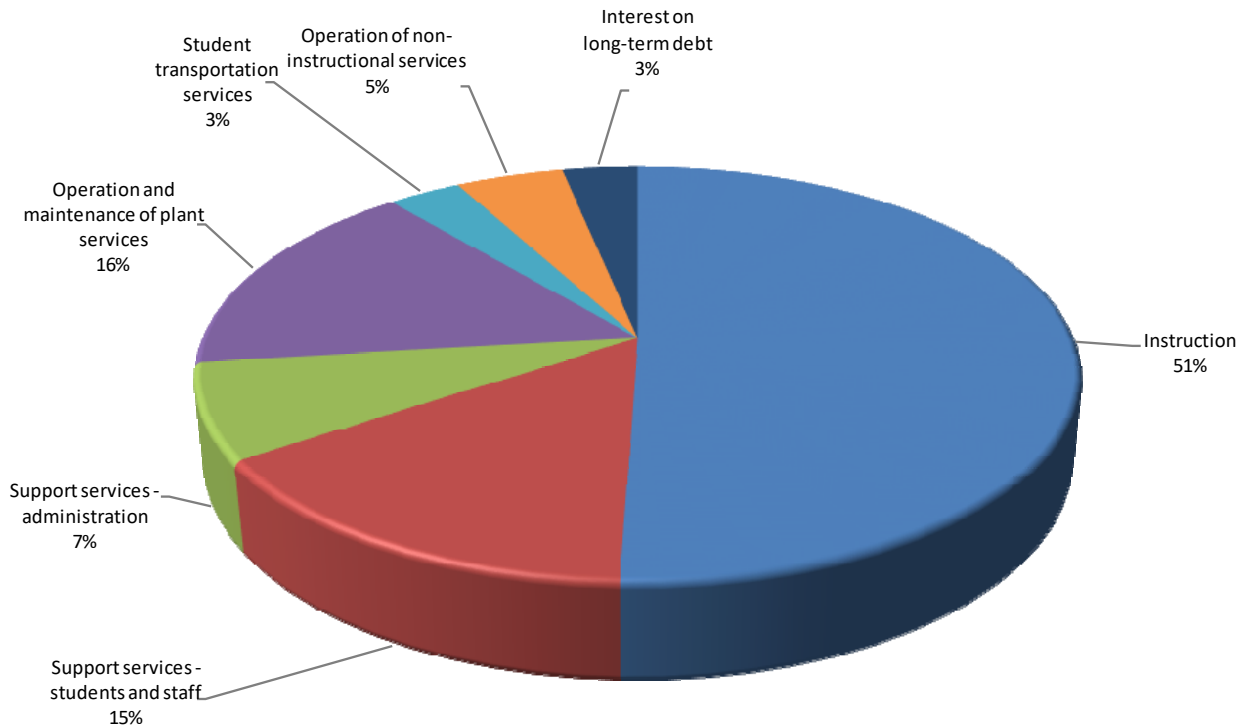
Changes in net position. The District's total revenues for the current fiscal year were \$425.4 million. The total cost of all programs and services was \$401.0 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2023 and June 30, 2022.

	Fiscal Year Ended June 30, 2023	Fiscal Year Ended June 30, 2022
Revenues:		
Program revenues:		
Charges for services	\$ 23,644,688	\$ 16,785,815
Operating grants and contributions	51,338,086	53,517,324
Capital grants and contributions	2,024,375	7,076,028
General revenues:		
Property taxes	221,162,491	208,040,274
Investment income	5,026,250	1,341,133
Unrestricted county aid		4,587,214
Unrestricted state aid	118,753,131	100,539,618
Unrestricted federal aid	3,466,981	3,506,188
Total revenues	425,416,002	395,393,594
Expenses:		
Instruction	202,638,298	204,809,731
Support services - students and staff	61,041,150	54,279,254
Support services - administration	29,748,339	28,887,092
Operation and maintenance of plant services	63,077,295	52,968,482
Student transportation services	12,734,563	12,014,638
Operation of non-instructional services	18,685,030	18,877,341
Interest on long-term debt	13,049,771	10,986,349
Total expenses	400,974,446	382,822,887
Changes in net position	24,441,556	12,570,707
Net position, beginning	223,211,742	210,641,035
Net position, ending	\$ 247,653,298	\$ 223,211,742

**Paradise Valley Unified School District No. 69
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 revenues increased \$18.2 million due to increases in the state per-pupil funding amounts.
- Property tax revenue increased \$13.1 million due to increases in assessed valuations.
- Operation and maintenance of plant services expenses increased \$10.1 million due primarily to school site renovation projects.

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.

**Paradise Valley Unified School District No. 69
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2023**

Government-Wide Financial Analysis

	Year Ended June 30, 2023		Year Ended June 30, 2022	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
Instruction	\$ 202,638,298	\$(171,741,299)	\$ 204,809,731	\$(178,383,456)
Support services - students and staff	61,041,150	(47,422,391)	54,279,254	(45,108,190)
Support services - administration	29,748,339	(28,228,462)	28,887,092	(27,743,712)
Operation and maintenance of plant services	63,077,295	(57,597,882)	52,968,482	(38,395,586)
Student transportation services	12,734,563	(12,309,027)	12,014,638	(11,793,370)
Operation of non-instructional services	18,685,030	5,155,934	18,877,341	5,741,450
Interest on long-term debt	13,049,771	(11,824,170)	10,986,349	(9,760,856)
Total	\$ 400,974,446	\$(323,967,297)	\$ 382,822,887	\$(305,443,720)

- The cost of all governmental activities this year was \$401.0 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$77.0 million.
- Net cost of governmental activities of \$324.0 million was financed by general revenues, which are made up of primarily property taxes of \$221.2 million and state aid of \$118.8 million. Investment earnings accounted for \$5.0 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 \$299.3 million, an increase of \$70.7 million due primarily to the issuance of school improvement bonds.

Paradise Valley Unified School District No. 69
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2023

Financial Analysis of the District's Funds

The General Fund is the principal operating fund of the District. The General Fund comprises 42 percent of the total fund balance. Approximately \$112.9 million, or 89 percent of the General Fund's fund balance is unassigned. The increase in fund balance of \$20.2 million in the General Fund to \$126.7 million as of fiscal year end was a result of increase in base level funding for state aid.

Expenditures and transfers out within the Federal and State Grants Fund of \$40.3 million exceeded revenues of \$36.0 million leading to an decrease in fund balance of \$4.3 million. Outstanding grant reimbursements will relieve the remaining deficit during fiscal year 2023-24.

The fund balance in the Debt Service Fund was \$25.0 million as of fiscal year end. The increase in fund balance of \$7.4 million during the year was primarily due to transfers from the Bond Building Fund related to investment income and premium from the issuance of school improvement bonds.

The fund balance in the Bond Building Fund was \$122.9 million as of fiscal year end. The increase in fund balance of \$42.1 million during the year was primarily due to the issuance of school improvement bonds.

Proprietary funds. Unrestricted net position of the Internal Service Fund at the end of the fiscal year amounted to \$1.8 million. The decrease of \$912,681 from the prior fiscal year was primarily due to the District utilizing net position for benefit payments.

Budgetary Highlights

Over the course of the year, the District revised the General Fund annual expenditure budget. The difference between the original budget and the final amended budget was a \$5.2 million decrease, a two percent decrease, due to actual enrollment falling short of the estimate used during the budget adoption process.

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 expenditure variances are summarized as follows:

- The favorable variance of \$14.4 million in instruction was the result of unfilled positions and the management of budget balance carryforward.
- The favorable variance of \$2.6 million in operation and maintenance of plant services was the result of year-end adjustments to cover utility and custodial costs with alternate, allowable funding including ESSER, Medicaid, and indirect costs.
- The favorable variance of \$2.1 million in student and staff support services was the result of unfilled positions.

**Paradise Valley Unified School District No. 69
Management’s Discussion and Analysis (MD&A)
Year Ended June 30, 2023**

Capital Assets and Debt Administration

Capital Assets. At year end, the District had invested \$1.1 billion 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 \$39.0 million from the prior fiscal year primarily due to renovations at multiple school sites. Total depreciation expense for the current year was \$38.9 million.

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

	As of June 30, 2023	As of June 30, 2022
Capital assets - non-depreciable	\$ 47,661,713	\$ 71,724,552
Capital assets - depreciable, net	546,459,011	517,775,517
Total	\$ 594,120,724	\$ 589,500,069

The estimated cost to complete current construction projects is \$4.4 million.

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

Debt Administration. At year-end, the District had \$471.3 million in long-term debt outstanding, \$41.2 million due within one year. Long-term debt increased by \$49.1 million due to the issuance of \$86.6 million of school improvement bonds and the associated premium of \$7.1 million exceeding debt repayments.

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 \$1.7 billion and the Class B debt limit is \$1.1 billion, which are more than the District’s total outstanding general obligation and Class B debt, respectively.

Additional information on the District’s long-term debt can be found in Notes 9 and 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 (estimated \$15.5 million).
- District student population (estimated 26,518).

Paradise Valley Unified School District No. 69
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 state economy and COVID-19 mitigation and response expenditures. Costs for additional cleaning and sanitation have been included along with additional curriculum purchases and support to combat learning loss.

Budgeted expenditures in the General Fund increased five percent to \$271.1 million in fiscal year 2023-24 due to a base-level increase in the per-pupil funding amount, as well as approximately \$7 million in one time funding monies. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2023-24 budget.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Business Operations Office, Paradise Valley Unified School District No. 69, 15002 North 32nd Street, Phoenix, Arizona 85032.

Basic Financial Statements

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Government-Wide Financial Statements

Paradise Valley Unified School District No. 69
Statement of Net Position
June 30, 2023

	Governmental Activities
Assets	
Current assets:	
Cash and investments	\$ 342,449,636
Deposits	305,121
Property taxes receivable	2,457,099
Accounts receivable	57,745
Due from governmental entities	32,824,754
Inventory	2,127,908
Leases receivable	1,846,245
Total current assets	382,068,508
Noncurrent assets:	
Cash and investments - restricted	16,535,495
Capital assets not being depreciated	47,661,713
Capital assets, net accumulated depreciation	546,459,011
Total noncurrent assets	610,656,219
Total assets	992,724,727
 Deferred outflows of resources	
Pension plan items	40,185,663
Other postemployment benefit plan items	1,532,827
Total deferred outflows of resources	41,718,490
 Liabilities	
Current liabilities:	
Accounts payable	18,576,434
Accrued payroll and employee benefits	3,122,171
Unearned revenues	387,880
Compensated absences payable	1,500,000
Bonds payable	41,150,000
Accrued interest payable	9,699,968
Total current liabilities	74,436,453
Noncurrent liabilities:	
Non-current portion of long-term obligations	702,862,810
Total noncurrent liabilities	702,862,810
Total liabilities	777,299,263
 Deferred inflows of resources	
Pension plan items	6,693,139
Other postemployment benefit plan items	1,003,430
Leases	1,794,087
Total deferred inflows of resources	9,490,656
 Net position	
Net investment in capital assets	245,681,512
Restricted for:	
Instruction	21,623,097
Food service	5,449,516
Non-instructional purposes	5,298,570
Debt service	25,307,342
Capital outlay	8,981,202
Unrestricted	(64,687,941)
Total net position	\$ 247,653,298

Paradise Valley Unified School District No. 69
Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenue			Net (Expense)
		Charges for	Operating Grants	Capital Grants	Revenue and
			Services	and	and
			Contributions	Contributions	Position
					Governmental
					Activities
Governmental activities					
Instruction	\$ 202,638,298	\$ 6,948,610	\$ 23,237,798	\$ 710,591	\$ (171,741,299)
Support services - students and staff	61,041,150		13,618,759		(47,422,391)
Support services - administration	29,748,339		1,519,877		(28,228,462)
Operation and maintenance of plant services	63,077,295	1,574,432	2,591,197	1,313,784	(57,597,882)
Student transportation services	12,734,563		425,536		(12,309,027)
Operation of non-instructional services	18,685,030	15,121,646	8,719,318		5,155,934
Interest on long-term debt	13,049,771		1,225,601		(11,824,170)
Total governmental activities	<u>\$ 400,974,446</u>	<u>\$ 23,644,688</u>	<u>\$ 51,338,086</u>	<u>\$ 2,024,375</u>	<u>(323,967,297)</u>
General revenues					
Property taxes					221,162,491
Investment income					5,026,250
Unrestricted state aid					118,753,131
Unrestricted federal aid					3,466,981
Total general revenues					<u>348,408,853</u>
Changes in net position					24,441,556
Net position, beginning of year					<u>223,211,742</u>
Net position, end of year					<u>\$ 247,653,298</u>

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Fund Financial Statements

Paradise Valley Unified School District No. 69

Balance Sheet

Governmental Funds

June 30, 2023

	Federal and State			
	General	Grants	Debt Service	Bond Building
Assets				
Cash and investments	\$ 108,646,634	\$	\$ 58,356,839	\$ 133,535,284
Cash and investments - restricted			16,535,495	
Deposits				
Property taxes receivable	1,807,156		649,943	
Accounts receivable				
Due from governmental entities	19,235,872	11,434,513	615,033	
Due from other funds	3,113,706			
Inventory	2,020,099			
Leases receivable	1,846,245			
Total assets	\$ 136,669,712	\$ 11,434,513	\$ 76,157,310	\$ 133,535,284
Liabilities				
Accounts payable	\$ 5,504,559	\$ 31,368	\$	\$ 10,632,978
Due to other funds		3,113,706		
Accrued payroll and employee benefits	1,908,835	652,049		
Unearned revenues				
Bonds payable			41,150,000	
Bond interest payable			9,699,968	
Total liabilities	7,413,394	3,797,123	50,849,968	10,632,978
Deferred inflows of resources				
Unavailable revenues - property taxes	809,338		294,182	
Unavailable revenues - intergovernmental		9,213,089		
Leases	1,794,087			
Total deferred inflows of resources	2,603,425	9,213,089	294,182	
Fund balances				
Nonspendable	2,020,099			
Restricted	7,423,892		25,013,160	122,902,306
Assigned	4,315,807			
Unassigned	112,893,095	(1,575,699)		
Total fund balances	126,652,893	(1,575,699)	25,013,160	122,902,306
Total liabilities, deferred inflows of resources and fund balances	\$ 136,669,712	\$ 11,434,513	\$ 76,157,310	\$ 133,535,284

Non-Major Governmental Funds	Total Governmental Funds
\$ 27,632,188	\$ 328,170,945
	\$ 16,535,495
305,121	305,121
	2,457,099
57,745	57,745
1,539,336	32,824,754
	3,113,706
107,809	2,127,908
	1,846,245
<u>\$ 29,642,199</u>	<u>\$ 387,439,018</u>
\$ 2,407,529	\$ 18,576,434
	3,113,706
561,287	3,122,171
387,880	387,880
	41,150,000
	9,699,968
<u>3,356,696</u>	<u>76,050,159</u>
	1,103,520
	9,213,089
	1,794,087
	<u>12,110,696</u>
107,809	2,127,908
26,177,694	181,517,052
	4,315,807
	111,317,396
<u>26,285,503</u>	<u>299,278,163</u>
<u>\$ 29,642,199</u>	<u>\$ 387,439,018</u>

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Paradise Valley Unified School District No. 69
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2023

Total fund balances - governmental funds **\$ 299,278,163**

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	\$ 1,115,003,444	
Less accumulated depreciation/amortization	<u>(520,882,720)</u>	
		594,120,724

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

Property taxes	1,103,520	
Intergovernmental	<u>9,213,089</u>	
		10,316,609

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	40,185,663	
Deferred inflows of resources related to pensions	<u>(6,693,139)</u>	
		33,492,524

The Internal Service Fund is used by management to charge the cost of OPEB to the individual funds. The assets and liabilities of the Internal Service Fund are included in the Statement of Net Position.

1,777,651

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

Compensated absences payable	(7,044,681)	
Bonds payable	(430,191,518)	
Net pension liability	<u>(254,096,174)</u>	
		<u>(691,332,373)</u>

Net position of governmental activities **\$ 247,653,298**

Paradise Valley Unified School District No. 69
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	Federal and State			
	General	Grants	Debt Service	Bond Building
Revenues				
Other local	\$ 4,869,617	\$ 18,732	\$ 191,524	\$ 2,436,536
Property taxes	158,129,730		59,824,091	
State aid and grants	93,058,889	3,193,671		
Federal aid, grants and reimbursements	<u>3,466,981</u>	<u>32,789,028</u>	<u>1,225,601</u>	
Total revenues	<u>259,525,217</u>	<u>36,001,431</u>	<u>61,241,216</u>	<u>2,436,536</u>
Expenditures				
Current:				
Instruction	123,487,930	19,034,920		
Support services - students and staff	42,855,066	12,578,028		
Support services - administration	23,903,783	1,420,830		
Operation and maintenance of plant services	35,694,910	2,397,659		
Student transportation services	9,913,524	393,017		
Operation of non-instructional services	565,214	1,080,718		
Capital outlay	6,542,786	710,591		48,746,844
Debt service:				
Principal retirement			41,150,000	
Interest and fiscal charges			17,281,668	
Bond issuance costs				<u>713,638</u>
Total expenditures	<u>242,963,213</u>	<u>37,615,763</u>	<u>58,431,668</u>	<u>49,460,482</u>
Excess (deficiency) of revenues over expenditures	<u>16,562,004</u>	<u>(1,614,332)</u>	<u>2,809,548</u>	<u>(47,023,946)</u>
Other financing sources (uses)				
Transfers in	3,510,428		4,563,246	
Transfers out		(2,679,382)		(4,563,246)
Issuance of school improvement bonds				86,585,000
Premium on sale of bonds				7,094,769
Proceeds from sale of capital assets	<u>96,213</u>			
Total other financing sources (uses)	<u>3,606,641</u>	<u>(2,679,382)</u>	<u>4,563,246</u>	<u>89,116,523</u>
Changes in fund balances	<u>20,168,645</u>	<u>(4,293,714)</u>	<u>7,372,794</u>	<u>42,092,577</u>
Fund balances, beginning of year	<u>106,484,248</u>	<u>2,718,015</u>	<u>17,640,366</u>	<u>80,809,729</u>
Fund balances, end of year	<u>\$ 126,652,893</u>	<u>\$ (1,575,699)</u>	<u>\$ 25,013,160</u>	<u>\$ 122,902,306</u>

Non-Major Governmental Funds	Total Governmental Funds
\$ 23,274,005	\$ 30,790,414
2,676,205	220,630,026
27,082,179	123,334,739
<u>7,499,661</u>	<u>44,981,271</u>
<u>60,532,050</u>	<u>419,736,450</u>
26,456,406	168,979,256
1,571,142	57,004,236
386,676	25,711,289
4,616,433	42,709,002
176,579	10,483,120
16,132,515	17,778,447
5,180,116	61,180,337
	41,150,000
	17,281,668
	<u>713,638</u>
<u>54,519,867</u>	<u>442,990,993</u>
<u>6,012,183</u>	<u>(23,254,543)</u>
	8,073,674
(831,046)	(8,073,674)
	86,585,000
	7,094,769
<u>151,822</u>	<u>248,035</u>
<u>(679,224)</u>	<u>93,927,804</u>
<u>5,332,959</u>	<u>70,673,261</u>
<u>20,952,544</u>	<u>228,604,902</u>
<u>\$ 26,285,503</u>	<u>\$ 299,278,163</u>

Paradise Valley Unified School District No. 69
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 **\$ 70,673,261**

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	\$ 43,514,964	
Less current year depreciation/amortization	<u>(38,864,985)</u>	
		4,649,979

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.

Issuance of school improvement bonds	<u>(93,679,769)</u>	
		(93,679,769)

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

Property taxes	532,465	
Intergovernmental	<u>4,638,672</u>	
		5,171,137

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

Bond principal retirement	<u>41,150,000</u>	
		41,150,000

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	23,020,429	
Pension expense	<u>(30,742,725)</u>	
		(7,722,296)

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

Loss on disposal of assets	(29,324)	
Amortization of deferred bond items	4,231,897	
Compensated absences	<u>909,352</u>	
		5,111,925

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

(912,681)

Changes in net position in governmental activities **\$ 24,441,556**

Paradise Valley Unified School District No. 69
Statement of Net Position
Proprietary Fund
June 30, 2023

	Governmental Activities Internal Service Fund
Assets	
Current assets:	
Cash and investments	\$ 14,278,691
Total current assets	14,278,691
Total assets	14,278,691
 Deferred outflows of resources	
Other postemployment benefit plan items	1,532,827
 Liabilities	
Noncurrent liabilities:	
Total OPEB liability	13,030,437
Total noncurrent liabilities	13,030,437
Total liabilities	13,030,437
 Deferred inflows of resources	
Other postemployment benefit plan items	1,003,430
 Net position	
Unrestricted	1,777,651
Total net position	\$ 1,777,651

Paradise Valley Unified School District No. 69
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund
For the Year Ended June 30, 2023

	Governmental Activities
	Internal Service Funds
Operating expenses	
Benefits	1,173,061
Total operating expenses	1,173,061
Operating income (loss)	(1,173,061)
Nonoperating revenues (expenses)	
Investment income	260,380
Total nonoperating revenue (expenses)	260,380
Changes in net position	(912,681)
Total net position, beginning of year	2,690,332
Total net position, end of year	\$ 1,777,651

Paradise Valley Unified School District No. 69
Statement of Cash Flows
Proprietary Fund
June 30, 2023

	Governmental Activities Internal Service Funds
<u>Increase/Decrease in Cash and Cash Equivalents</u>	
Cash flows from operating activities	
Cash payments for benefits	\$ (1,011,554)
Net cash provided by/used for operating activities	(1,011,554)
Cash flows from investing activities	
Investment income	260,380
Net cash provided by/used for investing activities	260,380
Net increase/decrease in cash and cash equivalents	(751,174)
Cash and cash equivalents, beginning of year	15,029,865
Cash and cash equivalents, end of year	\$ 14,278,691
 <u>Reconciliation of Operating Income/Loss to Net Cash Provided by/Used for Operating</u>	
Operating income/loss	\$ (1,173,061)
Adjustments to reconcile operating income/loss to net cash provided by/used for operating activities:	
Changes in assets and liabilities:	
Increase/decrease in total OPEB liability and related items	161,507
Total adjustments	161,507
Net cash provided by/used for operating activities	\$ (1,011,554)

Paradise Valley Unified School District No. 69
Notes to Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

The financial statements of the Paradise Valley Unified School District No. 69 (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.

Paradise Valley Unified School District No. 69
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 District 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 state and federal aid, and other items not included among program revenues are reported instead as general revenues.

Paradise Valley Unified School District No. 69
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, federal 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.

Paradise Valley Unified School District No. 69
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 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.

Federal and State Projects Fund – The Federal and State Projects 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 debt principal, interest and related costs.

Bond Building Fund – The Bond Building Fund accounts for monies received from District bond issues that are used to acquire sites, construct or renovate school buildings, improve school grounds, and purchase transportation vehicles.

Additionally, the District reports the following fund types:

Proprietary Fund – The Proprietary Fund is an Internal Service Fund that accounts for activities related to the District’s postemployment benefits program.

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.

Paradise Valley Unified School District No. 69
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 funds are charges for other postemployment benefits. Operating expenses for internal service fund includes the cost of the other postemployment benefits. 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 in bank and 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.

Paradise Valley Unified School District No. 69
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.

Certain resources set aside for the repayment of debt are classified as cash and investments – restricted on the statement of net position and balance sheet, because their use is limited by applicable bond covenants. A trust account, recorded in the Debt Service Fund, is used to segregate resources accumulated for future debt service payments.

E. Investment Income

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

F. Receivables and Payables

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

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

Paradise Valley Unified School District No. 69
Notes to Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

G. Property Tax Calendar

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

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

H. Inventory

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

The United States Department of Agriculture (USDA) commodity portion of the food services inventory consists of food donated by the USDA. It is valued at estimated market prices paid by the USDA.

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.

Paradise Valley Unified School District No. 69
Notes to Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

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	20 years
Buildings and improvements	20 - 50 years
Vehicles, furniture and equipment	3 - 15 years

K. Deferred Outflows/Inflows of Resources

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

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

L. Compensated Absences

The District's employee vacation and sick leave policies generally provide for granting vacation and sick leave with pay in varying amounts. Only benefits considered 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. Leases

As lessor, the District recognizes lease receivables with an initial, individual value of \$100,000 or more. If there is no stated rate in the lease contract (or if the stated rate is not the rate the District charges the lessee) and the implicit rate cannot be determined, the District uses an interest rate based on the Applicable Federal Rate as the discount rate to measure lease receivables.

Paradise Valley Unified School District No. 69
Notes to Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

N. Pensions and Other Postemployment Benefits

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

O. Long-term Obligations

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

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

P. Interfund Activity

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

Q. Net Position Flow Assumption

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

Paradise Valley Unified School District No. 69
Notes to Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

R. Estimates

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

Note 2 – Fund Balance Classifications

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

Nonspendable. The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form, or 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 (a resolution) of the Governing Board. Those committed amounts cannot be used for any other purpose unless the Governing Board removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The District does not have a formal policy or procedures for the utilization of committed fund balance, accordingly, no committed fund balance amounts are reported.

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 the management official delegated that authority by the formal Governing Board action. The Board delegated the authority and responsibility to assign fund balances to the Assistant Superintendent of Business Operations.

Paradise Valley Unified School District No. 69
Notes to Financial Statements
June 30, 2023

Note 2 – Fund Balance Classifications

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.

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

	General	Federal and State Grants	Debt Service	Bond Building	Non-Major Governmental Funds
Fund Balances:					
Nonspendable:					
Inventory	\$ 2,020,099	\$	\$	\$	\$ 107,809
Restricted:					
Debt service			25,013,160		
Capital projects	7,423,892				1,557,310
Bond building projects				122,902,306	
Voter approved initiatives					7,002,870
Food service					5,341,707
Civic center					2,568,696
Community schools					2,729,874
Extracurricular activities					3,268,327
Student activities					1,928,007
Other purposes					1,780,903
Assigned:					
Capital projects	4,315,807				
Unassigned	112,893,095	(1,575,699)			
Total fund balances	\$ 126,652,893	\$ (1,575,699)	\$ 25,013,160	\$ 122,902,306	\$ 26,285,503

Paradise Valley Unified School District No. 69
Notes to Financial Statements
June 30, 2023

Note 3 – Stewardship, Compliance and Accountability

Individual Deficit Fund Balances – At year end, the following major fund reported a deficit in fund balance.

	Deficit
Major Fund:	
Federal and State Grants Fund	\$ 1,575,699

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

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

Note 4 – Cash and Investments

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure the District’s deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the District’s deposits was \$1,311,488 and the bank balance was \$3,035,224. At year end, \$2,535,224 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. The carrying amount includes \$265,567 of restricted cash.

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

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

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

Paradise Valley Unified School District No. 69
Notes to Financial Statements
June 30, 2023

Note 4 – Cash and Investments

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

<u>Investment Type</u>	<u>Maturities</u>	<u>Fair Value</u>	<u>Category</u>
U.S. Treasury Note	2/15/2026	\$ 2,182,207	Level 2
U.S. Treasury Note	5/31/2026	1,904,862	Level 2
U.S. Treasury Bonds	5/15/2026	3,079,934	Level 2
U.S. Treasury Bonds	7/1/2026	9,102,925	Level 2
County Treasurer’s investment pool	469 days	<u>341,403,715</u>	Not Applicable
Total		<u>\$ 357,673,643</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 the County Treasurer’s investment pool did not receive a credit quality rating from a national rating agency. The District’s investments in U.S. Treasury Notes and Bonds were rated Aaa by Moody’s Investors Service and AA+ by Standard and Poor’s.

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

Valuation Techniques. Debt securities classified in Level 2 of the fair value hierarchy are valued using matrix pricing techniques. Matrix pricing is used to value securities based on the securities’ relationship to benchmark quoted prices.

Paradise Valley Unified School District No. 69
Notes to Financial Statements
June 30, 2023

Note 5 – Due From Other Governments

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 fund and non-major governmental funds in the aggregate, were as follows:

	General	Federal and State Grants	Debt Service	Non-Major Governmental Funds
Due from other governmental entities:				
Due from federal government	\$	\$ 10,210,541	\$ 615,033	\$ 47,690
Due from state government	19,235,872	1,223,972		1,442,777
Due from other districts				48,869
Net due from governmental entities	\$ 19,235,872	\$ 11,434,513	\$ 615,033	\$ 1,539,336

Note 6 – Leases Receivable

The District has granted easements for cell towers under the provisions of contracts classified as leases. The related receivables under the lease agreements have been recorded at the present value of their future minimum lease payments as of the inception date. Lease revenue of \$262,436 and related interest revenue of \$4,957 are recorded as other local revenue in the General Fund.

Future minimum lease payments to be received under the lease agreements at year end are summarized as follows:

Year Ending June 30:		
2024	\$	250,156
2025		258,873
2026		265,806
2027		248,647
2028		230,257
2029-33		512,385
2034-38		86,977
2039-40		12,724
Total	\$	1,865,825

Paradise Valley Unified School District No. 69
Notes to Financial Statements
June 30, 2023

Note 7 – Capital Assets

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

	Beginning Balance	Increase	Decrease	Ending Balance
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 33,383,808	\$	\$	\$ 33,383,808
Construction in progress	<u>38,340,744</u>	<u>18,864,815</u>	<u>42,927,654</u>	<u>14,277,905</u>
Total capital assets, not being depreciated	<u>71,724,552</u>	<u>18,864,815</u>	<u>42,927,654</u>	<u>47,661,713</u>
Capital assets, being depreciated:				
Land improvements	75,772,286	9,593,983		85,366,269
Buildings and improvements	874,283,034	49,453,455		923,736,489
Vehicles, furniture and equipment	<u>54,264,272</u>	<u>8,530,365</u>	<u>4,555,664</u>	<u>58,238,973</u>
Total capital assets being depreciated	<u>1,004,319,592</u>	<u>67,577,803</u>	<u>4,555,664</u>	<u>1,067,341,731</u>
Less accumulated depreciation for:				
Land improvements	(34,313,434)	(3,416,795)		(37,730,229)
Buildings and improvements	(411,806,691)	(29,344,179)		(441,150,870)
Vehicles, furniture and equipment	<u>(40,423,950)</u>	<u>(6,104,011)</u>	<u>(4,526,340)</u>	<u>(42,001,621)</u>
Total accumulated depreciation	<u>(486,544,075)</u>	<u>(38,864,985)</u>	<u>(4,526,340)</u>	<u>(520,882,720)</u>
Total capital assets, being depreciated, net	<u>517,775,517</u>	<u>28,712,818</u>	<u>29,324</u>	<u>546,459,011</u>
Governmental activities capital assets, net	<u>\$ 589,500,069</u>	<u>\$ 47,577,633</u>	<u>\$ 42,956,978</u>	<u>\$ 594,120,724</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 13,519,161
Support services – students and staff	1,926,656
Support services – administration	1,463,017
Operation and maintenance of plant services	19,531,002
Student transportation services	2,159,950
Operation of non-instructional services	<u>265,199</u>
Total depreciation expense – governmental activities	<u>\$ 38,864,985</u>

Construction Commitments – At year end, the District had contractual commitments related to renovations, upgrades, and roof replacements at various existing District schools. At year end the District had spent \$14.3 million on the projects and had estimated remaining contractual commitments of \$4.0 million. These projects are being funded with bond proceeds and through the Building Renewal Grant program.

Note 8 – 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 \$20 million in unused line of credit.

Paradise Valley Unified School District No. 69
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 callable and noncallable with interest payable semiannually. Property taxes from the Debt Service Fund are used to pay bonded debt. The District’s legal debt limit is \$1.7 billion and the available margin is \$1.2 billion. In addition, a portion of the District’s school improvement bonds are Qualified School Construction Bonds, as such the District will receive direct subsidy payments from the United States of America for a portion of the interest due on the bonds. Further, the District has \$16,535,495 in restricted cash and investments that will be used to pay the Qualified School Construction Bonds in 2026.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2023	Due Within One Year
Governmental activities:					
School Improvement Bonds Project of 2005, Series E (Class B) (Qualified School Construction Bonds)	\$ 24,025,000	6.0%	07/01/26	\$ 24,025,000	\$
School Improvement Bonds Project of 2011, Series A (2012)	54,000,000	3.0-4.0%	7/1/24-31		
School Improvement Bonds Project of 2011, Series B (2013)	37,850,000	3.0-4.0%	7/1/23-31	32,050,000	3,050,000
School Improvement Bonds Project of 2011, Series D (2014)	50,000,000	4.5%	7/1/23-31	30,075,000	1,825,000
School Improvement Bond Project of 2015, Series A (2016)	36,700,000	2.0-3.0%	7/1/23-25	11,700,000	3,400,000
School Improvement Bonds, Project of 2015, Series B (2017)	33,870,000	5.0%	7/1/23-26	14,775,000	3,280,000
School Improvement Bonds, Project of 2015, Series C (2018)	49,885,000	5.0%	7/1/23-27	25,375,000	6,375,000
School Improvement Bonds, Project of 2015, Series D (2018)	53,310,000	2.75-5.0%	7/1/23-28	29,850,000	6,275,000
School Improvement Bonds, Project of 2015 and 2019, Series 2020	50,075,000	4.0-5.0%	7/1/23-25 and 7/1/32-39	35,660,000	2,500,000
School Improvement Bonds, Projects of 2015 and 2019, Second Series 2020	49,565,000	3.0-5.0%	7/1/23-26 and 7/1/32-40	39,375,000	850,000
School Improvement Bonds, Project of 2015, Series E (2021)	20,195,000	3.0-4.0%	7/1/23 and 7/1/32-40	20,195,000	1,500,000
School Improvement Bonds, Project of 2019, Series C (2022)	43,300,000	4.0-5.0%	7/1/23-27 and 7/1/32-41	43,300,000	9,615,000
Refunding Bonds, Series 2022	33,555,000	5.0%	7/1/23-31	33,240,000	2,480,000
School Improvement Bonds, Project of 2019, Series D (2022)	86,585,000	4.0-5.0%	7/1/24-42	86,585,000	
Total				<u>\$ 426,205,000</u>	<u>\$ 41,150,000</u>

Paradise Valley Unified School District No. 69
Notes to Financial Statements
June 30, 2023

Note 9 – General Obligation Bonds Payable

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	\$ 41,150,000	\$ 18,332,818
2025	40,525,000	16,355,388
2026	33,915,000	14,670,324
2027	52,605,000	12,485,888
2028	28,725,000	10,385,075
2029-33	77,025,000	38,841,125
2034-38	77,025,000	23,097,600
2039-43	75,235,000	6,397,800
Total	\$ 426,205,000	\$ 140,566,018

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	\$ 379,960,000	\$ 86,585,000	\$ 40,340,000	\$ 426,205,000	\$ 41,150,000
Premium	42,273,646	7,094,769	4,231,897	45,136,518	
Total bonds payable	422,233,646	93,679,769	44,571,897	471,341,518	41,150,000
Net OPEB liability	12,252,163	778,274		13,030,437	
Net pension liability	202,120,534	51,975,640		254,096,174	
Compensated absences payable	7,954,033	803,416	1,712,768	7,044,681	1,500,000
Total long-term liabilities	\$ 644,560,376	\$ 147,237,099	\$ 46,284,665	\$ 745,512,810	\$ 42,650,000

Paradise Valley Unified School District No. 69
Notes to Financial Statements
June 30, 2023

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 negative cash balances in the Treasurer’s pooled cash accounts of \$3.1 million. Negative cash on deposit with the County Treasurer was reduced by interfund borrowing with the General Fund. All interfund balances are expected to be paid within one year.

Interfund transfers:

	Transfers in		
Transfers out	General	Debt Service	Total
Bond Building	\$	\$ 4,563,246	\$ 4,563,246
Federal and State Grants Fund	2,679,382		2,679,382
Non-Major Governmental Funds	831,046		831,046
Total	\$ 3,510,428	\$ 4,563,246	\$ 8,073,674

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

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.

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

Paradise Valley Unified School District No. 69
Notes to Financial Statements
June 30, 2023

Note 13 – Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District joined the Valley Schools Insurance Trust (VSIT), Valley Schools Employee Benefit Trust (VSEBT), and the Valley Schools Worker's Compensation Pool (VSWCP) together with several school districts in the State.

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 Valley Schools Insurance Trust (VSIT). VSIT is a public entity risk pool currently operating as a common risk management and insurance program for school districts. The District pays premiums to VSIT for its general insurance coverage. The agreement provides that VSIT 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's employees have health and accident insurance coverage with the Valley Schools Employee Benefit Trust (VSEBT). VSEBT is a public entity risk pool currently operating as a common risk management and insurance program for school districts in the State. The District pays premiums to VSEBT for employees' health and accident insurance coverage. The agreement provides that VSEBT 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 joined the Valley Schools Workers' Compensation Pool (VSWCP) together with other school districts in the state for risks of loss related to workers' compensation claims. VSWCP is a public entity risk pool currently operating as a common risk management and insurance program for school districts in the State. The District pays premiums to VSWCP for its employee workers' compensation coverage. The agreement provides that VSWCP will be self-sustaining through members' premiums and will reinsure through commercial companies for claims in excess of specified amounts for each insured event.

Paradise Valley Unified School District No. 69
Notes to Financial Statements
June 30, 2023

Note 14 – Pensions and Other Postemployment Benefits

Aggregate Amounts. At June 30, 2023, the District reported the following aggregate amounts related to pensions and OPEB for all plans to which it contributes:

	Pension	OPEB	Total
Net liability	\$ 254,096,174	\$ 13,030,437	\$ 267,126,611
Deferred outflows of resources	40,185,663	1,532,827	41,718,490
Deferred inflows of resources	6,693,139	1,003,430	7,696,569
Expense	30,742,725	1,173,061	31,915,786
Contributions	23,020,429	1,011,554	24,031,983

A. Arizona State Retirement System

Plan Description. District employees participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiple-employer defined benefit pension plan, a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) 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.

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

Paradise Valley Unified School District No. 69
Notes to Financial Statements
June 30, 2023

Note 14 – Pensions and Other Postemployment 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 \$23,020,429.

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.

Paradise Valley Unified School District No. 69
Notes to Financial Statements
June 30, 2023

Note 14 – Pensions and Other Postemployment Benefits

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)
\$ 254,096,174	1.557	0.018

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 \$30,742,725.

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	\$ 2,165,051	\$
Changes of assumptions or other inputs	12,611,284	
Net difference between projected and actual earnings on pension investments		6,693,139
Changes in proportion and differences between contributions and proportionate share of contributions	2,388,899	
Contributions subsequent to the measurement date	23,020,429	
Total	\$ 40,185,663	\$ 6,693,139

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	\$ 13,550,661
2025	(2,170,388)
2026	(11,620,862)
2027	10,712,684

Paradise Valley Unified School District No. 69
Notes to Financial Statements
June 30, 2023

Note 14 – Pensions and Other Postemployment Benefits

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

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

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

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

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

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

Paradise Valley Unified School District No. 69
Notes to Financial Statements
June 30, 2023

Note 14 – Pensions and Other Postemployment Benefits

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 plans’ fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease	Current Discount Rate	1% Increase
Rate	6.0%	7.0%	8.0%
Net liability	\$ 374,911,353	\$ 254,096,174	\$ 153,355,193

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.

B. Single-Employer OPEB Plan

Plan Description. Under authority of the Governing Board, the District provides postretirement insurance benefits, for certain retirees and their dependents, in accordance with the Post-Employment Medical Benefits Plan. The plan is a single-employer defined benefit OPEB plan administered by the District. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. Employees hired on or after July 1, 2012 are not eligible for District-paid retiree health benefits. The OPEB fund primarily charges the General Fund for benefits, however all retiree premiums are paid from the OPEB fund.

Paradise Valley Unified School District No. 69
Notes to Financial Statements
June 30, 2023

Note 14 – Pensions and Other Postemployment Benefits

Benefits Provided. The plan provides postretirement insurance (health, dental and life) on behalf of its eligible retirees up to age 65. To be eligible for District-paid benefits, a retiree must have attained eligibility for early retirement under the Arizona State Retirement (ASRS), been hired prior to July 1, 2012, and have worked for the District for 15 or more years. Eligible retirees receive a District reimbursement for premiums under the ASRS Retiree Group Insurance plan of up to \$402 per month (retiree only) or \$725 per month (retiree plus dependent coverage). Individuals who retired on or after July 1, 2005 are subject to the retiree only cap. Retired Cabinet members are not subject to the caps mentioned, and are eligible for dental and life insurance under the District sponsored plans.

Contributions. The District currently pays for postemployment benefits on a pay-as-you-go basis. For the current fiscal year, the District contributed \$1,011,554 for these benefits.

Employees covered by benefit terms. The following employees were covered as of the effective date of the OPEB valuation:

Inactive employees or beneficiaries currently receiving benefit payments	228
Active employees	<u>1,290</u>
Total	<u><u>1,518</u></u>

The District's total OPEB liability of \$13,030,437 was measured as of June 30, 2023. The total liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of July 1, 2022, to the measurement date of June 30, 2023.

Actuarial Assumptions and Other Inputs. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit cost between the employer and plan members to that point.

Paradise Valley Unified School District No. 69
Notes to Financial Statements
June 30, 2023

Note 14 – Pensions and Other Postemployment Benefits

The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Measurement date	June 30, 2023
Actuarial valuation date	July 1, 2022
Inflation rate	2.50%
Projected salary increases	3.0%
Health care cost trend rate:	
Medical and Prescription Drug	6.00 percent for 2023, 5.50 percent for 2024, 5.25 percent for 2025-2029, 5.00 percent for 2030-2039, 4.75 percent for 2040-2049, 4.50 percent for 2050-2069, and 4.00 percent for 2070 and later
Retiree contribution increase	Frozen
ASRS subsidy increases	Level
Cost of living adjustments	N/A

The discount rate is based on the estimate of expected long-term plan experience. The discount rate used to measure the total OPEB liability was 3.86 percent, which was an increase of .17 percent from the discount rate used as of June 30, 2022.

Pre-retirement mortality rates were based on the Pub-2010 General Employee Mortality table, generational mortality improvements, ultimate MP scales. Post-retirement mortality rates were based on the 2017 State Retirees of Arizona (SRA) Mortality table, generational mortality improvements, ultimate MP.

Changes in the Total OPEB Liability

Total OPEB Liability – beginning of year	\$ 12,252,163
Changes for the year:	
Service cost	366,629
Interest	485,827
Differences between expected and actual experience	(484,607)
Changes in assumptions or other inputs	1,421,979
Benefit payments	<u>(1,011,554)</u>
Total OPEB Liability – end of year	<u>\$ 13,030,437</u>

Paradise Valley Unified School District No. 69
Notes to Financial Statements
June 30, 2023

Note 14 – Pensions and Other Postemployment Benefits

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Rate	2.86%	3.86%	4.86%
Total OPEB liability	\$ 13,692,792	\$ 13,030,437	\$ 12,391,862

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Rates	3.0% to 5.0%	4.0% to 6.0%	5.0% to 7.0%
Total OPEB liability	\$ 12,996,672	\$ 13,030,437	\$ 13,065,916

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the year ended June 30, 2023, the District recognized OPEB expense of \$1,173,061. At June 30, 2023, the District reported the following deferred outflows of resources and deferred inflows of resources related to OPEB.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 115,880	\$ 402,470
Changes of assumptions or other inputs	1,416,947	600,960
Total	\$ 1,532,827	\$ 1,003,430

Paradise Valley Unified School District No. 69
Notes to Financial Statements
June 30, 2023

Note 14 – Pensions and Other Postemployment Benefits

Amounts reported as deferred outflows of resources will be recognized in OPEB expense as follows:

Year Ending June 30:		
2024	\$	160,988
2025		67,787
2026		(1,246)
2027		158,876
2028		142,992

Note 15 – Subsequent Event

During November of 2023, voters authorized \$340 million of School Improvement Bonds for the District. The purposes of the bonds are to maintain existing facilities, comply with safety regulations, construct new schools, upgrade technology infrastructure, purchase school furniture, equipment, technology and school buses.

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Required Supplementary Information

Paradise Valley Unified School District No. 69
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General
For the Year Ended June 30, 2023

	<u>Budget</u>		<u>Non-GAAP Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other local	\$	\$	\$ 1,129,419	\$ 1,129,419
Property taxes			151,731,961	151,731,961
State aid and grants			<u>93,058,889</u>	<u>93,058,889</u>
Total revenues			<u>245,920,269</u>	<u>245,920,269</u>
Expenditures				
Current:				
Instruction	149,028,651	140,172,570	125,801,985	14,370,585
Support services - students and staff	42,562,500	44,534,500	42,432,997	2,101,503
Support services - administration	22,670,000	23,829,700	23,713,837	115,863
Operation and maintenance of plant services	38,092,000	38,571,300	35,991,916	2,579,384
Student transportation services	10,392,000	10,392,000	9,655,560	736,440
Operation of non-instructional services	<u>453,000</u>	<u>503,000</u>	<u>543,638</u>	<u>(40,638)</u>
Total expenditures	<u>263,198,151</u>	<u>258,003,070</u>	<u>238,139,933</u>	<u>19,863,137</u>
Excess (deficiency) of revenues over expenditures	<u>(263,198,151)</u>	<u>(258,003,070)</u>	<u>7,780,336</u>	<u>265,783,406</u>
Changes in fund balances	<u>(263,198,151)</u>	<u>(258,003,070)</u>	<u>7,780,336</u>	<u>265,783,406</u>
Fund balances, beginning of year			<u>39,495,172</u>	<u>39,495,172</u>
Fund balances, end of year	<u>\$ (263,198,151)</u>	<u>\$ (258,003,070)</u>	<u>\$ 47,275,508</u>	<u>\$ 305,278,578</u>

Paradise Valley Unified School District No. 69
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Federal and State Grants
For the Year Ended June 30, 2023

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other local	\$	\$	\$ 18,732	\$ 18,732
State aid and grants			3,193,671	3,193,671
Federal aid, grants and reimbursements			<u>32,789,028</u>	<u>32,789,028</u>
Total revenues			<u>36,001,431</u>	<u>36,001,431</u>
Expenditures				
Current:				
Instruction	29,813,158	29,970,029	19,034,920	10,935,109
Support services - students and staff	19,700,148	19,803,806	12,578,028	7,225,778
Support services - administration	2,225,354	2,237,063	1,420,830	816,233
Operation and maintenance of plant services	3,755,297	3,775,057	2,397,659	1,377,398
Student transportation services	615,557	618,796	393,017	225,779
Operation of non-instructional services	1,692,658	1,701,565	1,080,718	620,847
Capital outlay	<u>1,112,953</u>	<u>1,118,809</u>	<u>710,591</u>	<u>408,218</u>
Total expenditures	<u>58,915,125</u>	<u>59,225,125</u>	<u>37,615,763</u>	<u>21,609,362</u>
Excess (deficiency) of revenues over expenditures	<u>(58,915,125)</u>	<u>(59,225,125)</u>	<u>(1,614,332)</u>	<u>57,610,793</u>
Other financing sources (uses)				
Transfers out			<u>(2,679,382)</u>	<u>(2,679,382)</u>
Total other financing sources (uses)			<u>(2,679,382)</u>	<u>(2,679,382)</u>
Changes in fund balances	<u>(58,915,125)</u>	<u>(59,225,125)</u>	<u>(4,293,714)</u>	<u>54,931,411</u>
Fund balances, beginning of year			<u>2,718,015</u>	<u>2,718,015</u>
Fund balances, end of year	<u>\$ (58,915,125)</u>	<u>\$ (59,225,125)</u>	<u>\$ (1,575,699)</u>	<u>\$ 57,649,426</u>

Paradise Valley Unified School District No. 69
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	1.56%	1.54%	1.53%	1.52%
District's proportionate share of the net pension (assets) liability	\$ 254,096,174	\$ 202,120,534	\$ 264,539,575	\$ 220,512,697
District's covered payroll	\$ 185,039,167	\$ 172,786,609	\$ 165,793,249	\$ 157,843,685
District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	137.32%	116.98%	159.56%	139.70%
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	\$ 23,020,429	\$ 22,223,204	\$ 20,129,640	\$ 18,983,327
Contributions in relation to the actuarially determined contribution	<u>23,020,429</u>	<u>22,223,204</u>	<u>20,129,640</u>	<u>18,983,327</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 193,124,404	\$ 185,039,167	\$ 172,786,609	\$ 165,793,249
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
1.42%	1.54%	1.50%	1.52%	1.54%
\$ 198,169,729	\$ 240,310,126	\$ 242,647,722	\$ 236,601,471	\$ 227,340,844
\$ 141,422,431	\$ 150,176,475	\$ 140,370,885	\$ 139,216,869	\$ 138,118,804
140.13%	160.02%	172.86%	169.95%	164.60%
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>
\$ 17,646,924	\$ 15,415,045	\$ 16,189,024	\$ 15,230,241	\$ 15,160,717
<u>17,646,924</u>	<u>15,415,045</u>	<u>16,189,024</u>	<u>15,230,241</u>	<u>15,160,717</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 157,843,685	\$ 141,422,431	\$ 150,176,475	\$ 140,370,885	\$ 139,216,869
11.18%	10.90%	10.78%	10.85%	10.89%

Paradise Valley Unified School District No. 69
Schedule of Changes in the Total OPEB Liability and Related Ratios
Other Postemployment Benefits Plan
Last Six Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Measurement date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Total OPEB liability					
Service cost	\$ 366,629	\$ 604,887	\$ 543,468	\$ 482,905	\$ 452,602
Interest	485,827	260,285	327,532	404,039	452,734
Differences between expected and actual experience	(484,607)		241,748		644,818
Changes of assumptions or other inputs	1,421,979	(1,030,218)	349,007	392,985	296,367
Benefit payments	<u>(1,011,554)</u>	<u>(1,063,725)</u>	<u>(1,087,156)</u>	<u>(1,189,376)</u>	<u>(1,369,868)</u>
Net change in total OPEB liability	778,274	(1,228,771)	374,599	90,553	476,653
Total OPEB liability—beginning	<u>12,252,163</u>	<u>13,480,934</u>	<u>13,106,335</u>	<u>13,015,782</u>	<u>12,539,129</u>
Total OPEB liability—ending	<u>\$ 13,030,437</u>	<u>\$ 12,252,163</u>	<u>\$ 13,480,934</u>	<u>\$ 13,106,335</u>	<u>\$ 13,015,782</u>
Covered-employee payroll	\$ 154,699,714	\$ 155,964,239	\$ 160,299,042	\$ 131,423,661	\$ 136,387,093
Total OPEB liability as a percentage of covered-employee payroll	8.42%	7.86%	8.41%	9.97%	9.54%

2018

Measurement date	June 30, 2018
Total OPEB liability	
Service cost	\$ 372,989
Interest	450,578
Differences between expected and actual experience	
Changes of assumptions or other inputs	
Benefit payments	<u>(1,449,781)</u>
Net change in total OPEB liability	(626,214)
Total OPEB liability—beginning	<u>13,165,343</u>
Total OPEB liability—ending	<u>\$ 12,539,129</u>
Covered-employee payroll	\$ 122,868,222
Total OPEB liability as a percentage of covered-employee payroll	10.21%

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

NOTE: There are no assets accumulated in a trust that meet the criteria of GASB to pay related benefits for the OPEB plan.

Paradise Valley Unified School District No. 69
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.

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

	<u>Total</u>	<u>Fund</u>
	<u>Expenditures</u>	<u>Balances</u>
		<u>End of Year</u>
Statement of Revenues, Expenditures and Changes in		
Fund Balances - Governmental Funds	\$ 242,963,213	\$ 126,652,893
Activity budgeted as special revenue funds	(10,336,459)	(18,905,081)
Activity budgeted as capital projects funds	(6,480,733)	(16,065,027)
Current-year prepaid items	43,300,000	(43,300,000)
Prior-year prepaid items	(31,500,000)	
Employee insurance account	<u>193,912</u>	<u>(1,107,277)</u>
Schedule of Revenue, Expenditures and Changes in		
Fund Balances – Budget and Actual - General Fund	<u>\$ 238,139,933</u>	<u>\$ 47,275,508</u>

Note 2 – Pension Plan and OPEB 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. For the stand alone OPEB plan, disclosures are included in the notes to the financial statements.

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

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Governmental Funds

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Non-Major Governmental Funds

Special Revenue Funds

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

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

Federal and State Grants – to account for financial assistance received for federal and state grants and projects.

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.

Other Capital Projects Funds – to account for the revenues and expenditures of other capital projects activities, including the following: insurance proceeds, litigation recovery, and building renewal grant.

Paradise Valley Unified School District No. 69
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2023

Special Revenue Funds

	Classroom Site	Instructional Improvement	Food Service	Other Special Revenue
Assets				
Cash and investments	\$ 4,902,082	\$ 659,720	\$ 5,443,201	\$ 12,895,428
Deposits			305,121	
Accounts receivable				57,745
Due from governmental entities		1,442,777	47,690	48,869
Inventory			107,809	
Total assets	<u>\$ 4,902,082</u>	<u>\$ 2,102,497</u>	<u>\$ 5,903,821</u>	<u>\$ 13,002,042</u>
Liabilities				
Accounts payable	\$	\$	\$	\$ 233,082
Accrued payroll and employee benefits		1,709	66,425	493,153
Unearned revenues			387,880	
Total liabilities		<u>1,709</u>	<u>454,305</u>	<u>726,235</u>
Fund balances				
Nonspendable			107,809	
Restricted	4,902,082	2,100,788	5,341,707	12,275,807
Total fund balances	<u>4,902,082</u>	<u>2,100,788</u>	<u>5,449,516</u>	<u>12,275,807</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,902,082</u>	<u>\$ 2,102,497</u>	<u>\$ 5,903,821</u>	<u>\$ 13,002,042</u>

Capital Projects Funds

<u>Adjacent Ways</u>	<u>Other Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
\$ 2,910,535	\$ 821,222	\$ 27,632,188
		305,121
		57,745
		1,539,336
		107,809
<u>\$ 2,910,535</u>	<u>\$ 821,222</u>	<u>\$ 29,642,199</u>
\$ 2,174,447	\$	\$ 2,407,529
		561,287
		387,880
<u>2,174,447</u>		<u>3,356,696</u>
		107,809
<u>736,088</u>	<u>821,222</u>	<u>26,177,694</u>
<u>736,088</u>	<u>821,222</u>	<u>26,285,503</u>
<u>\$ 2,910,535</u>	<u>\$ 821,222</u>	<u>\$ 29,642,199</u>

Paradise Valley Unified School District No. 69
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2023

Special Revenue Funds

	Special Revenue Funds			
	Classroom Site	Instructional Improvement	Food Service	Other Special Revenue
Revenues				
Other local	\$ 116,439	\$ 54,785	\$ 2,083,149	\$ 20,953,076
Property taxes				
State aid and grants	23,727,208	1,967,034	49,518	24,635
Federal aid, grants and reimbursements			7,499,661	
Total revenues	<u>23,843,647</u>	<u>2,021,819</u>	<u>9,632,328</u>	<u>20,977,711</u>
Expenditures				
Current:				
Instruction	20,346,207	1,089,088		5,021,111
Support services - students and staff	929,481	434,268		207,393
Support services - administration		35,066		348,843
Operation and maintenance of plant services			1,130,099	3,469,244
Student transportation services		95		176,484
Operation of non-instructional services			7,740,760	8,391,755
Capital outlay			12,175	1,306,514
Total expenditures	<u>21,275,688</u>	<u>1,558,517</u>	<u>8,883,034</u>	<u>18,921,344</u>
Excess (deficiency) of revenues over expenditures	<u>2,567,959</u>	<u>463,302</u>	<u>749,294</u>	<u>2,056,367</u>
Other financing sources (uses)				
Transfers out			(831,046)	
Proceeds from sale of capital assets				
Total other financing sources (uses)			<u>(831,046)</u>	
Changes in fund balances	<u>2,567,959</u>	<u>463,302</u>	<u>(81,752)</u>	<u>2,056,367</u>
Fund balances, beginning of year	<u>2,334,123</u>	<u>1,637,486</u>	<u>5,531,268</u>	<u>10,219,440</u>
Fund balances, end of year	<u>\$ 4,902,082</u>	<u>\$ 2,100,788</u>	<u>\$ 5,449,516</u>	<u>\$ 12,275,807</u>

<u>Capital Projects Funds</u>		Total Non-Major
Adjacent Ways	Other Capital Projects	Governmental Funds
\$ 40,721	\$ 25,835	\$ 23,274,005
2,676,205		2,676,205
	1,313,784	27,082,179
		7,499,661
<u>2,716,926</u>	<u>1,339,619</u>	<u>60,532,050</u>
		26,456,406
		1,571,142
	2,767	386,676
	17,090	4,616,433
		176,579
		16,132,515
<u>2,509,642</u>	<u>1,351,785</u>	<u>5,180,116</u>
<u>2,509,642</u>	<u>1,371,642</u>	<u>54,519,867</u>
<u>207,284</u>	<u>(32,023)</u>	<u>6,012,183</u>
		(831,046)
	<u>151,822</u>	<u>151,822</u>
	<u>151,822</u>	<u>(679,224)</u>
<u>207,284</u>	<u>119,799</u>	<u>5,332,959</u>
<u>528,804</u>	<u>701,423</u>	<u>20,952,544</u>
<u>\$ 736,088</u>	<u>\$ 821,222</u>	<u>\$ 26,285,503</u>

Paradise Valley Unified School District No. 69
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	\$	\$	\$ 116,439	\$ 116,439
State aid and grants			23,727,208	23,727,208
Total revenues			<u>23,843,647</u>	<u>23,843,647</u>
Expenditures				
Current:				
Instruction	25,196,038	26,050,826	20,346,207	5,704,619
Support services - students and staff			929,481	(929,481)
Total expenditures	<u>25,196,038</u>	<u>26,050,826</u>	<u>21,275,688</u>	<u>4,775,138</u>
Changes in fund balances	<u>(25,196,038)</u>	<u>(26,050,826)</u>	<u>2,567,959</u>	<u>28,618,785</u>
Fund balances, beginning of year			<u>2,334,123</u>	<u>2,334,123</u>
Fund balances, end of year	<u>\$ (25,196,038)</u>	<u>\$ (26,050,826)</u>	<u>\$ 4,902,082</u>	<u>\$ 30,952,908</u>

Paradise Valley Unified School District No. 69
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Instructional Improvement
For the Year Ended June 30, 2023

	<u>Budget</u>		Variance with Final Budget
	<u>Original and Final</u>	<u>Actual</u>	
Revenues			
Other local	\$	\$ 54,785	\$ 54,785
State aid and grants		1,967,034	1,967,034
Total revenues		<u>2,021,819</u>	<u>2,021,819</u>
Expenditures			
Current:			
Instruction	873,497	1,089,088	(215,591)
Support services - students and staff	348,302	434,268	(85,966)
Support services - administration	28,124	35,066	(6,942)
Student transportation services	76	95	(19)
Total expenditures	<u>1,250,000</u>	<u>1,558,517</u>	<u>(308,517)</u>
Changes in fund balances	<u>(1,250,000)</u>	<u>463,302</u>	<u>1,713,302</u>
Fund balances, beginning of year		<u>1,637,486</u>	<u>1,637,486</u>
Fund balances, end of year	<u>\$ (1,250,000)</u>	<u>\$ 2,100,788</u>	<u>\$ 3,350,788</u>

Paradise Valley Unified School District No. 69
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 Final Budget
	<u>Original and Final</u>	<u>Actual</u>	
Revenues			
Other local	\$	\$ 2,083,149	\$ 2,083,149
State aid and grants		49,518	\$ 49,518
Federal aid, grants and reimbursements		<u>7,499,661</u>	<u>7,499,661</u>
Total revenues		<u>9,632,328</u>	<u>9,632,328</u>
Expenditures			
Current:			
Operation and maintenance of plant services	1,272,199	1,130,099	142,100
Operation of non-instructional services	8,714,095	7,740,760	973,335
Capital outlay	<u>13,706</u>	<u>12,175</u>	<u>1,531</u>
Total expenditures	<u>10,000,000</u>	<u>8,883,034</u>	<u>1,116,966</u>
Excess (deficiency) of revenues over expenditures	<u>(10,000,000)</u>	<u>749,294</u>	<u>10,749,294</u>
Other financing sources (uses)			
Transfers out		<u>(831,046)</u>	<u>(831,046)</u>
Total other financing sources (uses)		<u>(831,046)</u>	<u>(831,046)</u>
Changes in fund balances	<u>(10,000,000)</u>	<u>(81,752)</u>	<u>9,918,248</u>
Fund balances, beginning of year		<u>5,531,268</u>	<u>5,531,268</u>
Fund balances, end of year	<u>\$ (10,000,000)</u>	<u>\$ 5,449,516</u>	<u>\$ 15,449,516</u>

Paradise Valley Unified School District No. 69
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	\$	\$	\$ 20,953,076	\$ 20,953,076
State aid and grants			24,635	24,635
Total revenues			<u>20,977,711</u>	<u>20,977,711</u>
Expenditures				
Current:				
Instruction	4,277,725	4,363,970	5,021,111	(657,141)
Support services - students and staff	176,688	180,250	207,393	(27,143)
Support services - administration	297,196	303,188	348,843	(45,655)
Operation and maintenance of plant services	2,955,615	3,015,204	3,469,244	(454,040)
Student transportation services	150,355	153,387	176,484	(23,097)
Operation of non-instructional services	7,149,338	7,293,478	8,391,755	(1,098,277)
Capital outlay	1,113,082	1,135,523	1,306,514	(170,991)
Total expenditures	<u>16,120,000</u>	<u>16,445,000</u>	<u>18,921,344</u>	<u>(2,476,344)</u>
Excess (deficiency) of revenues over expenditures	<u>(16,120,000)</u>	<u>(16,445,000)</u>	<u>2,056,367</u>	<u>18,501,367</u>
Changes in fund balances	<u>(16,120,000)</u>	<u>(16,445,000)</u>	<u>2,056,367</u>	<u>18,501,367</u>
Fund balances, beginning of year			<u>10,219,440</u>	<u>10,219,440</u>
Fund balances, end of year	<u>\$ (16,120,000)</u>	<u>\$ (16,445,000)</u>	<u>\$ 12,275,807</u>	<u>\$ 28,720,807</u>

Paradise Valley Unified School District No. 69
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 Final Budget
	<u>Original and Final</u>	<u>Actual</u>	
Revenues			
Other local	\$	\$ 191,524	\$ 191,524
Property taxes		59,824,091	59,824,091
Federal aid, grants and reimbursements		<u>1,225,601</u>	<u>1,225,601</u>
Total revenues		<u>61,241,216</u>	<u>61,241,216</u>
Expenditures			
Debt service:			
Principal retirement	41,150,000	41,150,000	
Interest and fiscal charges	<u>16,850,000</u>	<u>17,281,668</u>	<u>(431,668)</u>
Total expenditures	<u>58,000,000</u>	<u>58,431,668</u>	<u>(431,668)</u>
Excess (deficiency) of revenues over expenditures	<u>(58,000,000)</u>	<u>2,809,548</u>	<u>60,809,548</u>
Other financing sources (uses)			
Transfers in		<u>4,563,246</u>	<u>4,563,246</u>
Total other financing sources (uses)		<u>4,563,246</u>	<u>4,563,246</u>
Changes in fund balances	<u>(58,000,000)</u>	<u>7,372,794</u>	<u>65,372,794</u>
Fund balances, beginning of year		<u>17,640,366</u>	<u>17,640,366</u>
Fund balances, end of year	<u>\$ (58,000,000)</u>	<u>\$ 25,013,160</u>	<u>\$ 83,013,160</u>

Paradise Valley Unified School District No. 69
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 Final Budget
	<u>Original and Final</u>	<u>Actual</u>	
Revenues			
Other local	\$	\$ 40,721	\$ 40,721
Property taxes		2,676,205	2,676,205
Total revenues		<u>2,716,926</u>	<u>2,716,926</u>
Expenditures			
Capital outlay	2,676,203	2,509,642	166,561
Total expenditures	<u>2,676,203</u>	<u>2,509,642</u>	<u>166,561</u>
Excess (deficiency) of revenues over expenditures	<u>(2,676,203)</u>	<u>207,284</u>	<u>2,883,487</u>
Changes in fund balances	<u>(2,676,203)</u>	<u>207,284</u>	<u>2,883,487</u>
Fund balances, beginning of year		<u>528,804</u>	<u>528,804</u>
Fund balances, end of year	<u>\$ (2,676,203)</u>	<u>\$ 736,088</u>	<u>\$ 3,412,291</u>

Paradise Valley Unified School District No. 69
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Bond Building
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	\$	\$	2,436,536	2,436,536
Total revenues			<u>2,436,536</u>	<u>2,436,536</u>
Expenditures				
Capital outlay	47,448,229	64,286,362	48,746,844	15,539,518
Debt service:				
Bond issuance costs	713,638	713,638	713,638	
Total expenditures	<u>48,161,867</u>	<u>65,000,000</u>	<u>49,460,482</u>	<u>15,539,518</u>
Excess (deficiency) of revenues over expenditures	<u>(48,161,867)</u>	<u>(65,000,000)</u>	<u>(47,023,946)</u>	<u>17,976,054</u>
Other financing sources (uses)				
Transfers out			(4,563,246)	(4,563,246)
Issuance of school improvement bonds			86,585,000	86,585,000
Premium on sale of bonds			7,094,769	7,094,769
Total other financing sources (uses)			<u>89,116,523</u>	<u>89,116,523</u>
Changes in fund balances	<u>(48,161,867)</u>	<u>(65,000,000)</u>	<u>42,092,577</u>	<u>107,092,577</u>
Fund balances, beginning of year			<u>80,809,729</u>	<u>80,809,729</u>
Fund balances, end of year	<u>\$ (48,161,867)</u>	<u>\$ (65,000,000)</u>	<u>\$ 122,902,306</u>	<u>\$ 187,902,306</u>

Paradise Valley Unified School District No. 69
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Other Capital Projects
For the Year Ended June 30, 2023

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other local	\$	\$	\$ 25,835	\$ 25,835
State aid and grants			1,313,784	1,313,784
Total revenues			<u>1,339,619</u>	<u>1,339,619</u>
Expenditures				
Current:				
Support services - administration			2,767	(2,767)
Operation and maintenance of plant services			17,090	(17,090)
Capital outlay	730,000	1,545,000	1,351,785	193,215
Total expenditures	<u>730,000</u>	<u>1,545,000</u>	<u>1,371,642</u>	<u>173,358</u>
Excess (deficiency) of revenues over expenditures	<u>(730,000)</u>	<u>(1,545,000)</u>	<u>(32,023)</u>	<u>1,512,977</u>
Other financing sources (uses)				
Proceeds from sale of capital assets			151,822	151,822
Total other financing sources (uses)			<u>151,822</u>	<u>151,822</u>
Changes in fund balances	<u>(730,000)</u>	<u>(1,545,000)</u>	<u>119,799</u>	<u>1,664,799</u>
Fund balances, beginning of year			<u>701,423</u>	<u>701,423</u>
Fund balances, end of year	<u>\$ (730,000)</u>	<u>\$ (1,545,000)</u>	<u>\$ 821,222</u>	<u>\$ 2,366,222</u>

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Statistical Section

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

These schedules present information to help the reader evaluate the District's current levels of outstanding debt as well as assess the District's ability 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.

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Paradise Valley Unified School District No. 69
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	\$ 245,681,512	\$ 248,076,152	\$ 243,800,072	\$ 239,006,633	\$ 245,271,047
Restricted	66,659,727	61,889,973	53,761,691	56,773,837	35,384,087
Unrestricted	<u>(64,687,941)</u>	<u>(86,754,383)</u>	<u>(86,920,728)</u>	<u>(86,845,737)</u>	<u>(89,098,444)</u>
Total net position	<u><u>\$ 247,653,298</u></u>	<u><u>\$ 223,211,742</u></u>	<u><u>\$ 210,641,035</u></u>	<u><u>\$ 208,934,733</u></u>	<u><u>\$ 191,556,690</u></u>
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Net Position:					
Net investment in capital assets	\$ 242,247,329	\$ 231,477,848	\$ 224,804,432	\$ 215,907,836	\$ 206,699,293
Restricted	30,205,400	28,281,491	31,078,902	29,958,382	29,601,619
Unrestricted	<u>(114,982,601)</u>	<u>(120,509,199)</u>	<u>(138,723,564)</u>	<u>(149,213,069)</u>	<u>93,335,001</u>
Total net position	<u><u>\$ 157,470,128</u></u>	<u><u>\$ 139,250,140</u></u>	<u><u>\$ 117,159,770</u></u>	<u><u>\$ 96,653,149</u></u>	<u><u>\$ 329,635,913</u></u>

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

Paradise Valley Unified School District No. 69
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	\$ 202,638,298	\$ 204,809,731	\$ 193,487,003	\$ 182,852,000	\$ 165,591,583
Support services - students and staff	61,041,150	54,279,254	46,489,691	44,841,377	37,398,672
Support services - administration	29,748,339	28,887,092	28,891,955	26,394,466	22,572,054
Operation and maintenance of plant services	63,077,295	52,968,482	51,171,090	46,100,777	45,545,526
Student transportation services	12,734,563	12,014,638	9,437,806	11,428,095	11,632,085
Operation of non-instructional services	18,685,030	18,877,341	12,986,101	16,255,986	15,566,504
Interest on long-term debt	13,049,771	10,986,349	11,860,675	10,387,507	10,294,736
Total expenses	<u>400,974,446</u>	<u>382,822,887</u>	<u>354,324,321</u>	<u>338,260,208</u>	<u>308,601,160</u>
Program Revenues					
Charges for services:					
Instruction	6,948,610	5,948,746	5,693,180	7,444,047	6,016,819
Operation of non-instructional services	15,121,646	9,624,037	175,837	9,254,310	9,711,131
Other activities	1,574,432	1,213,032	1,100,629	564,097	2,231,631
Operating grants and contributions	51,338,086	53,517,324	50,156,409	26,705,500	27,545,811
Capital grants and contributions	2,024,375	7,076,028	2,065,392	3,957,121	1,785,421
Total program revenues	<u>77,007,149</u>	<u>77,379,167</u>	<u>59,191,447</u>	<u>47,925,075</u>	<u>47,290,813</u>
Net (Expense)/Revenue	<u>\$ (323,967,297)</u>	<u>\$ (305,443,720)</u>	<u>\$ (295,132,874)</u>	<u>\$ (290,335,133)</u>	<u>\$ (261,310,347)</u>

(Continued)

Paradise Valley Unified School District No. 69
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	\$ 156,476,955	\$ 160,410,476	\$ 148,675,151	\$ 151,796,732	\$ 148,345,351
Support services - students and staff	36,299,108	39,376,509	37,841,857	36,968,070	36,538,577
Support services - administration	21,954,686	22,236,308	22,253,386	23,023,752	23,179,490
Operation and maintenance of plant services	42,256,376	40,872,182	39,748,757	38,770,828	41,192,714
Student transportation services	11,331,016	13,065,492	12,377,747	13,089,950	12,016,059
Operation of non-instructional services	15,243,656	16,038,352	15,086,738	14,963,883	14,884,097
Interest on long-term debt	9,502,016	9,066,977	9,874,251	10,564,464	12,181,656
Total expenses	<u>293,063,813</u>	<u>301,066,296</u>	<u>285,857,887</u>	<u>289,177,679</u>	<u>288,337,944</u>
Program Revenues					
Charges for services:					
Instruction	4,278,610	4,236,899	4,205,454	7,072,591	6,132,381
Operation of non-instructional services	10,888,646	10,653,855	9,952,481	10,141,607	9,673,667
Other activities	1,201,560	864,797	1,414,809	316,376	1,332,856
Operating grants and contributions	28,993,650	27,694,467	27,269,873	25,893,025	25,768,950
Capital grants and contributions	2,501,649	874,225	319,522	612,889	633,466
Total program revenues	<u>47,864,115</u>	<u>44,324,243</u>	<u>43,162,139</u>	<u>44,036,488</u>	<u>43,541,320</u>
Net (Expense)/Revenue	<u>\$ (245,199,698)</u>	<u>\$ (256,742,053)</u>	<u>\$ (242,695,748)</u>	<u>\$ (245,141,191)</u>	<u>\$ (244,796,624)</u>

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

(Concluded)

Paradise Valley Unified School District No. 69
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	\$ (323,967,297)	\$ (305,443,720)	\$ (295,132,874)	\$ (290,335,133)	\$ (261,310,347)
General Revenues:					
Property taxes	221,162,491	208,040,274	195,054,854	197,412,525	196,140,876
Investment income	5,026,250	1,341,133	2,030,341	4,474,839	3,585,863
Unrestricted county aid		4,587,214	4,455,826	5,044,056	5,109,940
Unrestricted state aid	118,753,131	100,539,618	86,121,355	96,142,538	88,154,217
Unrestricted federal aid	3,466,981	3,506,188	2,519,029	2,971,737	2,406,013
Total general revenues	<u>348,408,853</u>	<u>318,014,427</u>	<u>290,181,405</u>	<u>306,045,695</u>	<u>295,396,909</u>
Changes in Net Position	<u>\$ 24,441,556</u>	<u>\$ 12,570,707</u>	<u>\$ (4,951,469)</u>	<u>\$ 15,710,562</u>	<u>\$ 34,086,562</u>

(Continued)

Paradise Valley Unified School District No. 69
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	\$ (245,199,698)	\$ (256,742,053)	\$ (242,695,748)	\$ (245,141,191)	\$ (244,796,624)
General Revenues:					
Property taxes	184,982,125	185,936,762	175,922,192	170,608,708	176,743,325
Investment income	1,995,622	1,251,275	1,031,032	797,370	689,945
Unrestricted county aid	4,545,972	4,851,441	4,674,119	5,312,389	4,797,831
Unrestricted state aid	80,602,526	84,584,389	79,794,238	78,570,899	80,521,612
Unrestricted federal aid	2,444,084	2,208,556	1,780,788	1,087,114	627,315
Total general revenues	<u>274,570,329</u>	<u>278,832,423</u>	<u>263,202,369</u>	<u>256,376,480</u>	<u>263,380,028</u>
Changes in Net Position	<u>\$ 29,370,631</u>	<u>\$ 22,090,370</u>	<u>\$ 20,506,621</u>	<u>\$ 11,235,289</u>	<u>\$ 18,583,404</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)

Paradise Valley Unified School District No. 69
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:					
Nonspendable	\$ 2,020,099	\$ 2,007,326	\$ 5,290,244	\$ 4,797,942	\$ 4,217,526
Restricted	7,423,892				
Assigned	4,315,807	3,753,433	16,906,181	14,456,542	7,117,432
Unassigned	112,893,095	84,830,659	64,666,807	54,288,384	53,714,306
Total General Fund	\$ 126,652,893	\$ 90,591,418	\$ 86,863,232	\$ 73,542,868	\$ 65,049,264
All Other Governmental Funds:					
Nonspendable	\$ 107,809	\$ 93,552	\$ 89,062	\$ 245,063	\$ 181,184
Restricted	174,093,160	142,494,349	141,295,556	141,688,720	101,508,594
Unassigned	(1,575,699)	(4,574,417)	(16,562,567)	(1,705,530)	(2,958,648)
Total all other governmental funds	\$ 172,625,270	\$ 138,013,484	\$ 124,822,051	\$ 140,228,253	\$ 98,731,130

(Continued)

Paradise Valley Unified School District No. 69
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:					
Nonspendable	\$ 4,267,219	\$ 4,242,106	\$ 4,220,182	\$ 4,139,601	\$ 4,049,637
Assigned	6,775,968	16,805,190	15,750,000	10,600,000	7,500,000
Unassigned	48,602,601	31,718,621	23,814,571	18,815,962	24,831,219
Total General Fund	<u>\$ 59,645,788</u>	<u>\$ 52,765,917</u>	<u>\$ 43,784,753</u>	<u>\$ 33,555,563</u>	<u>\$ 36,380,856</u>
All Other Governmental Funds:					
Nonspendable	\$ 180,320	\$ 156,671	\$ 157,245	\$ 209,314	\$ 232,920
Restricted	92,588,678	74,944,584	81,467,961	81,058,481	72,693,282
Unassigned	(3,021,321)				
Total all other governmental funds	<u>\$ 89,747,677</u>	<u>\$ 75,101,255</u>	<u>\$ 81,625,206</u>	<u>\$ 81,267,795</u>	<u>\$ 72,926,202</u>

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

(Concluded)

Paradise Valley Unified School District No. 69
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	\$ 37,481,610	\$ 49,001,194	\$ 30,631,397	\$ 18,839,758	\$ 18,671,878
National School Lunch Program	7,499,661	13,925,229	4,222,885	5,887,706	7,187,104
Total federal sources	<u>44,981,271</u>	<u>62,926,423</u>	<u>34,854,282</u>	<u>24,727,464</u>	<u>25,858,982</u>
State sources:					
State equalization assistance	93,058,889	73,967,128	67,612,565	77,731,626	69,928,659
State grants	3,193,671	4,883,633	4,623,986	4,757,245	4,040,485
School Facilities Oversight Board	1,313,784	6,358,674	392,400	82,309	1,632,262
Other revenues	25,768,395	26,572,490	18,508,790	18,410,912	18,225,558
Total state sources	<u>123,334,739</u>	<u>111,781,925</u>	<u>91,137,741</u>	<u>100,982,092</u>	<u>93,826,964</u>
Local sources:					
Property taxes	220,630,026	208,458,218	197,436,982	204,050,972	197,573,587
County aid		4,587,214	4,455,826	5,044,056	5,109,940
Food service sales	1,981,776	364,269	174,983	1,888,461	2,268,882
Investment income	4,765,870	1,215,418	1,879,439	4,196,146	3,415,154
Other revenues	24,042,768	18,201,714	7,925,379	15,769,481	16,104,113
Total local sources	<u>251,420,440</u>	<u>232,826,833</u>	<u>211,872,609</u>	<u>230,949,116</u>	<u>224,471,676</u>
Total revenues	<u><u>\$ 419,736,450</u></u>	<u><u>\$ 407,535,181</u></u>	<u><u>\$ 337,864,632</u></u>	<u><u>\$ 356,658,672</u></u>	<u><u>\$ 344,157,622</u></u>

(Continued)

Paradise Valley Unified School District No. 69
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	\$ 15,988,928	\$ 18,328,730	\$ 17,114,332	\$ 16,767,484	\$ 18,143,576
National School Lunch Program	7,076,158	7,539,819	6,999,337	7,191,013	6,925,211
Total federal sources	<u>23,065,086</u>	<u>25,868,549</u>	<u>24,113,669</u>	<u>23,958,497</u>	<u>25,068,787</u>
State sources:					
State equalization assistance	64,890,449	70,802,491	64,428,092	66,135,627	67,017,819
State grants	3,908,734	1,673,811	1,629,071	1,622,618	1,413,335
School Facilities Oversight Board	770,586	575,787	194,612		
Other revenues	<u>15,712,077</u>	<u>13,781,898</u>	<u>15,198,720</u>	<u>12,453,233</u>	<u>13,541,359</u>
Total state sources	<u>85,281,846</u>	<u>86,833,987</u>	<u>81,450,495</u>	<u>80,211,478</u>	<u>81,972,513</u>
Local sources:					
Property taxes	185,111,732	186,722,575	182,509,806	171,878,884	176,399,429
County aid	4,545,972	4,851,441	4,674,119	5,312,389	4,797,831
Food service sales	2,021,553	2,008,117	1,875,803	2,157,633	2,131,409
Investment income	1,888,895	1,203,268	995,233	775,901	679,495
Other revenues	<u>17,348,458</u>	<u>16,863,194</u>	<u>16,822,890</u>	<u>15,965,015</u>	<u>15,847,526</u>
Total local sources	<u>210,916,610</u>	<u>211,648,595</u>	<u>206,877,851</u>	<u>196,089,822</u>	<u>199,855,690</u>
Total revenues	<u>\$ 319,263,542</u>	<u>\$ 324,351,131</u>	<u>\$ 312,442,015</u>	<u>\$ 300,259,797</u>	<u>\$ 306,896,990</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)

Paradise Valley Unified School District No. 69
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	\$ 168,979,256	\$ 169,747,357	\$ 155,714,281	\$ 153,821,044	\$ 153,406,570
Support services - students and staff	57,004,236	50,484,704	43,123,575	41,772,916	37,751,467
Support services - administration	25,711,289	24,738,358	24,350,465	24,315,128	22,276,578
Operation and maintenance of plant services	42,709,002	35,779,407	38,047,711	34,985,347	34,629,223
Student transportation services	10,483,120	9,907,829	7,560,329	9,675,552	10,675,529
Operation of non-instructional services	17,778,447	17,175,698	12,372,413	15,461,421	15,812,646
Capital outlay	61,180,337	73,582,479	85,692,415	42,904,260	62,233,161
Debt service -					
Principal retirement	41,150,000	40,340,000	39,235,000	42,515,000	39,031,111
Interest and fiscal charges	17,281,668	14,860,848	14,910,159	13,382,672	13,506,182
Bond issuance costs	713,638	527,964	715,448	463,461	412,866
Total expenditures	<u><u>\$ 442,990,993</u></u>	<u><u>\$ 437,144,644</u></u>	<u><u>\$ 421,721,796</u></u>	<u><u>\$ 379,296,801</u></u>	<u><u>\$ 389,735,333</u></u>
Expenditures for capitalized assets	\$ 43,514,964	\$ 50,454,647	\$ 64,858,150	\$ 30,732,869	\$ 42,158,997
Debt service as a percentage of noncapital expenditures	15%	14%	15%	16%	15%

(Continued)

Paradise Valley Unified School District No. 69
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	\$ 138,559,685	\$ 142,190,748	\$ 130,572,068	\$ 132,259,807	\$ 131,410,651
Support services - students and staff	34,465,868	35,886,509	34,325,453	33,623,605	34,616,845
Support services - administration	20,491,721	20,390,252	20,105,209	19,964,090	19,278,445
Operation and maintenance of plant services	33,777,276	32,692,651	31,841,108	31,138,602	31,905,120
Student transportation services	9,931,788	10,251,913	9,754,779	10,394,959	10,198,125
Operation of non-instructional services	15,094,902	15,617,589	14,657,815	14,352,093	13,818,862
Capital outlay	47,644,270	48,602,598	44,851,317	49,958,513	62,150,444
Debt service -					
Principal retirement	43,571,111	44,130,000	42,965,000	42,610,000	41,955,000
Interest and fiscal charges	10,308,675	10,078,540	10,734,748	11,437,909	12,646,790
Bond issuance costs	369,352	273,611	287,080	485,479	325,568
Total expenditures	<u>\$ 354,214,648</u>	<u>\$ 360,114,411</u>	<u>\$ 340,094,577</u>	<u>\$ 346,225,057</u>	<u>\$ 358,305,850</u>
Expenditures for capitalized assets	\$ 34,674,754	\$ 32,542,522	\$ 30,817,787	\$ 35,562,424	\$ 48,233,501
Debt service as a percentage of noncapital expenditures	17%	17%	17%	17%	18%

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

(Concluded)

Paradise Valley Unified School District No. 69
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	\$ (23,254,543)	\$ (29,609,463)	\$ (83,857,164)	\$ (22,638,129)	\$ (45,577,711)
Other financing sources (uses):					
General obligation bonds issued	86,585,000	43,300,000	69,760,000	50,075,000	53,310,000
Refunding bonds issued		33,555,000			
Premium on sale of bonds	7,094,769	12,395,455	11,401,278	8,286,490	6,608,441
Payment to refunded bond escrow agent		(39,581,737)			
Proceeds from sale of capital assets	248,035	138,792	273,747	83,268	95,128
Transfers in	8,073,674	4,550,548	4,567,956	2,941,157	5,557,844
Transfers out	(8,073,674)	(4,550,548)	(4,567,956)	(2,941,157)	(5,557,844)
Total other financing sources (uses)	<u>93,927,804</u>	<u>49,807,510</u>	<u>81,435,025</u>	<u>58,444,758</u>	<u>60,013,569</u>
Changes in fund balances	<u>\$ 70,673,261</u>	<u>\$ 20,198,047</u>	<u>\$ (2,422,139)</u>	<u>\$ 35,806,629</u>	<u>\$ 14,435,858</u>
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Excess (deficiency) of revenues over expenditures	\$ (34,951,106)	\$ (35,763,280)	\$ (27,652,562)	\$ (45,965,260)	\$ (51,408,860)
Other financing sources (uses):					
General obligation bonds issued	49,885,000	33,870,000	36,700,000	49,000,000	50,000,000
Premium on sale of bonds	6,464,378	4,329,143	1,510,651	3,823,129	2,312,061
Payment to refunded bond escrow agent				(22,732,927)	
Proceeds from sale of capital assets	79,259				406,864
Transfers in	2,670,656	2,192,849	2,628,641	3,387,393	4,083,070
Transfers out	(2,670,656)	(2,192,849)	(2,628,641)	(3,387,393)	(4,083,070)
Total other financing sources (uses)	<u>56,428,637</u>	<u>38,199,143</u>	<u>38,210,651</u>	<u>51,415,202</u>	<u>52,718,925</u>
Changes in fund balances	<u>\$ 21,477,531</u>	<u>\$ 2,435,863</u>	<u>\$ 10,558,089</u>	<u>\$ 5,449,942</u>	<u>\$ 1,310,065</u>

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

Paradise Valley Unified School District No. 69
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	\$ 1,373,498,552	\$ 1,320,560,604	\$ 1,256,311,730	\$ 1,237,428,747	\$ 1,161,051,809
Agricultural and Vacant	67,301,489	69,140,173	64,441,179	75,632,028	63,202,501
Residential (Owner Occupied)	1,915,685,225	1,820,034,223	1,714,406,058	1,612,344,049	1,548,904,062
Residential (Rental)	889,571,113	800,166,642	745,942,822	679,021,213	604,613,944
Historical Property	5,017,251	4,875,547	4,707,655	4,534,541	3,140,774
Certain Government Property Improvements	238,653	248,938	252,360	247,099	287,161
Total	\$ 4,251,312,283	\$ 4,015,026,127	\$ 3,786,061,804	\$ 3,609,207,677	\$ 3,381,200,251
Gross Full Cash Value	\$ 55,693,517,365	\$ 51,251,377,516	\$ 47,953,157,272	\$ 44,044,671,383	\$ 40,316,011,325
Ratio of Net Limited Assessed Value to Gross Full Cash Value	8%	8%	8%	8%	8%
Total Direct Rate	5.86	5.81	5.85	6.39	6.56

<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	\$ 1,163,354,144	\$ 1,103,973,845	\$ 1,078,328,162	\$ 1,127,060,533	\$ 1,113,412,414
Agricultural and Vacant	51,725,695	51,386,012	54,123,587	56,681,871	55,133,701
Residential (Owner Occupied)	1,466,187,922	1,391,806,809	1,332,059,607	1,285,928,160	1,226,701,891
Residential (Rental)	570,367,257	529,729,163	476,405,056	418,293,830	351,922,163
Historical Property	4,698,080	4,742,175	5,496,946	5,455,787	5,155,041
Certain Government Property Improvements	89,974	52,550	50,047	47,664	40,179
Total	\$ 3,256,423,072	\$ 3,081,690,554	\$ 2,946,463,405	\$ 2,893,467,845	\$ 2,752,365,389
Gross Full Cash Value	\$ 38,147,507,007	\$ 35,263,747,444	\$ 31,995,010,889	\$ 27,055,583,422	\$ 24,941,121,629
Ratio of Net Limited Assessed Value to Gross Full Cash Value	9%	9%	9%	11%	11%
Total Direct Rate	6.55	6.97	6.99	6.78	7.15

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

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

Paradise Valley Unified School District No. 69
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	\$ 1,768,481,241	\$ 1,743,340,681	\$ 1,658,875,827	\$ 1,558,878,996	\$ 1,459,857,260
Agricultural and Vacant	115,244,814	121,338,289	110,539,714	122,314,167	101,096,253
Residential (Owner Occupied)	2,486,873,661	2,286,240,057	2,125,947,235	1,969,562,644	1,868,687,574
Residential (Rental)	1,314,233,531	1,134,608,086	1,033,940,695	917,979,750	790,785,624
Historical Property	5,098,250	4,935,030	4,853,180	4,728,250	3,433,750
Certain Government Property Improvements	248,605	254,345	262,036	253,499	1,608,804
Total	\$ 5,690,180,102	\$ 5,290,716,488	\$ 4,934,418,687	\$ 4,573,717,306	\$ 4,225,469,265
Gross Full Cash Value	\$ 55,693,517,365	\$ 51,251,377,516	\$ 47,953,157,272	\$ 44,044,671,383	\$ 40,316,011,325
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	10%	10%	10%	10%	10%
Estimated Net Full Cash Value	\$ 47,315,055,252	\$ 43,323,182,930	\$ 40,209,166,797	\$ 37,193,300,911	\$ 34,487,911,488
Total Direct Rate	5.86	5.81	5.85	6.39	6.56

<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	\$ 1,422,676,696	\$ 1,275,327,014	\$ 1,155,403,818	\$ 1,139,846,461	\$ 1,118,168,192
Agricultural and Vacant	91,063,850	76,127,501	64,328,057	59,946,786	56,373,406
Residential (Owner Occupied)	1,774,760,154	1,708,261,856	1,630,720,614	1,325,827,762	1,229,206,061
Residential (Rental)	731,053,749	663,613,616	580,245,112	439,331,824	356,019,012
Historical Property	4,698,080	4,788,364	6,319,334	5,807,154	5,613,049
Certain Government Property Improvements	121,301	62,758	52,912	47,664	40,179
Total	\$ 4,024,373,830	\$ 3,728,181,109	\$ 3,437,069,847	\$ 2,970,807,651	\$ 2,765,419,899
Gross Full Cash Value	\$ 38,147,507,007	\$ 35,263,747,444	\$ 31,995,010,889	\$ 27,055,583,422	\$ 24,941,121,629
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	11%	11%	11%	11%	11%
Estimated Net Full Cash Value	\$ 32,664,102,652	\$ 30,512,649,606	\$ 27,954,500,602	\$ 23,439,918,076	\$ 21,359,921,813
Total Direct Rate	6.55	6.97	6.99	6.78	7.15

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.

Paradise Valley Unified School District No. 69
Property Tax Assessment Ratios
Last Ten Fiscal Years

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

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

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

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

Paradise Valley Unified School District No. 69
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Overlapping Rates

Fiscal Year Ended June 30	State Equalization	County	Flood Control District	Community College District	Central Arizona Water	City of Phoenix	City of Scottsdale	Western Maricopa Education Center District No. 402	District Direct Rates		
									Primary	Secondary	Total
2023		1.25	0.16	1.19	0.14	2.11	0.91	0.15	3.58	2.28	5.86
2022	0.43	1.35	0.18	1.23	0.14	2.12	1.01	0.16	3.74	2.06	5.81
2021	0.44	1.40	0.18	1.29	0.14	2.13	1.03	0.17	3.76	2.09	5.85
2020	0.46	1.40	0.18	1.33	0.14	2.13	1.04	0.16	3.91	2.47	6.39
2019	0.47	1.40	0.18	1.38	0.14	2.14	1.10	0.15	4.04	2.51	6.56
2018	0.49	1.40	0.18	1.41	0.14	2.16	1.08	0.18	4.14	2.41	6.55
2017	0.50	1.40	0.18	1.47	0.14	2.17	1.13	0.08	4.38	2.59	6.97
2016	0.51	1.36	0.16	1.49	0.14	1.82	1.05	0.07	4.34	2.65	6.99
2015	0.51	1.32	0.14	1.52	0.14	1.82	1.24	0.08	4.11	2.67	6.78
2014	0.51	1.28	0.14	1.53	0.14	1.82	1.29	0.06	4.28	2.87	7.15

The total overlapping property tax rate for property owners within the District have the following ranges per \$100 of net limited assessed property valuation by year, depending upon the specific taxing jurisdictions which overlap the property.

	<u>Maximum</u>	<u>Minimum</u>
2023	12.45	11.25
2022	11.76	10.65
2021	11.97	10.87
2020	12.58	11.49
2019	12.78	11.74
2018	12.86	11.79
2017	13.28	12.24
2016	12.91	12.14
2015	12.56	11.99
2014	12.83	12.30

Source: The source of this information is the *State and County Abstract of the Assessment Roll* , Arizona Department of Revenue and *Property Tax Rates and Assessed Values* , Arizona Tax Research Association.

Paradise Valley Unified School District No. 69
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
Arizona Public Service Co	\$ 79,637,912	1.87 %	\$ 70,374,041	2.54 %
JW Marriott Desert Ridge Resort & Spa	30,776,655	0.72	25,963,152	0.94
Host Kierland LP	28,527,874	0.67	38,457,086	1.39
SDQ Fee LLC	23,105,058	0.54	12,904,240	0.47
18700 Hayden Road LLC	21,894,153	0.51		
Kierland Greenway LLC	17,549,975	0.41	11,444,518	0.41
Excel Owner Promenade LLC	16,911,645	0.40	21,866,032	0.79
Vestar DRM-OPCO LLC	16,336,335	0.38	19,918,550	0.72
City of Scottsdale	15,766,187	0.37		
High Street Buildings LLC	14,730,582	0.35		
Scottsdale Princess Resort			13,674,485	0.49
Paradise Valley Mall LLC			13,642,543	0.49
Vhs Acquisition Subsidiary Number 1 Inc			12,185,046	0.44
Total	<u>\$ 265,236,376</u>	<u>6.22 %</u>	<u>\$ 240,429,693</u>	<u>8.68 %</u>

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

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

Paradise Valley Unified School District No. 69
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	\$ 250,020,716	\$ 241,060,381	96.42 %	\$	\$ 241,060,381	96.42 %
2022	234,857,569	224,901,671	95.76	9,903,519	234,805,190	99.98
2021	224,322,346	214,610,285	95.67	9,681,048	224,291,333	99.99
2020	229,870,367	218,955,770	95.25	10,848,057	229,803,827	99.97
2019	223,389,541	213,556,950	95.60	9,817,137	223,374,087	99.99
2018	213,770,990	201,533,693	94.28	12,224,855	213,758,548	99.99
2017	214,611,698	204,031,046	95.07	10,571,312	214,602,358	100.00
2016	205,875,879	203,065,319	98.63	2,798,833	205,864,152	99.99
2015	195,496,054	185,610,048	94.94	9,878,538	195,488,586	100.00
2014	197,332,809	187,244,840	94.89	10,083,245	197,328,085	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.

Paradise Valley Unified School District No. 69
Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30	General Obligation Bonds					Total Outstanding Debt				
	General Obligation Bonds	Less: Amounts Restricted for Principal	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Percentage of Personal Income	
2023	\$ 471,341,518	\$ 25,307,342	\$ 446,034,176	0.80 %	\$ 1,640	\$ 471,341,518	0.85 %	\$ 1,733	0.18 %	
2022	422,233,646	17,733,469	404,500,177	0.79	1,486	422,233,646	0.82	1,551	0.16	
2021	415,674,427	22,997,697	392,676,730	0.82	1,469	415,674,427	0.87	1,555	0.17	
2020	380,077,633	28,563,793	351,513,840	0.80	1,307	380,077,633	0.86	1,413	0.17	
2019	351,870,197	6,570,631	345,299,566	0.86	1,295	351,870,197	0.87	1,320	0.17	
2018	338,329,981	2,009,015	336,320,966	0.88	1,272	338,329,981	0.89	1,279	0.17	
2017	327,884,766	4,354,867	323,529,899	0.92	1,223	327,884,766	0.93	1,240	0.18	
2016	333,943,771	5,981,324	327,962,447	1.03	1,328	333,943,771	1.04	1,352	0.19	
2015	339,485,202	6,440,035	333,045,167	1.23	1,349	339,485,202	1.25	1,375	0.20	
2014	323,525,000	6,361,517	317,163,483	1.27	1,304	323,525,000	1.30	1,330	0.22	

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

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

Paradise Valley Unified School District No. 69
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	\$ 184,715,000	8.24 %	\$ 15,220,516
Maricopa County Special Healthcare District	640,695,000	8.24	52,793,268
City of Phoenix	918,905,000	18.90	173,673,045
City of Scottsdale	448,225,000	17.47	78,304,908
Western Maricopa Education Center	144,220,000	22.20	32,016,840
Subtotal, Overlapping Debt			<u>352,008,577</u>
Direct:			
Paradise Valley Unified School District No. 69			<u>471,341,518</u>
Total Direct and Overlapping Governmental Activities Debt			<u>\$ 823,350,095</u>

Direct and Overlapping General Bonded Debt Ratios

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation		8.40 %
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 3,052	
As a Percentage of Net Limited Assessed Valuation		14.59 %
As a Percentage of Gross Full Cash Value		1.49 %

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

2) Outstanding debt as of June 30, 2022 is presented for the overlapping governments as this is the most recent available information.

Paradise Valley Unified School District No. 69
Legal Debt Margin Information
Last Ten Fiscal Years

Total Legal Debt Margin Calculation for Fiscal Year 2023:

Net full cash assessed valuation	\$ 5,690,180,102
Debt limit (30% of assessed value)	1,707,054,031
Debt applicable to limit	461,380,014
Monies held in escrow for QSCB	<u>(16,535,495)</u>
Legal debt margin	<u>\$ 1,262,209,512</u>

	Fiscal Year Ended June 30				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Debt Limit	\$ 1,707,054,031	\$ 1,587,214,946	\$ 1,480,325,606	\$ 1,372,115,192	\$ 1,267,640,780
Total net debt applicable to limit	<u>444,844,519</u>	<u>399,281,081</u>	<u>391,536,673</u>	<u>361,479,242</u>	<u>344,915,226</u>
Legal debt margin	<u>\$ 1,262,209,512</u>	<u>\$ 1,187,933,865</u>	<u>\$ 1,088,788,933</u>	<u>\$ 1,010,635,950</u>	<u>\$ 922,725,554</u>
Total net debt applicable to the limit as a percentage of debt limit	26%	25%	26%	26%	27%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Debt Limit	\$ 1,207,312,149	\$ 1,118,454,333	\$ 1,031,120,954	\$ 891,242,295	\$ 829,625,970
Total net debt applicable to limit	<u>331,165,000</u>	<u>319,195,000</u>	<u>324,660,000</u>	<u>330,570,000</u>	<u>323,525,000</u>
Legal debt margin	<u>\$ 876,147,149</u>	<u>\$ 799,259,333</u>	<u>\$ 706,460,954</u>	<u>\$ 560,672,295</u>	<u>\$ 506,100,970</u>
Total net debt applicable to the limit as a percentage of debt limit	27%	29%	31%	37%	39%

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.
- 2) Prior to FY17, net bond premium was restricted by amount and not subject to the statutory debt limit. Beginning with FY17, any additional net premium used for capital projects, bond counsel, printing and preparation of offering documents, a financial advisor, paying agent costs or to pay down debt is counted against both debt limits with the exception of amounts of premium deposited into the Debt Service Fund or a refunding escrow to pay interest payments.

Paradise Valley Unified School District No. 69
Class B Bond Legal Debt Margin Information
Last Ten Fiscal Years

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

Net full cash assessed value	\$ 5,690,180,102
Debt limit (20% of assessed value)	1,138,036,020
Debt applicable to limit	461,380,014
Monies held in escrow for QSCB	<u>(16,535,495)</u>
Legal debt margin	<u>\$ 693,191,501</u>

	Fiscal Year Ended June 30				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Debt Limit	\$ 1,138,036,020	\$ 1,058,143,298	\$ 986,883,737	\$ 914,743,461	\$ 845,093,853
Total net debt applicable to limit	<u>444,844,519</u>	<u>399,281,081</u>	<u>391,536,673</u>	<u>361,479,242</u>	<u>344,915,226</u>
Legal debt margin	<u>\$ 693,191,501</u>	<u>\$ 658,862,217</u>	<u>\$ 595,347,064</u>	<u>\$ 553,264,219</u>	<u>\$ 500,178,627</u>
Total net debt applicable to the limit as a percentage of debt limit	39%	38%	40%	40%	41%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Debt Limit	\$ 804,874,766	\$ 745,636,222	\$ 687,413,969	\$ 594,161,530	\$ 293,099,525
Total net debt applicable to limit	<u>331,165,000</u>	<u>319,195,000</u>	<u>296,745,000</u>	<u>292,050,000</u>	<u>224,185,000</u>
Legal debt margin	<u>\$ 473,709,766</u>	<u>\$ 426,441,222</u>	<u>\$ 390,668,969</u>	<u>\$ 302,111,530</u>	<u>\$ 68,914,525</u>
Total net debt applicable to the limit as a percentage of debt limit	41%	43%	43%	49%	76%

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.
- 2) Prior to FY17, net bond premium was restricted by amount and not subject to the statutory debt limit. Beginning with FY17, any additional net premium used for capital projects, bond counsel, printing and preparation of offering documents, a financial advisor, paying agent costs or to pay down debt is counted against both debt limits with the exception of amounts of premium deposited into the Debt Service Fund or a refunding escrow to pay interest payments.

Paradise Valley Unified School District No. 69
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	\$ 268,713,717	\$ 59,759	3.3 %	279,058
2021	4,507,419	249,677,860	56,255	4.5	272,248
2020	4,439,220	245,077,753	53,521	10.3	267,352
2019	4,367,835	222,943,072	49,704	3.6	269,000
2018	4,294,460	210,370,180	47,694	4.1	266,600
2017	4,307,033	196,286,191	45,573	4.2	264,500
2016	4,137,076	185,112,000	40,415	4.5	264,471
2015	4,008,651	175,437,829	42,092	5.9	246,921
2014	4,076,438	168,483,421	41,222	5.2	246,921
2013	4,009,412	147,700,000	27,552	6.2	243,300

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

**Paradise Valley Unified School District No. 69
Principal Employers
Current Fiscal Year and Fiscal Year Nine Years Prior**

<u>Employer</u>	<u>2023</u>		<u>2014</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Mayo Clinic	6,970	0.38 %	3,194	0.19 %
American Express	5,550	0.30	2,500	0.15
Paradise Valley Unified School District 69	4,108	0.22	3,568	0.21
Vanguard	2,460	0.13	1,899	0.11
Marriott	1,670	0.09	1,045	0.06
Nationwide Insurance	1,510	0.08	-	-
Axon Enterprise Inc	1,020	0.06	-	-
Republic Services	950	0.05	-	-
Costco	930	0.05	-	-
Frys Food Stores	910	0.05	815	-
City of Phoenix	-	-	942	0.06
The Fairmont Scottsdale Princess	-	-	915	0.05
Walmart	-	-	815	0.05
International Cruise Excursions Inc	-	-	770	0.05
	-	-	-	-
Total	<u>26,078</u>	<u>1.41 %</u>	<u>16,463</u>	<u>0.93 %</u>
Total employment	<u>1,845,910</u>		<u>1,710,000</u>	

Sources: The sources of the information is the MAG Employer Databases.

Paradise Valley Unified School District No. 69
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>
Supervisory					
Consultants/supervisors of instruction	40	46	51	53	52
Principals	43	42	42	43	43
Assistant principals	21	19	19	19	19
Total supervisory	<u>104</u>	<u>107</u>	<u>112</u>	<u>115</u>	<u>114</u>
Instruction					
Teachers	1,717	1,808	1,783	1,627	1,650
Other professionals (instructional)	212	154	184	188	165
Aides	332	323	322	350	416
Total instruction	<u>2,261</u>	<u>2,285</u>	<u>2,289</u>	<u>2,165</u>	<u>2,231</u>
Student Services					
Nurses	39	42	42	39	43
Counselors/Advisors	45	46	46	39	33
Librarians	13	13	13	12	12
Other student service workers	12	28	28	36	21
Total student services	<u>109</u>	<u>129</u>	<u>129</u>	<u>126</u>	<u>109</u>
Support and Administration					
Other classified	802	875	890	917	924
Total support and administration	<u>802</u>	<u>875</u>	<u>890</u>	<u>917</u>	<u>924</u>
Total	<u><u>3,276</u></u>	<u><u>3,396</u></u>	<u><u>3,420</u></u>	<u><u>3,323</u></u>	<u><u>3,378</u></u>

(Continued)

Paradise Valley Unified School District No. 69
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>
Supervisory					
Consultants/supervisors of instruction	53	59	56	65	53
Principals	43	43	44	44	44
Assistant principals	19	20	20	20	19
Total supervisory	<u>115</u>	<u>122</u>	<u>120</u>	<u>129</u>	<u>116</u>
Instruction					
Teachers	1,687	1,762	1,633	1,723	1,723
Other professionals (instructional)	174	184	159	160	167
Aides	367	363	369	377	352
Total instruction	<u>2,228</u>	<u>2,309</u>	<u>2,161</u>	<u>2,260</u>	<u>2,242</u>
Student Services					
Nurses	35	45	40	47	
Counselors/Advisors	33	33	33	36	
Librarians	12	14	17	19	
Other student service workers	31	22	39	22	103
Total student services	<u>111</u>	<u>114</u>	<u>129</u>	<u>124</u>	<u>103</u>
Support and Administration					
Other classified	952	971	943	905	1,105
Total support and administration	<u>952</u>	<u>971</u>	<u>943</u>	<u>905</u>	<u>1,105</u>
Total	<u><u>3,406</u></u>	<u><u>3,516</u></u>	<u><u>3,353</u></u>	<u><u>3,418</u></u>	<u><u>3,566</u></u>

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

(Concluded)

Paradise Valley Unified School District No. 69
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	26,602	\$ 322,665,350	\$ 12,129	7.62 %	\$ 400,974,446	\$ 15,073	7.54 %	1,717	15.5	33.7 %
2022	27,312	307,833,353	11,271	11.65	382,822,887	14,017	10.18	1,808	15.1	29.3
2021	27,853	281,168,774	10,095	6.30	354,324,321	12,721	10.90	1,783	15.6	31.4
2020	29,489	280,031,408	9,496	2.93	338,260,208	11,471	10.62	1,627	18.1	35.0
2019	29,760	274,552,013	9,226	10.38	308,601,160	10,370	6.82	1,650	18.0	36.1
2018	30,188	252,321,240	8,358	(0.28)	293,063,813	9,708	(1.12)	1,687	17.9	36.5
2017	30,665	257,029,662	8,382	7.59	301,066,296	9,818	6.36	1,762	17.4	36.5
2016	30,968	241,256,432	7,791	(0.03)	285,857,887	9,231	(0.98)	1,633	19.0	37.2
2015	31,020	241,733,156	7,793	0.21	289,177,679	9,322	0.29	1,723	18.0	37.3
2014	31,021	241,228,048	7,776	1.54	288,337,944	9,295	1.88	1,723	18.0	37.4

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

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

Paradise Valley Unified School District No. 69
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>
Schools										
Elementary										
Buildings	132	132	125	125	125	125	125	117	117	117
Square feet	2,274,210	2,448,801	2,392,799	2,392,799	2,392,799	2,366,799	2,366,799	2,373,034	2,373,034	2,373,034
Capacity	34,597	34,597	34,146	34,146	34,146	34,146	34,146	34,146	34,146	34,146
Enrollment	13,546	13,827	13,769	15,504	15,648	15,327	16,685	17,225	17,371	17,736
Middle										
Buildings	68	68	68	68	68	68	68	68	68	68
Square feet	766,698	767,275	767,275	767,275	767,275	767,275	767,275	766,450	766,450	766,450
Capacity	8,546	8,546	8,546	8,546	8,546	8,546	8,546	8,546	8,546	8,546
Enrollment	4,157	4,469	4,471	4,832	4,785	4,803	4,934	4,781	4,833	4,842
High										
Buildings	61	61	61	61	61	61	61	52	52	53
Square feet	1,894,263	1,768,120	1,768,120	1,768,120	1,768,120	1,768,120	1,768,120	1,718,659	1,718,659	1,691,620
Capacity	17,227	17,227	17,227	17,227	17,227	17,227	17,227	17,227	17,227	17,227
Enrollment	9,104	9,676	9,758	9,945	10,070	10,060	9,866	9,837	9,978	10,303
Administrative										
Buildings	21	21	21	21	21	21	21	11	11	11
Square feet	371,561	261,857	261,857	261,857	261,857	316,857	316,857	212,691	112,691	112,691
Transportation										
Garages	1	1	1	1	1	1	1	1	1	1
Buses	145	155	155	155	159	165	171	174	175	175
Athletics										
Football fields	10	10	10	10	10	12	12	12	12	12
Soccer fields	13	13	12	12	12	44	44	44	44	44
Running tracks	12	12	12	12	12	44	44	44	44	44
Baseball/softball	71	71	71	71	71	88/90	88/90	88/90	88/90	88/90
Playgrounds	93	87	85	85	85	37	37	36	36	35

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