Higley Unified
School District No. 60

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2025

H·I·G·L·E·Y
UNIFIED
SCHOOL
DISTRICT

2935 South Recker Road ▪ Gilbert, Arizona 85295

Higley Unified School District No. 60

Gilbert, Arizona

Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2025

Issued by:
Financial Services Department

Higley Unified School District No. 60

Table of Contents

Introductory Section	**Page**
Letter of Transmittal	1
ASBO Certificate of Excellence	6
GFOA Certificate of Achievement	7
Organizational Chart	8
List of Principal Officials	9
Financial Section	
Independent Auditor's Report	13
Management's Discussion and Analysis (MD&A)	19
Basic Financial Statements	
Government-Wide Financial Statements:	
Statement of Net Position	32
Statement of Activities	33
Fund Financial Statements:	
Balance Sheet – Governmental Funds	36
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	39
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	40
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities	42
Statement of Net Position – Proprietary Funds	43
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds	44
Statement of Cash Flows – Proprietary Funds	45
Notes to Financial Statements	46
Required Supplementary Information	
Schedule of Revenues Expenditures and Changes in Fund Balances – Budget and Actual:	
General Fund	70
Classroom Site Fund	71
Federal and State Grants Fund	72
Other Special Revenue Fund	73
Pension Schedules	74
Notes to Required Supplementary Information	76
Combining and Individual Fund Financial Statements and Schedules	
Governmental Funds:	
Combining Balance Sheet – All Non-Major Governmental Funds	82
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – All Non-Major Governmental Funds	84

Higley Unified School District No. 60

Table of Contents

Financial Section	**Page**
Combining and Individual Fund Financial Statements and Schedules	
Governmental Funds:	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:	
Instructional Improvement	86
Food Service	87
Debt Service	88
Adjacent Ways	89
Other Capital Projects	90
Internal Service Funds:	
Combining Statement of Net Position	92
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	93
Combining Statement of Cash Flows	94
Statistical Section	
Financial Trends:	
Net Position by Component	96
Expenses, Program Revenues, and Net (Expense)/Revenue	97
General Revenues and Total Changes in Net Position	99
Fund Balances – Governmental Funds	101
Governmental Funds Revenues	103
Governmental Funds Expenditures and Debt Service Ratio	105
Other Financing Sources and Uses and Net Changes in Fund Balances – Governmental Funds	107
Revenue Capacity:	
Net Limited Assessed Value and Full Cash Value of Taxable Property by Class	108
Net Full Cash Assessed Value of Taxable Property by Class	109
Property Tax Assessment Ratios	110
Direct and Overlapping Property Tax Rates	111
Principal Property Taxpayers	112
Property Tax Levies and Collections	113
Debt Capacity:	
Outstanding Debt by Type	114
Direct and Overlapping Governmental Activities Debt	115
Direct and Overlapping General Bonded Debt Ratios	115
Legal Debt Margin Information	116
Demographic and Economic Information:	
County-Wide Demographic and Economic Statistics	117
Principal Employers	118
Operating Information:	
Full-Time Equivalent District Employees by Type	119
Operating Statistics	121
Capital Assets Information	122

(This page intentionally left blank)

Introductory Section

(This page intentionally left blank)

H·I·G·L·E·Y

480.279.7000 | www.HUSD.org
2935 S. Recker Road, Gilbert, AZ 85295

December 9, 2025

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

State law mandates that school districts required to undergo an annual single audit publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States by a certified public accounting firm licensed in the State of Arizona. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the Higley Unified School District No. 60 (District) for the fiscal year ended June 30, 2025.

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

The District's financial statements have been audited by Heinfeld, Meech & Co., P.C., a certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2025 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2025 are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

Profile of the District

The District is one of 58 public school districts located in Maricopa County, Arizona and serves approximately 88,034 residents in a 24 square-mile area located largely within the boundaries of the Town of Gilbert. The District's 13 campuses and 1 online academy provide a program of public education from preschool through grade twelve, with an average daily membership of 11,980. Finances continue to remain stable, with increased state funding, steady enrollment and healthy management practices leading to greater financial flexibility.

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

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

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

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

The City of Phoenix is the capital and largest city of Arizona and is the county seat as well. Phoenix was founded in 1870 and incorporated in 1881. The city encompasses an area over 500 square miles. Phoenix is the fifth most populous city in the United States and according to the 2020 U.S. Census Bureau, estimates the population of the city was approximately 1,608,139. The Phoenix metropolitan area is the population and economic activity center of the entire state. Phoenix is one of the leaders in the economics of the Southwestern area of the United States. The City of Phoenix maintains a Moody's general obligation bond rating of Aa1. It enjoys a highly diversified economic base consisting of manufacturing, agriculture, tourism, construction, education, distribution centers, finance, and retailing.

Maricopa County is in the south-central portion of Arizona and encompasses an area of approximately 9,224 square miles. Its boundaries encompass the cities of Phoenix, Scottsdale, Mesa, Tempe, Glendale, Chandler, and such towns as Gilbert, Paradise Valley, and Fountain Hills. Maricopa County is currently the nation's fourth largest county in terms of population size and the 14th in land area. As of May 2025, the County's population is approximately 4,673,096 and is expected to reach six million by 2030. Maricopa County has a very wide range of economic sectors supporting its projected growth. Maricopa County has, for some time, enjoyed an unemployment rate that was somewhat lower than the national average.

Factors Affecting Financial Condition

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

Local Economy. Arizona's economy is booming, and Phoenix is at the center. According to Inc. Magazine, Phoenix is the 11th best city in the nation to start a business. This ranking came from the magazine's 2020 Surge Cities index which analyzes data such as job creation and regulation. That same index also gave Phoenix the second spot in net business creation, seventh in population growth and ninth in job creation.
A few of the major firms represented in the Phoenix metropolitan area include Honeywell International, Inc., Banner Health Systems, LG, Wal-Mart Stores, Inc., Wells Fargo Company, and Bashas'. In addition, the metropolitan area provides excellent educational and training opportunities through seven community colleges, four private colleges and graduate schools, and one state university.

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

The economy of Gilbert is a diverse mix of manufacturing, high technology, agriculture, tourism and recently there has been a large amount of retail development. The building boom in the Gilbert area has caused the land available for agricultural activities to decline. Gilbert has a very favorable unemployment rate of 3.4 percent in June 2025. Retail and construction dominate the top employers of Gilbert. During the current economic recovery, the area continues to see expansion in retail service centers and commercial warehouse facilities. Major development continues along the Loop 202, a regional freeway that connects Gilbert with the rest of the Phoenix metropolitan area. Gilbert was named a 2023 Best City for First-Time Home Buyers, is ranked as one of the safest cities in the country, and is home to a booming tech industry with its business development Rivulon, which houses business including Deloitte and TD Synnex.

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

The Higley Unified School District is currently experiencing growth in both residential and commercial real estate sales. A commercial complex to include restaurants, retail stores and a movie theater is currently under development within the district boundaries.

Long-term Financial Planning.

The Higley Unified School District is in the middle to late stages of its growth. The twenty-four square mile District is land-locked but has not been fully developed. The District has benefited from the passage of Students First Bonds, which changed the landscape of school construction. Until recently, the Arizona School Facilities Board funded the construction of new schools; eight schools in the District were constructed under this system.

Through the use of school bonds, the District was able to add three buildings on the Higley Traditional Academy campus, build Centennial Elementary in 2009, complete additional school buildings in 2014, and build Bridges Elementary in 2016. Through a lease purchase agreement, the District was able to build Cooley and Sossaman Middle Schools.

The District's average age of the school buildings is 18 years.

Awards and Acknowledgment

Awards. The Association of School Business Officials (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its annual comprehensive financial report for the fiscal year ended June 30, 2024. This was the 21st year that the District received this prestigious award. In addition, the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its annual comprehensive financial report for the fiscal year ended June 30, 2024. In order to be awarded these certificates, the District published an easily readable and efficiently organized annual comprehensive financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

These certificates are valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the programs' requirements and we are submitting it to ASBO and GFOA to determine its eligibility for the fiscal year ended June 30, 2025 certificates.

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

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

Respectfully submitted,





David Loutzenheiser
Superintendent

Sharon Rushcamp
Interim CFO/Director of Finance

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL

The Certificate of Excellence in Financial Reporting is presented to

Higley Unified School District No. 60

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

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

CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING

Ryan S. Stechschulte
President

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

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

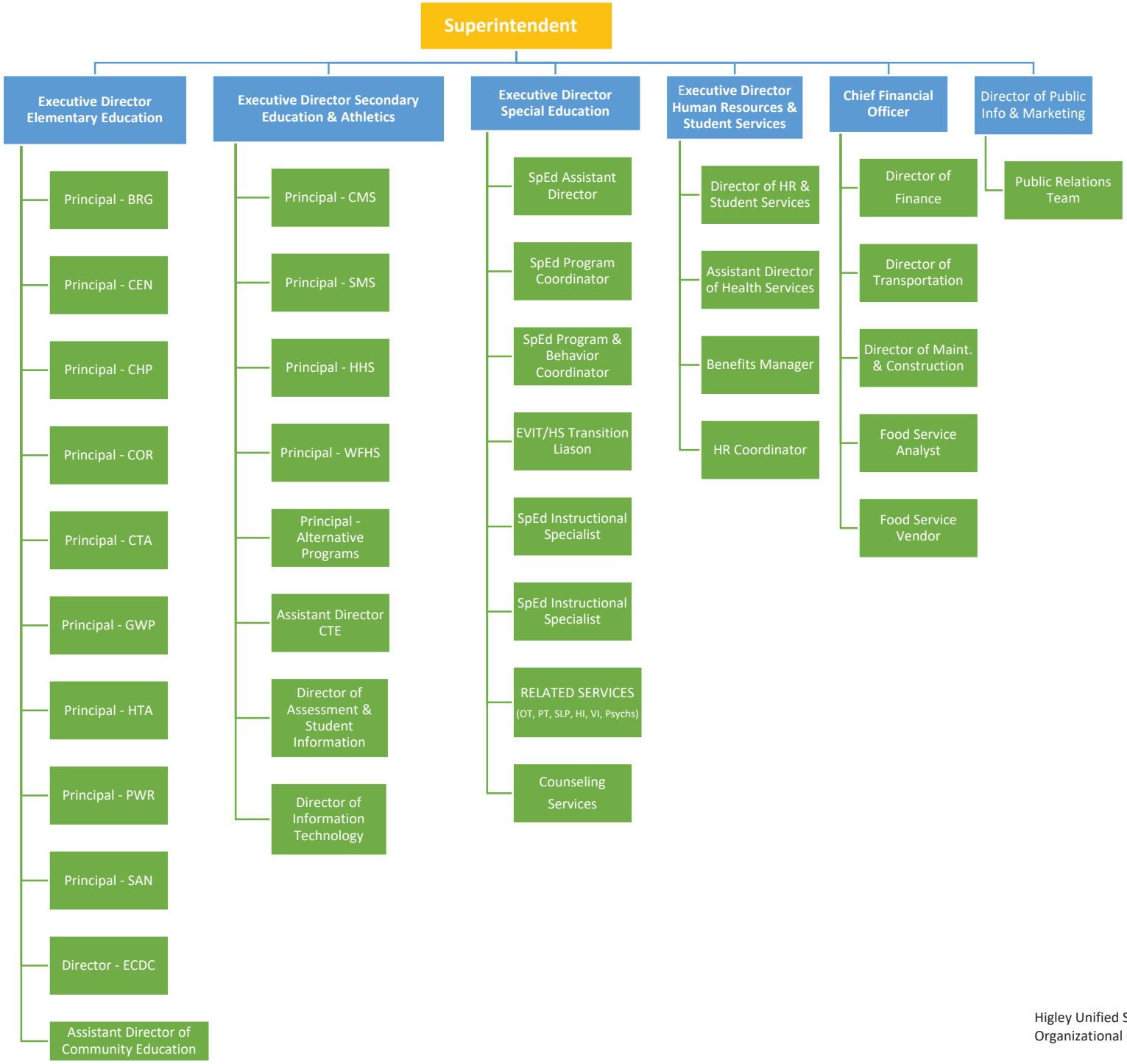
Higley Unified School District No. 60
Arizona

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morrill

Executive Director/CEO



Higley Unified School District
Organizational Chart

Higley Unified School District No. 60

List of Principal Officials

Governing Board

Amanda Wade, President

Tiffany Schultz, Vice President

Scott Glover, Member

Sara Jarman, Member

Anna Van Hoek, Member

Administrative Staff

David Loutzenheiser, Superintendent

Sharon Rushcamp, Interim CFO/Chief Financial Officer

Karen Johnson, Executive Director of Human Resources & Student Services

Jeff Armstrong, Executive Director of Elementary Education

Alan Fields, Executive Director of Secondary Education

Shauna Miller, Executive Director of Special Education

James Walker, Director of Human Resources & Student Services

Jessica Bautista, Director of Marketing & Public Information

(This page intentionally left blank)

Financial Section

(This page intentionally left blank)

Independent Auditor's Report

Governing Board
Higley Unified School District No. 60

Report on Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Higley Unified School District No. 60 (District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Higley Unified School District No. 60, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Change in Accounting Principle

As described in Note 1 to the financial statements, the District implemented the provisions of GASB Statement No. 101, *Compensated Absences*, for the year ended June 30, 2025. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Other Matters

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2025, on our consideration of Higley Unified School District No. 60's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Higley Unified School District No. 60's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Higley Unified School District No. 60's internal control over financial reporting and compliance.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Scottsdale, Arizona
December 9, 2025

(This page intentionally left blank)

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

(This page intentionally left blank)

As management of the Higley Unified School District No. 60 (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2025. The management's discussion and analysis is presented as required supplementary information to supplement the basic financial statements. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The District's total net position of governmental activities increased $7.5 million which represents a four percent increase from the prior fiscal year.

- General revenues accounted for $142.1 million in revenue, or 85 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for $24.5 million or 15 percent of total current fiscal year revenues.

- The District had approximately $159.1 million in expenses related to governmental activities, a decrease of three percent from the prior fiscal year due primarily as a result of a decrease in support services – administration expenses.

- Among major funds, the General Fund had $119.2 million current fiscal year revenues, which primarily consisted of state aid and property taxes, and $120.5 million in expenditures. The General Fund's fund balance decreased from $44.1 million at the prior fiscal year end to $43.0 million at the end of the current fiscal year due to a decrease is state aid and grants revenues.

Overview of Financial Statements

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

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

Overview of Financial Statements

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

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

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

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

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

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

Overview of Financial Statements

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

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

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

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

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

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 $186.0 million at the current fiscal year end.

Government-Wide Financial Analysis

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

The following table presents a summary of the District's net position for the fiscal years ended June 30, 2025 and June 30, 2024.

	As of June 30, 2025	As of June 30, 2024
Current and other assets	$ 108,450,808	$ 111,973,286
Capital assets, net	298,136,221	300,933,327
Total assets	406,587,029	412,906,613
Deferred outflows	16,655,905	14,419,707
Current liabilities	5,488,391	11,157,542
Long-term liabilities	221,487,623	232,221,870
Total liabilities	226,976,014	243,379,412
Deferred inflows	10,275,390	5,422,659
Net position:		
Net investment in capital assets	178,952,506	171,863,322
Restricted	41,614,597	37,409,268
Unrestricted	(34,575,573)	(30,748,341)
Total net position	$ 185,991,530	$ 178,524,249

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

Government-Wide Financial Analysis

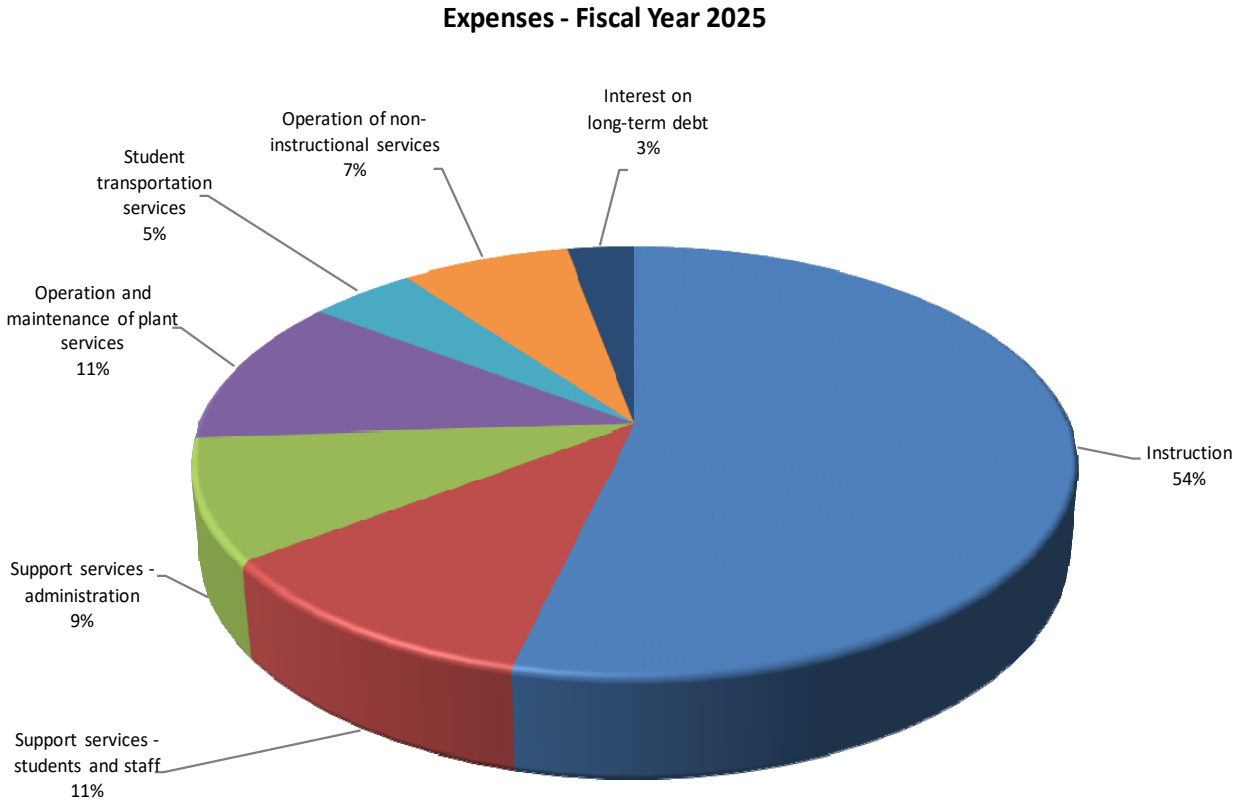
The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets. The following are significant current year transactions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

- The principal retirement of $8.7 million of general obligation bonds.
- The addition of $6.9 million in capital assets through school improvement projects and purchases of vehicles, furniture and equipment.
- The decrease of $5.8 million in pension liabilities.

Changes in net position. The District's total revenues for the current fiscal year were $166.6 million. The total cost of all programs and services was $159.1 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2025 and June 30, 2024.

	Fiscal Year Ended June 30, 2025	Fiscal Year Ended June 30, 2024
Revenues:		
Program revenues:		
Charges for services	$ 16,813,667	$ 14,437,204
Operating grants and contributions	6,603,807	9,174,479
Capital grants and contributions	1,051,075	1,879,713
General revenues:		
Property taxes	50,760,694	51,313,940
Investment income	2,605,946	2,218,908
Unrestricted state aid	87,966,963	96,458,712
Unrestricted federal aid	776,007	860,456
Total revenues	166,578,159	176,343,412
Expenses:		
Instruction	85,506,281	84,739,377
Support services - students and staff	17,667,501	16,251,047
Support services - administration	14,579,897	18,561,363
Operation and maintenance of plant services	17,774,618	17,479,328
Student transportation services	7,355,381	7,591,390
Operation of non-instructional services	11,627,220	13,906,872
Interest on long-term debt	4,599,980	5,025,126
Total expenses	159,110,878	163,554,503
Changes in net position	7,467,281	12,788,909
Net position, beginning	178,524,249	165,735,340
Net position, ending	$ 185,991,530	$ 178,524,249

Government-Wide Financial Analysis



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

- A decrease of $8.5 million in unrestricted state aid due to a decrease in Prop 123 Assistance revenues.
- A decrease of $4.0 million in support services – administration expenses due to the claims and judgments payment in the prior year related to the Qasimyar v. Maricopa County class action judgment.
- A decrease of $2.6 million in operating grants and contributions due to the closing out of the Coronavirus State and Local Fiscal Recovery Funds funding in response to the COVID-19 pandemic.

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.

Government-Wide Financial Analysis

	Year Ended June 30, 2025		Year Ended June 30, 2024	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
Instruction	$ 85,506,281	$ (75,741,094)	$ 84,739,377	$ (75,107,270)
Support services - students and staff	17,667,501	(15,545,578)	16,251,047	(14,922,043)
Support services - administration	14,579,897	(14,406,359)	18,561,363	(18,252,636)
Operation and maintenance of plant services	17,774,618	(16,286,239)	17,479,328	(15,895,885)
Student transportation services	7,355,381	(7,110,376)	7,591,390	(7,551,153)
Operation of non-instructional services	11,627,220	(952,703)	13,906,872	(1,308,994)
Interest on long-term debt	4,599,980	(4,599,980)	5,025,126	(5,025,126)
Total	$ 159,110,878	$ (134,642,329)	$ 163,554,503	$ (138,063,107)

- The cost of all governmental activities this year was $159.1 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of $24.5 million.
- Net cost of governmental activities of $134.6 million was financed by general revenues, which are made up of primarily property taxes of $50.8 million and state aid of $88.0 million. Investment earnings accounted for $2.6 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 $79.9 million, a decrease of $2.8 million due primarily to a decrease in unrestricted state aid.

Financial Analysis of the District's Funds

The General Fund comprises 54 percent of the total fund balance. Approximately $41.3 million, or 96 percent of the General Fund's fund balance is unassigned.

The General Fund is the principal operating fund of the District. Fund balance decreased from $44.1 million to $43.0 million as of fiscal year end. General Fund revenues decreased $2.7 million, while expenditures decreased $6.4 million due to a decrease in capital outlay expenditures related to construction services.

The fund balance in the Classroom Site Fund increased $940,384 to $15.0 million. This was primarily due to a conservative spending approach which led to revenues exceeding expenditures in the current year.

The fund balance in the Federal and State Grants Fund decreased $1.1 million. This was primarily due to the utilization of remaining Coronavirus State and Local Fiscal Recovery Funds.

The fund balance in the Other Special Revenue Fund increased $3.4 million. This was primarily due to a decrease in operation of non-instructional services expenditures.

The fund balance in the Debt Service Fund increased $1.6 million to $3.6 million. This was primarily due to property tax revenues exceeding debt service related expenditures.

Budgetary Highlights

Over the course of the year, the District revised the General Fund annual expenditure budget for changes in student growth throughout the year. The difference between the original budget and the final amended budget was a $1.7 million, or a one percent decrease.

Significant variances for the final amended budget and actual revenues resulted from the District not being required by the State of Arizona to prepare a revenue budget. A schedule showing the original and final budget amounts compared to the District's actual financial activity for the General Fund is provided in this report as required supplementary information. The significant expenditure variances are summarized as follows:

- The favorable expenditure variance of $21.2 million in instruction was a result of effective cost management and lower than expected expenses.

- The unfavorable expenditure variance of $961,500 in operation of non-instructional services was a result of reclassifying Community Education costs due to enrollment changes and program demands.

Capital Assets and Debt Administration

Capital Assets. At year end, the District had invested $417.8 million in capital assets, including school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. This amount represents a net increase prior to depreciation of $5.5 million from the prior fiscal year, primarily due to various land improvements, school remodels, and weatherization projects. Total depreciation and amortization expense for the current fiscal year was $9.7 million.

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

	As of June 30, 2025	As of June 30, 2024
Capital assets - non-depreciable	$ 50,513,821	$ 50,572,006
Capital assets - depreciable/amortizable, net	247,622,400	250,361,321
Total	$ 298,136,221	$ 300,933,327

The estimated cost to complete current construction projects is $25,000.

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

Debt Administration. At year-end, the District had $119.8 million in long-term debt outstanding, $10.0 million due within one year. Long-term debt decreased by $10.2 million due primarily to repayment of debt according to the District's legal debt requirements.

The District's general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds (up to 30 percent of the total net full cash assessed valuation) and the statutory debt limit on Class B bonds (the greater of 20 percent of the net full cash assessed valuation or $1,500 per student). The current total debt limitation for the District is $584.6 million and the Class B debt limit is $389.7 million, both of which are greater than the District's outstanding debt.

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

Additional information on the District's long-term debt can be found in Notes 9 through 11.

Economic Factors and Next Year's Budget and Rates

Many factors were considered by the District's administration during the process of developing the fiscal year 2025-26 budget. Among them:

- Fiscal year 2024-25 budget balance carry forward $20.7 million.
- District student population (estimated 11,711).

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

Budgeted expenditures in the General Fund decreased seven percent to $117.1 million in fiscal year 2025-26. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2025-26 budget.

Contacting the District's Financial Management

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

Basic Financial Statements

(This page intentionally left blank)

Government-Wide Financial Statements

Higley Unified School District No. 60
Statement of Net Position
June 30, 2025

	Governmental Activities
Assets	
Current assets:	
Cash and investments	$ 81,186,649
Property taxes receivable	441,370
Accounts receivable	719,428
Due from governmental entities	20,345,162
Prepaid items	1,654,684
Inventory	532,465
Total current assets	104,879,758
Noncurrent assets:	
Net other postemployment benefit plan assets	3,571,050
Capital assets not being depreciated	50,513,821
Capital assets, net accumulated depreciation	247,622,400
Total noncurrent assets	301,707,271
Total assets	406,587,029
Deferred outflows of resources	
Deferred charge on refunding	574,917
Pension plan items	15,834,253
Other postemployment benefit plan items	246,735
Total deferred outflows of resources	16,655,905
Liabilities	
Current liabilities:	
Accounts payable	2,838,323
Accrued payroll and employee benefits	1,460,187
Unearned revenues	36,963
Compensated absences payable	6,191,329
Certificates of participation payable	960,000
Bonds payable	9,045,000
Accrued interest payable	1,152,918
Total current liabilities	21,684,720
Noncurrent liabilities:	
Non-current portion of long-term obligations	205,291,294
Total noncurrent liabilities	205,291,294
Total liabilities	226,976,014
Deferred inflows of resources	
Pension plan items	9,109,387
Other postemployment benefit plan items	1,166,003
Total deferred inflows of resources	10,275,390
Net position	
Net investment in capital assets	178,952,506
Restricted for:	
Instruction	21,035,593
Food service	3,725,298
Non-instructional purposes	6,329,593
Debt service	3,694,872
Capital outlay	3,258,191
Other postemployment benefit plan assets	3,571,050
Unrestricted	(34,575,573)
Total net position	$ 185,991,530

The notes to the basic financial statements are an integral part of this statement.

Higley Unified School District No. 60
Statement of Activities
For the Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Program Revenue: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental activities					
Instruction	$ 85,506,281	$ 6,806,652	$ 2,864,681	$ 93,854	$ (75,741,094)
Support services - students and staff	17,667,501	840,923	1,281,000		(15,545,578)
Support services - administration	14,579,897	104,716	68,822		(14,406,359)
Operation and maintenance of plant services	17,774,618	295,298	548,112	644,969	(16,286,239)
Student transportation services	7,355,381	90,979	154,026		(7,110,376)
Operation of non-instructional services	11,627,220	8,675,099	1,687,166	312,252	(952,703)
Interest on long-term debt	4,599,980				(4,599,980)
Total governmental activities	$ 159,110,878	$ 16,813,667	$ 6,603,807	$ 1,051,075	(134,642,329)
General revenues					
Property taxes					50,760,694
Investment income					2,605,946
Unrestricted state aid					87,966,963
Unrestricted federal aid					776,007
Total general revenues					142,109,610
Changes in net position					7,467,281
Net position, beginning of year					178,524,249
Net position, end of year					$ 185,991,530

The notes to the basic financial statements are an integral part of this statement.

(This page intentionally left blank)

Fund Financial Statements

Higley Unified School District No. 60
Balance Sheet
Governmental Funds
June 30, 2025

	General	Classroom Site	Federal and State Grants	Other Special Revenue
Assets				
Cash and investments	$ 26,630,017	$ 15,004,695	$	$ 9,790,644
Property taxes receivable	336,514			
Accounts receivable				40,074
Due from governmental entities	16,787,098		1,970,912	1,021,834
Due from other funds	328,456			
Prepaid items	1,177,885			
Inventory	532,465			
Total assets	$ 45,792,435	$ 15,004,695	$ 1,970,912	$ 10,852,552
Liabilities				
Accounts payable	$ 1,374,382	$	$ 230,043	$ 229,941
Due to other funds			328,456	
Accrued payroll and employee benefits	1,185,928			274,259
Unearned revenues			36,963	
Bonds payable				
Bond interest payable				
Total liabilities	2,560,310		595,462	504,200
Deferred inflows of resources				
Unavailable revenues - property taxes	234,635			
Unavailable revenues - intergovernmental			1,061,427	
Total deferred inflows of resources	234,635		1,061,427	
Fund balances				
Nonspendable	1,710,350			
Restricted		15,004,695	314,023	10,348,352
Unassigned	41,287,140			
Total fund balances	42,997,490	15,004,695	314,023	10,348,352
Total liabilities, deferred inflows of resources and fund balances	$ 45,792,435	$ 15,004,695	$ 1,970,912	$ 10,852,552

The notes to the basic financial statements are an integral part of this statement.

Debt Service	Non-Major Governmental Funds	Total Governmental Funds
$ 13,787,934	$ 7,252,725	$ 72,466,015
104,856		441,370
		40,074
	565,318	20,345,162
		328,456
		1,177,885
		532,465
$ 13,892,790	$ 7,818,043	$ 95,331,427
$	$ 197,865	$ 2,032,231
		328,456
		1,460,187
		36,963
9,045,000		9,045,000
1,152,918		1,152,918
10,197,918	197,865	14,055,755
71,967		306,602
		1,061,427
71,967		1,368,029
		1,710,350
3,622,905	7,620,178	36,910,153
		41,287,140
3,622,905	7,620,178	79,907,643
$ 13,892,790	$ 7,818,043	$ 95,331,427

(This page intentionally left blank)

Higley Unified School District No. 60
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2025

Total fund balances - governmental funds		**$ 79,907,643**
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	$ 417,759,614	
Less accumulated depreciation	(119,623,393)	
		298,136,221
Some receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds.		
Property taxes	306,602	
Intergovernmental	1,061,427	
		1,368,029
The net OPEB assets are not a current financial resource and, therefore, are not reported in the funds.		3,571,050
Deferred items related to the refunding of bonds are amortized over the life of the associated bond issue in the government-wide statements but not reported in the funds.		574,917
Deferred outflows and inflows of resources related to pensions/OPEB are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions/OPEB	16,080,988	
Deferred inflows of resources related to pensions/OPEB	(10,275,390)	
		5,805,598
The Internal Service Fund is used by management to charge the cost of insurance to the individual funds. The assets and liabilities of the Internal Service Fund are included in the Statement of Net Position.		8,158,922
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Compensated absences payable	(7,448,435)	
Certificates of participation payable	(56,547,721)	
Bonds payable	(54,165,911)	
Net pension liability	(93,368,783)	
		(211,530,850)
Net position of governmental activities		**$ 185,991,530**

The notes to the basic financial statements are an integral part of this statement.

Higley Unified School District No. 60
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

	General	Classroom Site	Federal and State Grants	Other Special Revenue
Revenues				
Other local	$ 3,275,654	$ 511,761	$ 22,175	$ 13,335,224
Property taxes	38,012,039			
State aid and grants	77,172,773	12,068,859	657,227	1
Federal aid, grants and reimbursements	776,007		3,428,814	
Total revenues	119,236,473	12,580,620	4,108,216	13,335,225
Expenditures				
Current:				
Instruction	60,078,516	10,319,240	2,849,923	2,889,163
Support services - students and staff	13,440,768	1,035,291	1,347,583	1,085,565
Support services - administration	12,582,951		85,769	51,598
Operation and maintenance of plant services	14,930,583		183,003	269,434
Student transportation services	5,601,905		162,032	110,618
Operation of non-instructional services	1,519,115	285,705		4,619,227
Capital outlay	8,857,123		469,654	875,639
Debt service:				
Principal retirement	915,000			
Interest and fiscal charges	2,608,882			
Total expenditures	120,534,843	11,640,236	5,097,964	9,901,244
Excess (deficiency) of revenues over expenditures	(1,298,370)	940,384	(989,748)	3,433,981
Other financing sources (uses)				
Transfers in	151,938			
Transfers out			(151,938)	
Insurance recoveries	21,955			
Proceeds from sale of capital assets	47,305			
Total other financing sources (uses)	221,198		(151,938)	
Changes in fund balances	(1,077,172)	940,384	(1,141,686)	3,433,981
Fund balances, beginning of year, previously reported	44,074,662	14,444,861		
Adjustments to beginning fund balances		(380,550)	1,455,709	6,914,371
Fund balances, beginning of year, as restated	44,074,662	14,064,311	1,455,709	6,914,371
Fund balances, end of year	$ 42,997,490	$ 15,004,695	$ 314,023	$ 10,348,352

The notes to the basic financial statements are an integral part of this statement.

Debt Service	Non-Major Governmental Funds	Total Governmental Funds
$ 239,534	$ 2,742,585	$ 20,126,933
12,709,316		50,721,355
	1,393,149	91,292,009
	1,976,270	6,181,091
12,948,850	6,112,004	168,321,388
	754,562	76,891,404
	293,677	17,202,884
		12,720,318
		15,383,020
		5,874,555
	4,533,031	10,957,078
	1,503,402	11,705,818
9,045,000		9,960,000
2,307,388		4,916,270
11,352,388	7,084,672	165,611,347
1,596,462	(972,668)	2,710,041
		151,938
		(151,938)
		21,955
		47,305
		69,260
1,596,462	(972,668)	2,779,301
2,026,443	16,582,376	77,128,342
	(7,989,530)	
2,026,443	8,592,846	77,128,342
$ 3,622,905	$ 7,620,178	$ 79,907,643

Higley Unified School District No. 60
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2025

Changes in fund balances - total governmental funds		**$ 2,779,301**
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report the portion of capital outlay for capitalized assets as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense.		
Expenditures for capitalized assets	$ 6,913,870	
Less current year depreciation	(9,673,571)	
		(2,759,701)
Some revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	39,339	
Intergovernmental	(2,130,284)	
		(2,090,945)
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.		
Certificates of participation retirement	915,000	
Bond principal retirement	9,045,000	
		9,960,000
Governmental funds report pension and OPEB contributions as expenditures. However, they are reported as deferred outflows of resources in the Statement of Net Position. The change in the net pension liability and OPEB asset, adjusted for deferred items, is reported as pension/OPEB expense in the Statement of Activities.		
Current year pension/OPEB contributions	10,119,635	
Pension/OPEB expense	(6,449,636)	
		3,669,999
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	(37,405)	
Deferred bond items on issuance of refunding debt	(287,457)	
Amortization of deferred certificates of participation items	101,704	
Amortization of deferred bond items	502,043	
Compensated absences	(5,336,095)	
		(5,057,210)
The Internal Service Fund is used by management to charge the cost of insurance to the individual funds. The changes in net position of the Internal Service Fund is reported with governmental activities in the Statement of Activities.		965,837
Changes in net position in governmental activities		**$ 7,467,281**

The notes to the basic financial statements are an integral part of this statement.

Higley Unified School District No. 60
Statement of Net Position
Proprietary Funds
June 30, 2025

	Governmental Activities Internal Service Funds
Assets	
Current assets:	
Cash and investments	$ 8,720,634
Accounts receivable	679,354
Prepaid items	476,799
Total current assets	9,876,787
Total assets	9,876,787
Liabilities	
Current liabilities:	
Accounts payable	806,092
Total current liabilities	806,092
Noncurrent liabilities:	
Non-current portion of long-term obligations	911,773
Total noncurrent liabilities	911,773
Total liabilities	1,717,865
Net position	
Unrestricted	8,158,922
Total net position	$ 8,158,922

The notes to the basic financial statements are an integral part of this statement.

Higley Unified School District No. 60
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2025

	Governmental Activities Internal Service Funds
Operating revenues	
Charges for services	$ 1,000,483
Contributions	10,135,691
Total operating revenues	11,136,174
Operating expenses	
Claims	9,305,108
Adjustments to prior year claims reserve	19,142
Administrative fees	1,821
Personnel services	2,593
Other	1,120,129
Total operating expenses	10,448,793
Operating income (loss)	687,381
Nonoperating revenues (expenses)	
Investment income	278,456
Total nonoperating revenue (expenses)	278,456
Changes in net position	965,837
Net position, beginning of year	7,193,085
Net position, end of year	$ 8,158,922

The notes to the basic financial statements are an integral part of this statement.

Higley Unified School District No. 60
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2025

	Governmental Activities Internal Service Funds
Increase/Decrease in Cash and Cash Equivalents	
Cash flows from operating activities	
Cash received from contributions	$ 9,928,093
Cash received from charges for services	1,000,483
Cash payments to suppliers for goods and services	(1,104,752)
Cash payments for claims	(9,442,679)
Net cash provided by/used for operating activities	381,145
Cash flows from investing activities	
Investment income	278,456
Net cash provided by/used for investing activities	278,456
Net increase/decrease in cash and cash equivalents	659,601
Cash and cash equivalents, beginning of year	8,061,033
Cash and cash equivalents, end of year	$ 8,720,634
Reconciliation of Operating Income/Loss to Net Cash Provided by/Used for Operating	
Operating income/loss	$ 687,381
Adjustments to reconcile operating income/loss to net cash provided by/used for operating activities:	
Changes in assets and liabilities:	
Increase/decrease in accounts receivable	(207,598)
Increase/decrease in prepaid items	(5,828)
Increase/decrease in accounts payable	25,619
Increase/decrease in claims payable	(118,429)
Total adjustments	(306,236)
Net cash provided by/used for operating activities	$ 381,145

The notes to the basic financial statements are an integral part of this statement.

Note 1 – Summary of Significant Accounting Policies

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

During the year ended June 30, 2025, the District implemented the provisions of GASB Statement No. 101, *Compensated Absences*. This Statement updates the recognition and measurement guidance for compensated absences. Liabilities are recognized for leave that has not been used, as well as leave that has been used but not yet paid in cash or settled through noncash means. The District's analysis of compensated absences in effect at the beginning of the year resulted in no changes to beginning balances reported in the financial statements due to the implementation of this standard.

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

A. Reporting Entity

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

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

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

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

Note 1 – Summary of Significant Accounting Policies

B. Government-Wide and Fund Financial Statements

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

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

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

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

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

Note 1 – Summary of Significant Accounting Policies

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

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

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

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

The District reports the following major governmental funds:

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

Note 1 – Summary of Significant Accounting Policies

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

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

Other Special Revenue Fund – The Other Special Revenue Fund accounts 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.

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

Additionally, the District reports the following fund type:

Proprietary Fund – The Proprietary Funds are Internal Service Funds that account for activities related to the District's self-insurance program and for activities related to transportation.

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

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

D. Cash and Investments

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

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

Note 1 – Summary of Significant Accounting Policies

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

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

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

E. Investment Income

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

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

I. Prepaid Items

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

J. Capital Assets

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

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

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

Note 1 – Summary of Significant Accounting Policies

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

Land improvements	5 – 25 years
Buildings and improvements	5 – 30 years
Vehicles, furniture and equipment	5 – 20 years
Intangible right-to-use assets	3 – 10 years

K. Deferred Outflows/Inflows of Resources

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

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

L. Compensated Absences

The District's employee vacation and sick leave policies generally provide for granting vacation and sick leave with pay in varying amounts. Only benefits considered more likely than not to be used or paid are recognized in the financial statements. The liability for vacation and sick leave is reported in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee leave, resignations and retirements.

M. Pensions

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

Note 1 – Summary of Significant Accounting Policies

N. Long-term Obligations

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

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

O. Interfund Activity

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

P. Net Position Flow Assumption

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

Q. Estimates

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

Note 1 – Summary of Significant Accounting Policies

R. Subscription-Based Information Technology Arrangements (SBITAs)

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

Note 2 – Fund Balance Classifications

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

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

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

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

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

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	Classroom Site	Federal and State Grants	Other Special Revenue	Debt Service	Non-Major Governmental Funds
Fund Balances:						
Nonspendable:						
Inventory	$ 532,465	$	$	$	$	$
Prepaid items	1,177,885					
Restricted:						
Debt service					3,622,905	
Capital projects						3,258,191
Voter approved initiatives		15,004,695				636,689
Federal and state projects			314,023			
Food service						3,725,298
Civic center				1,121,259		
Community schools				4,711,651		
Extracurricular activities				1,192,445		
Dual enrollment				570,700		
Career technical education				1,276,760		
Student activities				919,658		
Other purposes				555,879		
Unassigned	41,287,140					
Total fund balances	$ 42,997,490	$ 15,004,695	$ 314,023	$ 10,348,352	$ 3,622,905	$ 7,620,178

Note 3 – Stewardship, Compliance and Accountability

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.

	Budget	Expenditures	Excess
Non-Major Governmental Fund:			
Instructional Improvement	$ 900,000	$ 1,048,239	$ (148,239)

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 $677,974 and the bank balance was $1,276,749. At year end, $1,026,749 of the District's deposits were covered by collateral held by the pledging financial institution's trust department or agent but not in the District's name.

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

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

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

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

	Average Maturities	Fair Value
County Treasurer's investment pool	452 days	$ 79,496,563
Kairos investment pool	0.37 years	1,012,112
		$ 80,508,675

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

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

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

Note 5 – Receivables

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

	General	Federal and State Grants	Other Special Revenue	Non-Major Governmental
Due from other governmental entities:				
Due from federal government	$	$ 1,944,225	$	$
Due from state government	16,787,098	26,687		565,318
Due from other districts			1,021,834	
Net due from governmental entities	$ 16,787,098	$ 1,970,912	$ 1,021,834	$ 565,318

Note 6 – Capital Assets

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

Governmental Activities	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	$ 50,458,736	$	$	$ 50,458,736
Construction in progress	113,270	9,527	67,712	55,085
Total capital assets, not being depreciated	50,572,006	9,527	67,712	50,513,821
Capital assets, being depreciated:				
Land improvements	19,463,041	3,489,256		22,952,297
Buildings and improvements	317,449,855	1,520,944		318,970,799
Vehicles, furniture and equipment	22,930,842	1,527,248	1,365,667	23,092,423
Right-to-use SBITA assets	1,795,667	434,607		2,230,274
Total capital assets being depreciated	361,639,405	6,972,055	1,365,667	367,245,793
Less accumulated depreciation for:				
Land improvements	(7,513,173)	(1,017,383)		(8,530,556)
Buildings and improvements	(85,280,721)	(7,164,497)		(92,445,218)
Vehicles, furniture and equipment	(18,009,163)	(1,103,962)	(1,328,262)	(17,784,863)
Right-to-use SBITA assets	(475,027)	(387,729)		(862,756)
Total accumulated depreciation	(111,278,084)	(9,673,571)	(1,328,262)	(119,623,393)
Total capital assets being depreciated, net	250,361,321	(2,701,516)	37,405	247,622,400
Governmental activities capital assets, net	$ 300,933,327	$ (2,691,989)	$ 105,117	$ 298,136,221

Note 6 – Capital Assets

Depreciation expense was charged to governmental functions as follows:

Instruction	$	6,601,439
Support services – students and staff		148,368
Support services – administration		384,380
Operation and maintenance of plant services		1,823,077
Student transportation services		408,658
Operation of non-instructional services		307,649
Total depreciation expense – governmental activities	$	9,673,571

Construction Commitments – At year end, the District had contractual commitments related to roof repair projects. At year end the District had spent $55,085 on the projects and had estimated remaining contractual commitments of $25,000. This project is being funded with proceeds from the Building Renewal Grant fund.

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

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

Note 8 – Certificates of Participation Payable

Certificates of participation payable at year-end are both callable and noncallable, with interest payable semiannually. The General Fund is responsible to make the principal and interest payments on the certificates of participation. Principal and interest requirements at year end, were as follows:

Purpose	Interest Rates	Outstanding Principal June 30, 2025	Due Within One Year
Governmental activities:			
Certificates of Participation, Series 2023	5.00%	$ 53,700,000	$ 960,000

Note 9 – Certificates of Participation Payable

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

	Governmental Activities	
Year ending June 30:	Principal	Interest
2026	$ 960,000	$ 2,563,132
2027	1,010,000	2,515,132
2028	1,060,000	2,464,630
2029	1,110,000	2,411,632
2030	1,165,000	2,356,132
2031-35	6,720,000	10,848,410
2036-40	8,510,000	8,998,404
2041-45	4,015,000	6,828,806
2046-50	11,565,000	4,313,636
2051-53	17,585,000	946,500
Total	$ 53,700,000	$ 44,246,414

Note 10 – General Obligation Bonds Payable

Bonds payable at year end, consisted of the following outstanding general obligation bonds. The bonds are both noncallable and callable with interest payable semiannually. Property taxes from the Debt Service Fund are used to pay bonded debt. The District's legal debt limit is $584.6 million and the available margin is $523.4 million.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2025	Due Within One Year
Governmental activities:					
School Improvement Bonds Project of 2006, Series D (2009)	$ 4,500,000	5.00%	7/1/25-27	$ 1,350,000	$ 430,000
School Improvement Bonds Project of 2013, Series A (2014)	25,795,000	3.00-5.00%	7/1/25-33	15,050,000	1,420,000
School Improvement Bonds Project of 2013, Series B (2015)	19,000,000	3.00-5.00%	7/1/25-34	14,230,000	1,145,000
Refunding Bonds, Series 2015	38,165,000	3.00-5.00%	7/1/25-27	14,410,000	4,795,000
School Improvement Bonds Project of 2013, Series C (2016)	25,785,000	2.50-4.00%	7/1/25-35	16,170,000	1,255,000
Total				$ 61,210,000	$ 9,045,000

Note 10 – General Obligation Bonds Payable

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

	Governmental Activities	
Year ending June 30:	Principal	Interest
2026	$ 9,045,000	$ 2,099,363
2027	9,455,000	1,682,838
2028	9,875,000	1,312,263
2029	4,260,000	1,087,838
2030	4,390,000	944,282
2031-35	22,445,000	2,197,283
2036-40	1,740,000	26,100
Total	$ 61,210,000	$ 9,349,967

Note 11 – 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	$ 69,865,000	$	$ 8,655,000	$ 61,210,000	$ 9,045,000
Premium	2,502,954		502,043	2,000,911	
Total bonds payable	72,367,954		9,157,043	63,210,911	9,045,000
Certificates of participation payable					
Certificates of participation	54,615,000		915,000	53,700,000	960,000
Premium	2,949,425		101,704	2,847,721	
Total certificates of participation payable	57,564,425		1,016,704	56,547,721	960,000
Net pension liability	99,146,949		5,778,166	93,368,783	
Claims payable	1,030,202	7,751,280	7,869,709	911,773	
Compensated absences payable	2,112,340	5,336,095		7,448,435	6,191,329
Total long-term liabilities	$ 232,221,870	$ 13,087,375	$ 23,821,622	$ 221,487,623	$ 16,196,329

Note 12 – Interfund Receivables, Payables, and Transfers

At year end, interfund balances were as follows:

Due to/from other funds – At year end, the Federal and State Grants Fund had a negative cash balance in the Treasurer's pooled cash accounts of $328,456. Negative cash on deposit with the County Treasurer was by interfund borrowing with the General Fund. All interfund balances are expected to be paid within one year.

Note 12 – Interfund Receivables, Payables, and Transfers

Interfund transfers – Transfers between funds of $151,938 were used to move federal grant funds restricted for indirect costs.

Note 13 – Contingent Liabilities

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

Note 14 – Restatements of Beginning Balances

Correction of an Error – In the current fiscal year, the District corrected its accounting records for reclassification of prior year expenditures from the Other Special Revenue Fund to the Classroom Site Fund. The change is reflected on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances as a restatement to beginning of year fund balances.

Change within the Financial Reporting Entity –The Federal and State Grants Fund and Other Special Revenue Fund were previously reported as a non-major governmental fund as it did not meet the criteria to be reported as a major fund. However, current year activity and/or balances for the Federal and State Grants Fund and Other Special Revenue Fund met the criteria to be reported as a major fund.

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

	June 30, 2024, as Previously Reported	Change within the Financial Reporting Entity	Correction of an Error	June 30, 2024, as Restated
Governmental Funds				
Major Funds:				
General Fund	$ 44,074,662	$	$	$ 44,074,662
Classroom Site	14,444,861		(380,550)	14,064,311
Federal and State Grants		1,455,709		1,455,709
Other Special Revenue		6,533,821	380,550	6,914,371
Debt Service	2,026,443			2,026,443
Non-Major Governmental Funds	16,582,376	(7,989,530)		8,592,846
Total Governmental Funds	$ 77,128,342	$	$	$ 77,128,342

Note 15 – Risk Management

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

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

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

The District established a self-insured health care program through the Kairos Health Arizona, Inc. program. Kairos Health is a public employee benefit pool formed under Arizona Revised Statute 11-952.01. The District pays claims and other costs from the General Fund for its employees' health insurance coverage. All claims handling procedures are performed by a third-party claims administrator. The District has reinsurance that limits exposure of any single claim to $350,000.

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

Note 15 – Risk Management

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

Trust	Claims Payable at Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Claims Payable at End of Year
2024-25	$ 1,030,202	$ 7,751,280	$ 7,869,709	$ 911,773
2023-24	838,216	8,152,813	7,960,827	1,030,202

Note 16 – Pensions

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

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

	Pension	OPEB	Total
Net assets	$	$ 3,571,050	$ 3,571,050
Net liability	93,368,783		93,368,783
Deferred outflows of resources	15,834,253	246,735	16,080,988
Deferred inflows of resources	9,109,387	1,166,003	10,275,390
Expense	6,945,703	(496,067)	6,449,636
Contributions	10,061,189	58,446	10,119,635

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

Note 16 – Pensions

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

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

*With actuarially reduced benefits

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

Contributions. In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 12.27 percent (12.12 percent for retirement and 0.15 percent for long-term disability) of the members' annual covered payroll, and the District was required by statute to contribute at the actuarially determined rate of 12.27 percent (12.05 percent for retirement, 0.07 percent for health insurance premium benefit, and 0.15 percent for long-term disability) of the active members' annual covered payroll. The District's contributions to the pension plan for the year ended June 30, 2025 were $10,061,189.

Note 16 – Pensions

Employers are also required to pay an Alternate Contribution Rate (ACR), for retired members who return to work in positions that would typically be filled by an employee who contributes to ASRS. The District was required by statute to contribute at the actuarially determined rate of 10.19 percent (10.14 for retirement and 0.05 percent for long-term disability). ACR contributions are included in employer contributions presented above.

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

Pension Liability. The net pension liability was measured as of June 30, 2024. The total liability used to calculate the net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2023, to the measurement date of June 30, 2024. The District's proportion of the net liability was based on the District's actual contributions to the applicable plan relative to the total of all participating employers' contributions to the plan for the year ended June 30, 2024.

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

Net Liability	District % Proportion	Increase (Decrease)
$ 93,368,783	0.584	(0.029)

Pension Expense and Deferred Outflows/Inflows of Resources. The District has deferred outflows and inflows of resources related to the net pension liability. Certain changes in the net pension liability are recognized as pension expense over a period of time rather than the year of occurrence. The District's pension expense for the year ended June 30, 2025 was $6,945,703.

Note 16 – Pensions

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 5,211,758	$
Net difference between projected and actual earnings on pension investments		5,962,619
Changes in proportion and differences between contributions and proportionate share of contributions	561,306	3,146,768
Contributions subsequent to the measurement date	10,061,189	
Total	$ 15,834,253	$ 9,109,387

The amounts of deferred outflows of resources resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as an adjustment of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:	
2026	$ (3,809,568)
2027	3,076,791
2028	(1,509,335)
2029	(1,094,211)

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

Actuarial valuation date	June 30, 2023
Actuarial roll forward date	June 30, 2024
Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Inflation	2.3%
Projected salary increases	2.9-8.4%
Permanent base increases	Included
Mortality rates	2017 SRA Scale U-MP

Note 16 – Pensions

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2020. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2020, actuarial valuation.

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

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

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
Public equity	44%	4.48%
Credit	23%	4.40
Interest rate sensitive	6%	(.45)
Private equity	10%	6.11
Real estate	17%	6.05
Total	100%	

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

Note 16 – Pensions

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

	1% Decrease	Current Discount Rate	1% Increase
Rate	6.0%	7.0%	8.0%
Net liability	$ 142,966,699	$ 93,368,783	$ 52,033,250

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.

Required Supplementary Information

Higley Unified School District No. 60
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General
For the Year Ended June 30, 2025

	Budget		Non-GAAP	Variance with
	Original	Final	Actual	Final Budget
Revenues				
Other local	$	$	$ 752,291	$ 752,291
Property taxes			27,077,328	27,077,328
State aid and grants			76,877,360	76,877,360
Total revenues			104,706,979	104,706,979
Expenditures				
Current:				
Instruction	81,238,346	79,999,894	58,843,275	21,156,619
Support services - students and staff	11,143,498	12,740,272	12,569,955	170,317
Support services - administration	11,984,633	11,378,692	12,189,252	(810,560)
Operation and maintenance of plant services	17,171,773	15,520,944	14,845,273	675,671
Student transportation services	6,002,992	6,163,898	5,541,603	622,295
Operation of non-instructional services	522,899	554,477	1,515,977	(961,500)
Total expenditures	128,064,141	126,358,177	105,505,335	20,852,842
Changes in fund balances	(128,064,141)	(126,358,177)	(798,356)	125,559,821
Fund balances, beginning of year			26,870,437	26,870,437
Fund balances, end of year	$ (128,064,141)	$ (126,358,177)	$ 26,072,081	$ 152,430,258

See accompanying notes to this schedule.

Higley Unified School District No. 60
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Classroom Site
For the Year Ended June 30, 2025

	Budget			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Other local	$	$	$ 511,761	$ 511,761
State aid and grants			12,068,859	12,068,859
Total revenues			12,580,620	12,580,620
Expenditures				
Current:				
Instruction	25,492,000	23,384,716	10,319,240	13,065,476
Support services - students and staff	1,135,073	2,883,456	1,035,291	1,848,165
Operation of non-instructional services		245,000	285,705	(40,705)
Total expenditures	26,627,073	26,513,172	11,640,236	14,872,936
Changes in fund balances	(26,627,073)	(26,513,172)	940,384	27,453,556
Fund balances, beginning of year, previously reported			14,444,861	14,444,861
Adjustments to beginning fund balances			(380,550)	(380,550)
Fund balances, beginning of year, as restated			14,064,311	14,064,311
Fund balances, end of year	$ (26,627,073)	$ (26,513,172)	$ 15,004,695	$ 41,517,867

See accompanying notes to this schedule.

Higley Unified School District No. 60
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Federal and State Grants
For the Year Ended June 30, 2025

	Budget			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Other local	$	$	$ 22,175	$ 22,175
State aid and grants			657,227	657,227
Federal aid, grants and reimbursements			3,428,814	3,428,814
Total revenues			4,108,216	4,108,216
Expenditures				
Current:				
Instruction	2,520,165	3,432,432	2,849,923	582,509
Support services - students and staff	1,191,657	1,623,022	1,347,583	275,439
Support services - administration	75,845	103,300	85,769	17,531
Operation and maintenance of plant services	161,828	220,408	183,003	37,405
Student transportation services	143,284	195,150	162,032	33,118
Capital outlay	415,311	565,649	469,654	95,995
Total expenditures	4,508,090	6,139,960	5,097,964	1,041,996
Excess (deficiency) of revenues over expenditures	(4,508,090)	(6,139,960)	(989,748)	5,150,212
Other financing sources (uses)				
Transfers out			(151,938)	(151,938)
Total other financing sources (uses)			(151,938)	(151,938)
Changes in fund balances	(4,508,090)	(6,139,960)	(1,141,686)	4,998,274
Fund balances, beginning of year, previously reported			1,455,709	1,455,709
Adjustments to beginning fund balances				
Fund balances, beginning of year, as restated			1,455,709	1,455,709
Fund balances, end of year	$ (4,508,090)	$ (6,139,960)	$ 314,023	$ 6,453,983

See accompanying notes to this schedule.

Higley Unified School District No. 60
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Other Special Revenue
For the Year Ended June 30, 2025

	Budget			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Other local	$	$	$ 13,335,224	$ 13,335,224
State aid and grants			1	1
Total revenues			13,335,225	13,335,225
Expenditures				
Current:				
Instruction	2,930,498	4,694,920	2,889,163	1,805,757
Support services - students and staff	1,101,096	1,764,054	1,085,565	678,489
Support services - administration	52,336	83,847	51,598	32,249
Operation and maintenance of plant services	273,289	437,833	269,434	168,399
Student transportation services	112,201	179,755	110,618	69,137
Operation of non-instructional services	4,685,314	7,506,292	4,619,227	2,887,065
Capital outlay	888,167	1,422,923	875,639	547,284
Total expenditures	10,042,900	16,089,625	9,901,244	6,188,381
Changes in fund balances	(10,042,900)	(16,089,625)	3,433,981	19,523,606
Fund balances, beginning of year, previously reported			6,533,821	6,533,821
Adjustments to beginning fund balances			380,550	380,550
Fund balances, beginning of year, as restated			6,914,371	6,914,371
Fund balances, end of year	$ (10,042,900)	$ (16,089,625)	$ 10,348,352	$ 26,437,977

See accompanying notes to this schedule.

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

	2025	2024	2023	2022
Measurement date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
District's proportion of the net pension (assets) liability	0.58%	0.61%	0.60%	0.61%
District's proportionate share of the net pension (assets) liability	$ 93,368,783	$ 99,146,949	$ 97,975,763	$ 80,021,210
District's covered payroll	$ 81,576,833	$ 79,965,470	$ 71,463,064	$ 68,086,575
District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	114.46%	123.99%	137.10%	117.53%
Plan fiduciary net position as a percentage of the total pension liability	76.93%	75.47%	74.26%	78.58%

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

	2025	2024	2023	2022
Actuarially determined contribution	$ 10,061,189	$ 9,813,693	$ 9,531,884	$ 8,582,714
Contributions in relation to the actuarially determined contribution	10,061,189	9,813,693	9,531,884	8,582,714
Contribution deficiency (excess)	$	$	$	$
District's covered payroll	$ 83,495,344	$ 81,576,833	$ 79,965,470	$ 71,463,064
Contributions as a percentage of covered payroll	12.05%	12.03%	11.92%	12.01%

See accompanying notes to this schedule.

2021	2020	2019	2018	2017	2016
June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
0.57%	0.55%	0.50%	0.49%	0.42%	0.44%
$ 98,804,481	$ 80,373,352	$ 70,090,828	$ 76,167,321	$ 67,096,542	$ 68,904,231
$ 62,817,074	$ 58,302,299	$ 49,901,954	$ 47,591,929	$ 38,702,940	$ 40,904,013
157.29%	137.86%	140.46%	160.04%	173.36%	168.45%
69.33%	73.24%	73.40%	69.92%	67.06%	68.35%

2021	2020	2019	2018	2017	2016
$ 7,932,086	$ 7,192,555	$ 6,518,197	$ 5,439,313	$ 5,130,410	$ 4,199,269
7,932,086	7,192,555	6,518,197	5,439,313	5,130,410	4,199,269
$	$	$	$	$	$
$ 68,086,575	$ 62,817,074	$ 58,302,299	$ 49,901,954	$ 47,591,929	$ 38,702,940
11.65%	11.45%	11.18%	10.90%	10.78%	10.85%

Higley Unified School District No. 60
Notes to Required Supplementary Information
June 30, 2025

Note 1 – Budgetary Basis of Accounting

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

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

Additionally, the General Fund includes the Maintenance and Operations Fund and other funds that do not meet the criteria for separate reporting in the financial statements, and which do not have legally adopted budgets. Arizona Revised Statutes requires a Maintenance and Operations Fund budget, and therefore, these other funds must be subtracted to present only the activity of the Maintenance and Operations Fund, as presented on page 70.

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

	Total Expenditures	Fund Balances End of Year
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	$ 120,534,843	$ 42,997,490
Other funds presented in the General Fund	(15,083,512)	(15,626,315)
Current-year prepaid items	1,177,885	(1,177,885)
Prior-year prepaid items	(1,121,486)	
Employee insurance account	(2,395)	(121,209)
Schedule of Revenue, Expenditures and Changes in Fund Balances – Budget and Actual - General Fund	$ 105,505,335	$ 26,072,081

Note 2 – Pension Plan Schedules

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

Factors that Affect Trends. The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2020. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2020, actuarial valuation.

Combining and Individual
Fund Financial Statements and Schedules

(This page intentionally left blank)

Governmental Funds

(This page intentionally left blank)

Non-Major Governmental Funds

Special Revenue Funds

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

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

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: capital gifts and donations, energy water and savings, and building renewal grant.

Higley Unified School District No. 60
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2025

	Special Revenue Funds		Capital Projects Funds	
	Instructional Improvement	Food Service	Adjacent Ways	Other Capital Projects
Assets				
Cash and investments	$ 173,521	$ 3,923,163	$ 2,050,608	$ 1,105,433
Due from governmental entities	463,168			102,150
Total assets	$ 636,689	$ 3,923,163	$ 2,050,608	$ 1,207,583
Liabilities				
Accounts payable	$	$ 197,865	$	$
Total liabilities		197,865		
Fund balances				
Restricted	636,689	3,725,298	2,050,608	1,207,583
Total fund balances	636,689	3,725,298	2,050,608	1,207,583
Total liabilities, deferred inflows of resources and fund balances	$ 636,689	$ 3,923,163	$ 2,050,608	$ 1,207,583

Total Non-Major Governmental Funds
$ 7,252,725
565,318
$ 7,818,043
$ 197,865
197,865
7,620,178
7,620,178
$ 7,818,043

Higley Unified School District No. 60
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2025

	Special Revenue Funds			
	Instructional Improvement	Federal and State Grants	Food Service	Other Special Revenue
Revenues				
Other local	$ 12,401	$	$ 2,607,756	$
State aid and grants	971,708		23,147	
Federal aid, grants and reimbursements			1,976,270	
Total revenues	984,109		4,607,173	
Expenditures				
Current:				
Instruction	754,562			
Support services - students and staff	293,677			
Operation of non-instructional services			4,533,031	
Capital outlay			312,252	
Total expenditures	1,048,239		4,845,283	
Changes in fund balances	(64,130)		(238,110)	
Fund balances, beginning of year, previously reported	700,819	1,455,709	3,963,408	6,533,821
Adjustments to beginning fund balances		(1,455,709)		(6,533,821)
Fund balances, beginning of year, as restated	700,819		3,963,408	
Fund balances, end of year	$ 636,689	$	$ 3,725,298	$

Capital Projects Funds		Total Non-Major Governmental Funds
Adjacent Ways	Other Capital Projects	
$ 71,583	$ 50,845	$ 2,742,585
	398,294	1,393,149
		1,976,270
71,583	449,139	6,112,004
		754,562
		293,677
		4,533,031
400,493	790,657	1,503,402
400,493	790,657	7,084,672
(328,910)	(341,518)	(972,668)
2,379,518	1,549,101	16,582,376
		(7,989,530)
2,379,518	1,549,101	8,592,846
$ 2,050,608	$ 1,207,583	$ 7,620,178

Higley Unified School District No. 60
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Instructional Improvement
For the Year Ended June 30, 2025

	Budget			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Other local	$	$	$ 12,401	$ 12,401
State aid and grants			971,708	971,708
Total revenues			984,109	984,109
Expenditures				
Current:				
Instruction	719,838	647,854	754,562	(106,708)
Support services - students and staff	280,162	252,146	293,677	(41,531)
Total expenditures	1,000,000	900,000	1,048,239	(148,239)
Changes in fund balances	(1,000,000)	(900,000)	(64,130)	835,870
Fund balances, beginning of year			700,819	700,819
Fund balances, end of year	$ (1,000,000)	$ (900,000)	$ 636,689	$ 1,536,689

Higley Unified School District No. 60
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Food Service
For the Year Ended June 30, 2025

	Budget			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Other local	$	$	$ 2,607,756	$ 2,607,756
State aid and grants			23,147	23,147
Federal aid, grants and reimbursements			1,976,270	1,976,270
Total revenues			4,607,173	4,607,173
Expenditures				
Current:				
Operation of non-instructional services	5,847,222	6,314,999	4,533,031	1,781,968
Capital outlay	402,778	435,001	312,252	122,749
Total expenditures	6,250,000	6,750,000	4,845,283	1,904,717
Changes in fund balances	(6,250,000)	(6,750,000)	(238,110)	6,511,890
Fund balances, beginning of year, as restated			3,963,408	3,963,408
Fund balances, end of year	$ (6,250,000)	$ (6,750,000)	$ 3,725,298	$ 10,475,298

Higley Unified School District No. 60
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Debt Service
For the Year Ended June 30, 2025

	Budget			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Other local	$	$	$ 239,534	$ 239,534
Property taxes			12,709,316	12,709,316
Total revenues			12,948,850	12,948,850
Expenditures				
Debt service:				
Principal retirement	9,045,000	9,045,000	9,045,000	
Interest and fiscal charges	955,000	10,955,000	2,307,388	8,647,612
Total expenditures	10,000,000	20,000,000	11,352,388	8,647,612
Changes in fund balances	(10,000,000)	(20,000,000)	1,596,462	21,596,462
Fund balances, beginning of year			2,026,443	2,026,443
Fund balances, end of year	$ (10,000,000)	$ (20,000,000)	$ 3,622,905	$ 23,622,905

Higley Unified School District No. 60
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Adjacent Ways
For the Year Ended June 30, 2025

	Budget			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Other local	$	$	$ 71,583	$ 71,583
Total revenues			71,583	71,583
Expenditures				
Capital outlay	2,304,502	2,455,858	400,493	2,055,365
Total expenditures	2,304,502	2,455,858	400,493	2,055,365
Changes in fund balances	(2,304,502)	(2,455,858)	(328,910)	2,126,948
Fund balances, beginning of year			2,379,518	2,379,518
Fund balances, end of year	$ (2,304,502)	$ (2,455,858)	$ 2,050,608	$ 4,506,466

Higley Unified School District No. 60
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Other Capital Projects
For the Year Ended June 30, 2025

	Budget			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Other local	$	$	$ 50,845	$ 50,845
State aid and grants			398,294	398,294
Total revenues			449,139	449,139
Expenditures				
Capital outlay	2,635,000	2,070,000	790,657	1,279,343
Total expenditures	2,635,000	2,070,000	790,657	1,279,343
Changes in fund balances	(2,635,000)	(2,070,000)	(341,518)	1,728,482
Fund balances, beginning of year			1,549,101	1,549,101
Fund balances, end of year	$ (2,635,000)	$ (2,070,000)	$ 1,207,583	$ 3,277,583

Internal Service Funds

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

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

Higley Unified School District No. 60
Combining Statement of Net Position
Internal Service Funds
June 30, 2025

	District Services	Insurance Trust	Total Internal Service Funds
Assets			
Current assets:			
Cash and investments	$ 1,455,155	$ 7,265,479	$ 8,720,634
Accounts receivable		679,354	679,354
Prepaid items		476,799	476,799
Total current assets	1,455,155	8,421,632	9,876,787
Total assets	1,455,155	8,421,632	9,876,787
Liabilities			
Current liabilities:			
Accounts payable		806,092	806,092
Total current liabilities		806,092	806,092
Noncurrent liabilities:			
Non-current portion of long-term obligations		911,773	911,773
Total noncurrent liabilities		911,773	911,773
Total liabilities		1,717,865	1,717,865
Net position			
Unrestricted	1,455,155	6,703,767	8,158,922
Total net position	$ 1,455,155	$ 6,703,767	$ 8,158,922

Higley Unified School District No. 60
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2025

	District Services	Insurance Trust	Total Internal Service Funds
Operating revenues			
Charges for services	$ 974,279	$ 26,204	$ 1,000,483
Contributions		10,135,691	10,135,691
Total operating revenues	974,279	10,161,895	11,136,174
Operating expenses			
Claims		9,305,108	9,305,108
Adjustments to prior year claims reserve		19,142	19,142
Administrative fees		1,821	1,821
Personnel services	2,593		2,593
Other	1,114,976	5,153	1,120,129
Total operating expenses	1,117,569	9,331,224	10,448,793
Operating income (loss)	(143,290)	830,671	687,381
Nonoperating revenues (expenses)			
Investment income	42,631	235,825	278,456
Total nonoperating revenue (expenses)	42,631	235,825	278,456
Changes in net position	(100,659)	1,066,496	965,837
Net position, beginning of year	1,555,814	5,637,271	7,193,085
Net position, end of year	$ 1,455,155	$ 6,703,767	$ 8,158,922

Higley Unified School District No. 60
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2025

	District Services	Insurance Trust	Total Internal Service Funds
Increase/Decrease in Cash and Cash Equivalents			
Cash flows from operating activities			
Cash received from contributions	$ 30,444	$ 9,897,649	$ 9,928,093
Cash received from charges for services	974,279	26,204	1,000,483
Cash payments to suppliers for goods and services	(1,117,569)	12,817	(1,104,752)
Cash payments for claims		(9,442,679)	(9,442,679)
Net cash provided by/used for operating activities	(112,846)	493,991	381,145
Cash flows from investing activities			
Investment income	42,631	235,825	278,456
Net cash provided by/used for investing activities	42,631	235,825	278,456
Net increase/decrease in cash and cash equivalents	(70,215)	729,816	659,601
Cash and cash equivalents, beginning of year	1,525,370	6,535,663	8,061,033
Cash and cash equivalents, end of year	$ 1,455,155	$ 7,265,479	$ 8,720,634
Reconciliation of Operating Income/Loss to Net Cash Provided by/Used for Operating Activities			
Operating income/loss	$ (143,290)	$ 830,671	$ 687,381
Adjustments to reconcile operating income/loss to net cash provided by/used for operating activities:			
Changes in assets and liabilities:			
Increase/decrease in accounts receivable	30,444	(238,042)	(207,598)
Increase/decrease in prepaid items		(5,828)	(5,828)
Increase/decrease in accounts payable		25,619	25,619
Increase/decrease in claims payable		(118,429)	(118,429)
Total adjustments	30,444	(336,680)	(306,236)
Net cash provided by/used for operating activities	$ (112,846)	$ 493,991	$ 381,145

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.

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

	Fiscal Year Ended June 30				
	2025	**2024**	**2023**	**2022**	**2021**
Net Position:					
Net investment in capital assets	$ 178,952,506	$ 171,863,322	$ 157,097,931	$ 140,585,726	$ 134,705,903
Restricted	41,614,597	37,330,306	29,357,089	30,902,052	23,444,407
Unrestricted	(34,575,573)	(30,669,379)	(20,719,680)	(24,526,463)	(27,413,247)
Total net position	$ 185,991,530	$ 178,524,249	$ 165,735,340	$ 146,961,315	$ 130,737,063

	2020	**2019**	**2018**	**2017**	**2016**
Net Position:					
Net investment in capital assets	$ 132,112,648	$ 128,967,692	$ 128,858,122	$ 128,433,323	$ 130,773,955
Restricted	27,294,465	29,737,489	27,621,125	21,924,467	16,692,139
Unrestricted	(35,972,478)	(37,479,780)	(40,274,425)	(44,738,431)	(49,873,364)
Total net position	$ 123,434,635	$ 121,225,401	$ 116,204,822	$ 105,619,359	$ 97,592,730

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

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

	Fiscal Year Ended June 30				
	2025	**2024**	**2023**	**2022**	**2021**
Expenses					
Instruction	$ 85,506,281	$ 84,739,377	$ 87,437,859	$ 79,265,921	$ 76,017,421
Support services - students and staff	17,667,501	16,251,047	15,784,818	13,051,455	12,161,028
Support services - administration	14,579,897	18,561,363	14,468,133	12,419,555	10,998,030
Operation and maintenance of plant services	17,774,618	17,479,328	16,363,720	14,138,972	13,176,540
Student transportation services	7,355,381	7,591,390	7,794,165	7,015,614	5,651,430
Operation of non-instructional services	11,627,220	13,906,872	11,649,076	12,308,627	9,405,326
Interest on long-term debt	4,599,980	5,025,126	3,495,080	6,011,577	6,423,258
Total expenses	159,110,878	163,554,503	156,992,851	144,211,721	133,833,033
Program Revenues					
Charges for services:					
Instruction	6,806,652	4,377,625	4,996,458	4,110,775	3,126,545
Operation of non-instructional services	8,675,099	9,460,025	8,823,350	7,072,509	3,162,030
Other activities	1,331,916	599,554	359,340	512,993	352,598
Operating grants and contributions	6,603,807	9,174,479	18,025,228	20,687,388	14,807,268
Capital grants and contributions	1,051,075	1,879,713	2,963,196	3,383,618	3,340,051
Total program revenues	24,468,549	25,491,396	35,167,572	35,767,283	24,788,492
Net (Expense)/Revenue	$ (134,642,329)	$ (138,063,107)	$ (121,825,279)	$ (108,444,438)	$ (109,044,541)

(Continued)

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

	2020	2019	2018	2017	2016
Expenses					
Instruction	$ 71,958,335	$ 58,486,306	$ 53,219,020	$ 51,516,904	$ 43,532,200
Support services - students and staff	11,671,577	9,853,686	9,079,961	10,020,317	7,570,336
Support services - administration	11,505,496	12,306,380	9,426,535	8,485,992	7,866,516
Operation and maintenance of plant services	12,424,676	11,002,100	10,322,963	9,292,783	8,842,980
Student transportation services	6,440,651	5,385,063	5,367,763	4,834,573	4,215,449
Operation of non-instructional services	9,413,744	8,373,003	7,750,744	6,585,746	5,869,724
Interest on long-term debt	6,608,376	7,026,324	7,362,903	7,561,154	6,880,263
Total expenses	130,022,855	112,432,862	102,529,889	98,297,469	84,777,468
Program Revenues					
Charges for services:					
Instruction	2,380,965	2,640,652	1,698,524	2,285,105	1,923,404
Operation of non-instructional services	5,905,476	7,207,456	6,365,826	5,427,421	5,180,447
Other activities	160,249	215,165	22,600	537,671	517,666
Operating grants and contributions	6,998,907	6,652,702	5,979,785	5,010,894	5,158,046
Capital grants and contributions	5,222,153	232,827	5,326,271	700,562	446,499
Total program revenues	20,667,750	16,948,802	19,393,006	13,961,653	13,226,062
Net (Expense)/Revenue	$ (109,355,105)	$ (95,484,060)	$ (83,136,883)	$ (84,335,816)	$ (71,551,406)

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

Note: Support services – administration were higher than normal in fiscal year 2023-24 due to the claims and judgments payment related to the Qasimyar v. Maricopa County, Class Action Judgment.

(Concluded)

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

	Fiscal Year Ended June 30				
	2025	**2024**	**2023**	**2022**	**2021**
Net (Expense)/Revenue	$ (134,642,329)	$ (138,063,107)	$ (121,825,279)	$ (108,444,438)	$ (109,044,541)
General Revenues:					
Property taxes	50,760,694	51,313,940	46,761,427	42,924,404	43,908,763
Investment income	2,605,946	2,218,908	1,323,429	521,394	558,791
Unrestricted county aid				5,459,141	5,474,795
Unrestricted state aid	87,966,963	96,458,712	87,224,633	75,244,926	65,891,139
Unrestricted federal aid	776,007	860,456	266,923	518,825	513,481
Total general revenues	142,109,610	150,852,016	135,576,412	124,668,690	116,346,969
Changes in Net Position	$ 7,467,281	$ 12,788,909	$ 13,751,133	$ 16,224,252	$ 7,302,428

(Continued)

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

	2020	2019	2018	2017	2016
Net (Expense)/Revenue	$ (109,355,105)	$ (95,484,060)	$ (83,136,883)	$ (84,335,816)	$ (71,551,406)
General Revenues:					
Property taxes	39,340,137	37,514,194	37,507,871	37,960,306	29,112,280
Investment income	1,089,320	1,004,204	708,989	326,326	253,933
Unrestricted county aid	4,786,078	4,519,439	4,352,601	3,948,588	3,675,703
Unrestricted state aid	64,629,396	56,996,105	50,578,796	47,324,979	45,106,669
Special item - Gain on sale of capital assets				1,058,793	
Unrestricted federal aid	443,164	470,697	560,532	258,013	196,153
Total general revenues	110,288,095	100,504,639	93,708,789	90,877,005	78,344,738
Changes in Net Position	$ 932,990	$ 5,020,579	$ 10,571,906	$ 6,541,189	$ 6,793,332

Source: The source of this information is the District's financial records.
Note: Due to a change in legislation, beginning with fiscal year 2023, unrestricted county aid is now presented with property taxes.

(Concluded)

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

	Fiscal Year Ended June 30				
	2025	**2024**	**2023**	**2022**	**2021**
General Fund:					
Nonspendable	$ 1,710,350	$ 2,188,925	$ 1,585,044	$ 1,606,969	$ 445,381
Unassigned	41,287,140	41,885,737	48,565,488	40,424,466	38,384,552
Total General Fund	$ 42,997,490	$ 44,074,662	$ 50,150,532	$ 42,031,435	$ 38,829,933
All Other Governmental Funds:					
Unassigned	$	$	$ (5,702,931)	$ (5,700,367)	$ (4,839,047)
Restricted	36,910,153	33,053,680	28,048,133	33,978,946	28,406,470
Total all other governmental funds	$ 36,910,153	$ 33,053,680	$ 22,345,202	$ 28,278,579	$ 23,567,423

(Continued)

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

	2020	2019	2018	2017	2016
General Fund:					
Nonspendable	$ 428,686	$ 110,136	$	$ 213,361	$ 20,000
Unassigned	24,232,234	14,293,325	13,777,344	11,652,445	9,747,958
Total General Fund	$ 24,660,920	$ 14,403,461	$ 13,777,344	$ 11,865,806	$ 9,767,958
All Other Governmental Funds:					
Restricted	$ 37,254,898	$ 43,792,818	$ 44,382,795	$ 42,184,771	$ 47,479,275
Unassigned	(1,203,430)	(393,031)	(774,329)	(495,799)	
Total all other governmental funds	$ 36,051,468	$ 43,399,787	$ 43,608,466	$ 41,688,972	$ 47,479,275

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

(Concluded)

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

	Fiscal Year Ended June 30				
	2025	**2024**	**2023**	**2022**	**2021**
Federal sources:					
Federal grants	$ 4,204,821	$ 13,203,207	$ 14,507,910	$ 11,820,157	$ 6,218,170
National School Lunch Program	1,976,270	2,480,189	2,110,959	8,009,870	4,623,337
Total federal sources	6,181,091	15,683,396	16,618,869	19,830,027	10,841,507
State sources:					
State equalization assistance	77,172,773	80,958,058	75,281,649	63,342,131	58,843,488
State grants	657,228	948,231	1,672,749	1,495,386	1,417,110
School Facilities Oversight Board	398,294	608,895			1,527,396
Other revenues	13,063,714	12,648,132	11,954,824	11,902,795	7,049,300
Total state sources	91,292,009	95,163,316	88,909,222	76,740,312	68,837,294
Local sources:					
Property taxes	50,721,355	51,157,909	46,710,408	43,454,522	44,033,549
County aid				5,459,141	5,474,795
Food service sales	2,472,782	2,892,835	2,662,584	703,570	397,300
Investment income	2,327,490	2,002,694	1,223,136	497,989	534,063
Other revenues	15,326,661	12,813,008	13,868,113	12,726,224	6,626,995
Total local sources	70,848,288	68,866,446	64,464,241	62,841,446	57,066,702
Total revenues	$ 168,321,388	$ 179,713,158	$ 169,992,332	$ 159,411,785	$ 136,745,503

(Continued)

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

	2020	2019	2018	2017	2016
Federal sources:					
Federal grants	$ 3,673,709	$ 4,450,595	$ 3,275,999	$ 3,637,913	$ 3,323,771
National School Lunch Program	2,285,251	1,259,503	1,429,252	1,314,797	1,315,052
Total federal sources	5,958,960	5,710,098	4,705,251	4,952,710	4,638,823
State sources:					
State equalization assistance	57,714,578	50,131,139	44,572,118	42,281,700	40,146,339
State grants	922,830	924,403	776,127	66,934	67,730
School Facilities Oversight Board	4,676,124	89,780	5,054,053	44,794	171,199
Other revenues	6,932,696	6,864,966	6,006,678	5,043,279	4,789,131
Total state sources	70,246,228	58,010,288	56,408,976	47,436,707	45,174,399
Local sources:					
Property taxes	40,807,910	38,950,375	36,903,974	37,795,688	30,669,919
County aid	4,786,078	4,519,439	4,352,601	3,948,588	3,675,703
Food service sales	1,569,859	1,945,367	1,726,929	1,655,419	1,399,883
Investment income	1,061,390	976,396	697,478	321,389	237,597
Other revenues	8,204,846	8,635,660	7,328,049	7,284,450	7,155,141
Total local sources	56,430,083	55,027,237	51,009,031	51,005,534	43,138,243
Total revenues	$ 132,635,271	$ 118,747,623	$ 112,123,258	$ 103,394,951	$ 92,951,465

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

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

(Concluded)

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

	Fiscal Year Ended June 30				
	2025	**2024**	**2023**	**2022**	**2021**
Expenditures:					
Current -					
Instruction	$ 76,891,404	$ 73,047,989	$ 72,962,846	$ 68,057,260	$ 64,087,048
Support services - students and staff	17,202,884	15,330,941	14,762,929	12,081,147	11,024,160
Support services - administration	12,720,318	17,192,281	12,484,112	10,838,337	9,153,220
Operation and maintenance of plant services	15,383,020	15,072,210	13,609,141	12,440,358	10,607,057
Student transportation services	5,874,555	5,985,695	5,704,180	4,985,499	3,739,315
Operation of non-instructional services	10,957,078	13,143,169	10,845,152	11,495,682	8,619,035
Capital outlay	11,705,818	20,496,361	23,652,624	13,144,129	11,650,350
Debt service -					
Principal retirement	9,960,000	9,525,000	71,650,000	9,385,000	9,530,000
Interest and fiscal charges	4,916,270	5,341,416	3,900,016	6,314,809	6,726,490
Issuance costs			2,285,725		
Total expenditures	$ 165,611,347	$ 175,135,062	$ 231,856,725	$ 148,742,221	$ 135,136,675
Expenditures for capitalized assets	$ 6,913,870	$ 14,615,591	$ 15,474,685	$ 6,008,084	$ 5,848,295
Debt service as a percentage of noncapital expenditures	9%	9%	35%	11%	13%

(Continued)

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

	2020	2019	2018	2017	2016
Expenditures:					
Current -					
Instruction	$ 58,052,628	$ 52,981,647	$ 46,480,609	$ 44,659,788	$ 35,896,133
Support services - students and staff	10,197,703	9,539,414	8,558,918	8,669,777	6,592,511
Support services - administration	8,903,495	11,307,630	8,020,043	7,821,237	7,184,666
Operation and maintenance of plant services	9,438,772	9,189,074	8,516,089	8,100,955	7,475,474
Student transportation services	3,849,122	3,723,042	3,409,584	3,495,941	3,112,947
Operation of non-instructional services	8,469,601	8,015,220	7,370,583	6,364,700	5,676,439
Capital outlay	17,206,530	9,255,585	12,633,179	16,806,315	19,094,459
Debt service -					
Principal retirement	8,370,000	7,260,000	5,585,000	5,055,000	4,195,000
Interest and fiscal charges	6,911,608	7,168,709	7,517,596	7,715,847	7,034,956
Issuance costs					504,341
Total expenditures	$ 131,399,459	$ 118,440,321	$ 108,091,601	$ 108,689,560	$ 96,766,926
Expenditures for capitalized assets	$ 8,570,791	$ 3,617,229	$ 6,686,073	$ 9,874,854	$ 14,254,848
Debt service as a percentage of noncapital expenditures	12%	13%	13%	13%	14%

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

Note: Support services – administration were higher than normal in fiscal year 2023-24 due to the claims and judgments payment related to the Qasimyar v. Maricopa County, Class Action Judgment.

(Concluded)

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

	Fiscal Year Ended June 30				
	2025	**2024**	**2023**	**2022**	**2021**
Excess (deficiency) of revenues over expenditures	$ 2,710,041	$ 4,578,096	$ (61,864,393)	$ 10,669,564	$ 1,608,828
Other financing sources (uses):					
Premium on issuance of debt			3,152,833		
Certificates of participation			55,840,000		
Insurance recoveries	21,955	14,977	11,345		
Proceeds from sale of capital assets	47,305	39,535	23,043	87,101	59,445
Transfers in	151,938	406,850	979,139	349,183	1,281,977
Transfers out	(151,938)	(406,850)	(979,139)	(348,183)	(1,281,977)
Total other financing sources (uses)	69,260	54,512	59,027,221	88,101	59,445
Changes in fund balances	$ 2,779,301	$ 4,632,608	$ (2,837,172)	$ 10,757,665	$ 1,668,273

	2020	**2019**	**2018**	**2017**	**2016**
Excess (deficiency) of revenues over expenditures	$ 1,235,812	$ 307,302	$ 4,031,657	$ (5,294,609)	$ (3,815,461)
Other financing sources (uses):					
General obligation bonds issued					25,785,000
Premium on issuance of debt					1,276,670
Insurance recoveries	78,534		12,736		
Proceeds from sale of capital assets				1,408,793	
Transfers in	868,767	664,424	598,138	4,874,640	7,436,001
Transfers out	(868,767)	(664,424)	(598,138)	(4,874,640)	(7,436,001)
Total other financing sources (uses)	78,534		12,736	1,408,793	27,061,670
Changes in fund balances	$ 1,314,346	$ 307,302	$ 4,044,393	$ (3,885,816)	$ 23,246,209

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

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

	Fiscal Year				
Class	**2025**	**2024**	**2023**	**2022**	**2021**
Commercial, Industrial, Utilities and Mining	$ 148,488,151	$ 123,897,615	$ 114,477,044	$ 101,056,916	$ 82,225,750
Agricultural and Vacant	18,037,528	14,644,510	14,262,875	17,374,744	17,399,630
Residential (Owner Occupied)	604,818,401	574,887,955	544,706,905	515,332,299	485,838,811
Residential (Rental)	251,027,079	235,060,393	196,708,959	170,770,989	156,892,244
Railroad, Private Cars and Airlines	1,804,714	1,192,715	1,043,698	757,973	688,345
Historical Property					
Certain Government Property Improvements					
Total	$ 1,024,175,873	$ 949,683,188	$ 871,199,481	$ 805,292,921	$ 743,044,780
Gross Full Cash Value	$ 20,251,482,004	$ 16,846,721,319	$ 12,595,415,740	$ 11,352,733,677	$ 7,919,225,936
Ratio of Net Limited Assessed Value to Gross Full Cash Value	5%	6%	7%	7%	9%
Total Direct Rate	5.87	6.29	6.29	6.32	6.91

	Fiscal Year				
Class	**2020**	**2019**	**2018**	**2017**	**2016**
Commercial, Industrial, Utilities and Mining	$ 75,958,904	$ 75,068,065	$ 68,087,664	$ 62,401,742	$ 62,477,829
Agricultural and Vacant	15,475,331	12,822,649	14,376,768	15,890,364	18,626,558
Residential (Owner Occupied)	447,917,934	416,709,005	387,269,082	354,568,597	325,174,391
Residential (Rental)	144,210,450	132,777,604	126,173,725	121,187,472	113,128,677
Railroad, Private Cars and Airlines	728,756	742,976	774,212	721,965	771,985
Historical Property	40,365	20,300	36,620	49,965	47,040
Certain Government Property Improvements	136,421	178,996	100,713	126,578	71,591
Total	$ 684,468,161	$ 638,319,595	$ 596,818,784	$ 554,946,683	$ 520,298,071
Gross Full Cash Value	$ 9,237,110,048	$ 8,442,712,203	$ 7,879,544,694	$ 7,548,423,595	$ 6,840,406,706
Ratio of Net Limited Assessed Value to Gross Full Cash Value	7%	8%	8%	7%	8%
Total Direct Rate	7.05	7.21	7.71	7.94	6.95

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

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

	Fiscal Year				
Class	**2025**	**2024**	**2023**	**2022**	**2021**
Commercial, Industrial, Utilities and Mining	$ 260,649,742	$ 180,512,843	$ 149,006,432	$ 137,288,233	$ 112,628,143
Agricultural and Vacant	47,200,617	33,422,296	29,995,771	33,658,295	33,034,126
Residential (Owner Occupied)	1,137,373,690	974,340,512	735,432,737	678,747,351	627,190,373
Residential (Rental)	500,789,613	410,285,263	281,054,392	233,440,565	210,561,992
Railroad, Private Cars and Airlines	2,637,970	1,537,118	1,371,217	979,798	868,948
Historical Property					
Certain Government Property Improvements					
Total	$ 1,948,651,632	$ 1,600,098,032	$ 1,196,860,549	$ 1,084,114,242	$ 984,283,582
Gross Full Cash Value	$ 20,251,482,004	$ 16,846,721,319	$ 12,595,415,740	$ 11,352,733,677	$ 7,919,225,936
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	10%	9%	10%	10%	12%
Estimated Net Full Cash Value	$ 17,585,898,015	$ 14,501,627,085	$ 10,726,197,956	$ 9,677,045,751	$ 6,679,349,272
Total Direct Rate	5.87	6.29	6.29	6.32	6.91

	Fiscal Year				
Class	**2020**	**2019**	**2018**	**2017**	**2016**
Commercial, Industrial, Utilities and Mining	$ 99,042,173	$ 92,325,971	$ 83,803,636	$ 74,838,897	$ 67,268,784
Agricultural and Vacant	28,650,258	23,104,888	25,014,161	26,566,899	26,889,582
Residential (Owner Occupied)	552,936,391	507,821,166	470,703,254	443,532,489	407,038,426
Residential (Rental)	183,752,552	167,508,266	158,330,653	154,876,879	142,529,518
Railroad, Private Cars and Airlines	898,409	893,694	900,303	771,926	786,421
Historical Property	40,365	20,300	36,620	49,965	47,040
Certain Government Property Improvements	193,045	258,925	150,347	184,776	91,569
Total	$ 865,513,193	$ 791,933,210	$ 738,938,974	$ 700,821,831	$ 644,651,340
Gross Full Cash Value	$ 9,237,110,048	$ 8,442,712,203	$ 7,879,544,694	$ 7,548,423,595	$ 6,840,406,706
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	9%	9%	9%	9%	9%
Estimated Net Full Cash Value	$ 7,739,628,124	$ 7,094,705,627	$ 6,605,328,750	$ 6,261,420,746	$ 5,698,063,487
Total Direct Rate	7.05	7.21	7.71	7.94	6.95

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

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

	Fiscal Year				
Class	**2025**	**2024**	**2023**	**2022**	**2021**
Commercial, Industrial, Utilities and Mining	17 %	17 %	18 %	18 %	18 %
Agricultural and Vacant	15	15	15	15	15
Residential (Owner Occupied)	1	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	14	14	15	15	15

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

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

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

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

Fiscal Year Ended June 30	Overlapping Rates										District Direct Rates		
	State Equalization	County	County Free Library	Flood Control District	Community College District	Fire District Assistance	East Valley Institute of Technology School District No. 401	City of Mesa	Town of Gilbert	Town of Queen Creek	Primary	Secondary	Total
2025		1.16	0.05	0.15	1.10	0.08	0.05	1.21	0.98	1.63	3.25	2.61	5.87
2024		1.20	0.05	0.15	1.14	0.01	0.05	1.19	0.98	1.72	3.54	2.75	6.29
2023	0.00	1.25	0.05	0.16	1.19	0.01	0.05	0.86	0.99	1.83	3.50	2.79	6.29
2022	0.43	1.35	0.06	0.18	1.11	0.01	0.05	0.51	0.99	1.8257	3.60	2.72	6.32
2021	0.00	1.40	0.06	0.18	1.29	0.01	0.05	0.45	0.99	1.82	3.74	3.17	6.91
2020	0.00	1.40	0.06	0.18	1.33	0.01	0.05	0.35	0.99	1.95	3.86	3.19	7.05
2019	0.00	1.40	0.06	0.18	1.38	0.01	0.05	0.30	0.99	0.00	3.99	3.22	7.21
2018	0.00	1.40	0.06	0.18	1.41	0.01	0.05	0.00	1.03	0.00	4.48	3.23	7.71
2017	0.00	1.40	0.06	0.18	1.47	0.01	0.05	0.00	1.06	0.00	4.84	3.10	7.94
2016	0.00	1.36	0.06	0.16	1.49	0.01	0.05	0.00	1.06	0.00	5.17	1.78	6.95

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

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

Taxpayer	2025 Net Limited Assessed Valuation	2025 Percentage of District's Net Limited Assessed Valuation	2016 Net Full Cash Assessed Valuation	2016 Percentage of District's Net Full Cash Assessed Valuation
American Furniture Warehouse Co	$ 7,768,530	0.76 %	$ 6,284,522	1.21 %
Frankel Family Trust	6,955,789	0.68		
Northington Mesa Industrial Property Owner LLC	6,527,681	0.64		
Epicenter Residential Owener	6,120,000	0.60		
BCI IV Commerce Park LLC	5,958,390	0.58		
Gilbert Gateway Towne Center Holdings	5,518,101	0.54		
2350 South Wade Drive Investors LLC	5,323,215	0.52		
Power Industrial Owner LLC	5,133,537	0.50		
IH6 Property Phoenix LP	4,763,170	0.47		
Gateway at Cooley Station Apartments SPE LLC	4,675,009	0.46		
Power & Ray LLC			5,134,462	0.99
Southwest Gas Corporation (T&D)			2,751,540	0.53
Fri San Tan LLC			2,541,000	0.49
Wal Mart Stores Inc			2,240,883	0.43
Mid America Apartments LP			2,200,000	0.42
Target Corporation			2,060,673	0.40
San Clemente Apartments LP			1,992,701	0.38
Lowe's HIW Inc.			1,759,639	0.34
MPT of Gilbert LLC			1,565,810	0.30
Total	$ 58,743,422	5.75 %	$ 28,531,230	5.49 %

Source: The source of this information is the Maricopa County Assessor's records.
Note: Informational assistance provided by Stifel, Nicolaus & Company.

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

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Fiscal Years	Collected to the End of the Current Fiscal Year	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2025	$ 59,196,239	$ 57,027,976	96.34 %	$	$ 57,027,976	96.34 %
2024	59,779,033	57,349,563	95.94	2,419,833	59,769,396	99.98
2023	54,952,617	52,681,635	95.87	2,264,746	54,946,381	99.99
2022	50,917,657	48,178,502	94.62	2,734,500	50,913,002	99.99
2021	51,499,511	49,057,065	95.26	2,438,453	51,495,518	99.99
2020	48,136,457	45,421,292	94.36	2,711,446	48,132,738	99.99
2019	45,795,193	43,165,559	94.26	2,621,992	45,787,551	99.98
2018	43,476,745	40,652,006	93.50	2,822,519	43,474,525	99.99
2017	44,271,278	41,384,868	93.48	2,884,169	44,269,037	99.99
2016	35,989,265	35,496,274	98.63	492,564	35,988,838	100.00

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

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

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

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

Fiscal Year Ended June 30	General Obligation Bonds							Total Outstanding Debt			
	General Obligation Bonds	Less: Amounts Restricted for Principal	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Financed Purchases	Certificates of Participation	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Percentage of Personal Income
2025	$ 63,210,911	$ 3,694,872	$ 59,516,039	0.29 %	$ 634	$	$ 56,547,721	$ 119,758,632	0.59 %	$ 1,277	N/A %
2024	72,367,954	2,086,555	70,281,399	0.42	755		57,564,425	129,932,379	0.77	1,395	0.04
2023	81,474,997	567,066	80,907,931	0.64	880		58,536,129	140,011,126	1.11	1,522	0.05
2022	90,520,686	763,522	89,757,164	0.79	1,011	62,690,000		153,210,686	1.35	1,726	0.06
2021	99,736,375	659,443	99,076,932	1.25	1,303	63,620,000		163,356,375	2.06	2,149	0.08
2020	107,822,064	850,694	106,971,370	1.16	1,267	64,525,000		172,347,064	1.87	2,041	0.08
2019	114,822,753	811,981	114,010,772	1.35	1,525	65,400,000		180,222,753	2.13	2,411	0.09
2018	120,999,891	591,324	120,408,567	1.53	1,649	66,250,000		187,249,891	2.38	2,565	0.10
2017	126,659,335		126,659,335	1.68	1,809	66,250,000		192,909,335	2.56	2,756	0.07
2016	131,458,779	1,074,623	130,384,156	1.91	1,917	66,250,000		197,708,779	2.89	2,907	0.11

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

Note: The provisions of the Governmental Accounting Standards Board (GASB) Statement No. 87 were adopted in fiscal year 2022. The standard replaces the previous capital and operating lease designations with financed purchases or leases depending on the substance of the transactions. The fiscal year 2016-2021 information within this column relates to the transactions previously designated as capital leases.

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

Higley Unified School District No. 60
Direct and Overlapping Governmental Activities Debt
June 30, 2025

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable to School District	Estimated Amount Applicable to School District
Overlapping:			
Maricopa County Community College District	$ 26,675,000	1.69 %	$ 450,808
Maricopa County Special Health Care District	512,560,000	1.69	8,662,264
City of Mesa	1,774,086,505	0.48	8,515,615
Town of Gilbert	237,230,000	25.57	60,659,711
Subtotal, Overlapping Debt			78,288,398
Direct:			
Higley Unified School District No. 60	61,210,000	100.00	119,758,632
Total Direct and Overlapping Governmental Activities Debt			$ 198,047,030

Direct and Overlapping General Bonded Debt Ratios

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation	5.98	%
Net Direct and Overlapping General Bonded Debt		
Per Capita	$ 1,487	
As a Percentage of Net Limited Assessed Valuation	13.62	%
As a Percentage of Gross Full Value	0.69	%

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

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

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

Class B Bond Legal Debt Margin Calculation for Fiscal Year 2025:	
Net full cash assessed valuation	$ 1,948,651,632
Debt limit (20% of assessed value)	389,730,326
Debt applicable to limit	61,210,000
Legal debt margin	$ 328,520,326

Total Legal Debt Margin Calculation for Fiscal Year 2025:	
Net full cash assessed valuation	$ 1,948,651,632
Debt limit (30% of assessed value)	584,595,490
Debt applicable to limit	61,210,000
Legal debt margin	$ 523,385,490

	Fiscal Year Ended June 30				
	2025	**2024**	**2023**	**2022**	**2021**
Debt Limit	$ 584,595,490	$ 480,029,410	$ 359,058,165	$ 325,234,273	$ 295,285,075
Total net debt applicable to limit	$ 61,210,000	$ 69,865,000	$ 78,470,000	$ 86,925,000	$ 95,550,000
Legal debt margin	$ 523,385,490	$ 410,164,410	$ 280,588,165	$ 238,309,273	$ 199,735,075
Total net debt applicable to the limit as a percentage of debt limit	10%	15%	22%	27%	32%

	2020	**2019**	**2018**	**2017**	**2016**
Debt Limit	$ 259,653,958	$ 237,579,963	$ 221,681,692	$ 210,246,549	$ 193,395,402
Total net debt applicable to limit	103,045,000	109,455,000	115,040,000	120,095,000	124,290,000
Legal debt margin	$ 156,608,958	$ 128,124,963	$ 106,641,692	$ 90,151,549	$ 69,105,402
Total net debt applicable to the limit as a percentage of debt limit	40%	46%	52%	57%	64%

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

Notes: 1) The District's general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds outstanding and the statutory debt limit on Class B bonds outstanding. The calculations of the debt margins are presented in detail for the current fiscal year only.

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

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

Year	Population	Personal Income (thousands)	Per Capita Income	Unemployment Rate	Estimated District Population
2024	4,726,247	$ N/A	$ N/A	3.1 %	93,815
2023	4,665,020	312,350,417	68,111	3.4	93,112
2022	4,586,431	288,842,282	63,461	3.3	91,988
2021	4,496,588	268,713,717	59,759	4.5	88,742
2020	4,651,440	196,779,825	45,454	6.6	76,030
2019	4,367,835	209,719,687	47,606	3.6	84,456
2018	4,294,460	210,370,180	47,694	4.1	74,763
2017	4,221,684	196,286,191	43,628	4.3	73,004
2016	4,137,076	280,120,037	40,415	4.5	70,000
2015	4,076,438	175,437,829	42,092	4.6	68,000

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

Note: Informational assistance provided by Stifel, Nicolaus & Company.
Note: N/A indicates that the information is not available.

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

Employer	2025 Employees	2025 Percentage of Total Employment	2016 Employees	2016 Percentage of Total Employment
State of Arizona	28,870	1.49 %	49,800	2.60 %
Banner Health	28,350	1.47	26,472	1.38
Amazon	25,570	1.32		
Walmart Inc	18,050	0.93	15,437	0.81
Maricopa County	15,320	0.79	12,792	0.67
Fry's Food Stores	14,790	0.77	12,510	0.65
Intel Corporation	12,990	0.67	11,760	0.61
Wells Fargo & Co	12,200	0.63	13,287	0.69
Maricopa County Community College District	11,670	0.60		
Arizona State University	10,970	0.57	11,185	0.58
City of Phoenix			15,100	0.79
Bank of America			9,809	0.51
Total	178,780	9.24 %	178,152	9.29 %
Total employment	1,933,200		1,915,500	

Source: The source of this information is the Business Journal Book of Lists.

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

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

	Full-time Equivalent Employees as of June 30				
	2025	**2024**	**2023**	**2022**	**2021**
School Administration (Function 2400)					
Principals and Assistant Principals	35	35	36	36	36
Principals Office Classified Staff	28	38	37	22	23
Total school administration	63	73	73	58	59
Instruction (Function 1000)					
Teachers	732	720	726	740	752
Classroom Aides	150	155	177	182	156
Total instruction	882	875	903	922	908
Student and Staff Support Services (Functions 2100 and 2200)					
Attendance and Registration Services	15	13	19	11	15
Guidance Services	15	16	11	12	14
Health Services	17	16	15	6	26
Psychologist and Speech Services	35	28	45	54	59
Curriculum and Library Services	17	27	39	33	44
Total student staff and support services	99	100	129	116	158
Central Office Administration and Support (Functions 2300, 2500-3300)					
Governing Board, Superintendent, Public Relations	6	6	11	10	7
Business Services	12	9	16	16	11
Operation and Maintenance Services	114	117	103	116	106
Transportation Services	90	83	84	90	90
Human Resources	13	8	10	6	8
Information and Technical Services	19	20	20	20	25
Other Services	226	173	144	128	113
Total support and administration	480	416	388	386	360
Total	1,524	1,464	1,493	1,482	1,485

(Continued)

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

	2020	2019	2018	2017	2016
School Administration (Function 2400)					
Principals and Assistant Principals	30	30	31	28	27
Principals Office Classified Staff	30	30	32	29	25
Total school administration	60	60	63	57	52
Instruction (Function 1000)					
Teachers	700	685	667	633	538
Classroom Aides	134	151	135	139	107
Total instruction	834	836	802	772	645
Student and Staff Support Services (Functions 2100 and 2200)					
Attendance and Registration Services	20	16	16	16	16
Guidance Services	13	10	12	12	9
Health Services	33	19	18	19	18
Psychologist and Speech Services	21	29	25	34	19
Curriculum and Library Services	97	83	69	56	46
Total student staff and support services	184	157	140	137	108
Central Office Administration and Support (Functions 2300, 2500-3300)					
Governing Board, Superintendent, Public Relations	10	13	9	6	4
Business Services	11	9	14	11	8
Operation and Maintenance Services	222	155	137	130	81
Transportation Services	85	171	205	93	69
Human Resources	14	11	8	10	9
Information and Technical Services	5	4	4	6	5
Other Services	118	146	118	42	68
Total support and administration	465	509	495	298	244
Total	1,543	1,562	1,500	1,264	1,049

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

(Concluded)

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

Fiscal Year Ended June 30	Average Daily Membership	Operating Expenditures	Cost per Pupil	Percentage Change	Expenses	Cost per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Free/Reduced Students
2025	11,981	$ 139,029,259	$ 11,604	2.52 %	$ 159,110,878	$ 13,280	0.27 %	732	16.4	22.3 %
2024	12,349	139,772,285	11,319	8.76	163,554,503	13,244	5.68	720	17.2	23.5
2023	12,527	130,368,360	10,407	9.83	156,992,851	12,532	9.96	726	17.3	17.0
2022	12,653	119,898,283	9,476	8.95	144,211,721	11,397	5.00	740	17.1	13.7
2021	12,329	107,229,835	8,697	10.07	133,833,033	10,855	4.51	752	16.4	16.4
2020	12,518	98,911,321	7,902	0.88	130,022,855	10,387	11.76	700	17.9	18.3
2019	12,098	94,756,027	7,832	13.31	112,432,862	9,294	7.99	685	17.7	18.0
2018	11,914	82,355,826	6,913	2.40	102,529,889	8,606	2.60	667	17.9	21.0
2017	11,719	79,112,398	6,751	16.01	98,297,469	8,388	12.11	633	18.5	17.0
2016	11,331	65,938,170	5,819	(9.32)	84,777,468	7,482	(7.27)	538	21.1	19.0

Source: The source of this information is the District's financial records.
Notes: Operating expenditures are total expenditures less debt service and capital outlay.

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

	Fiscal Year Ended June 30									
	2025	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Schools										
Elementary and Middle										
Buildings	42	42	42	42	42	42	42	42	42	40
Square feet	1,213,115	1,213,115	1,213,115	1,213,115	1,213,115	1,213,115	1,213,115	1,213,115	1,213,115	1,114,657
Capacity	12,600	12,600	12,600	12,600	12,600	12,600	12,600	12,600	12,600	12,363
Enrollment	7,898	7,576	8,000	8,454	8,239	8,805	8,805	8,793	8,620	8,119
High										
Buildings	16	16	16	15	15	15	15	15	15	15
Square feet	561,278	561,278	561,278	467,340	467,340	467,340	467,340	467,340	467,340	467,340
Capacity	3,750	3,750	3,750	3,400	3,400	3,400	3,400	3,400	3,400	3,400
Enrollment	4,402	4,179	4,300	4,199	4,090	3,786	3,786	3,661	3,512	3,661
Other										
Buildings	1	1	1	1	1	1	1	1	1	1
Square feet	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500
Administrative										
Buildings	7	7	7	7	7	7	7	7	7	7
Square feet	68,443	68,443	68,443	68,443	68,443	68,443	68,443	68,443	68,443	68,443
Transportation										
Garages	1	1	1	1	1	1	1	1	1	1
Buses	75	87	80	80	79	78	78	67	69	69
Athletics										
Football fields	4	4	4	4	4	4	4	4	4	4
Soccer fields	5	5	5	5	5	5	5	5	5	5
Running tracks	2	2	2	2	2	2	2	2	2	2
Baseball/softball	24	24	24	24	24	24	24	24	24	24
Swimming pools	1	1	1	1	1	1	1	1	1	1
Playgrounds	19	19	19	19	19	19	19	19	19	18

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