
QUEEN CREEK UNIFIED SCHOOL DISTRICT NO. 95

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2023



EXCELLENCE THROUGH LEADERSHIP

Queen Creek Unified School District No. 95

Queen Creek, Arizona

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

Issued by:
Business and Finance Department

Queen Creek Unified School District No. 95

Table Of Contents

<u>Introductory Section</u>	<u>Page</u>
Letter of Transmittal	1
ASBO Certificate of Excellence	6
GFOA Certificate of Achievement	7
Organizational Chart	8
List of Principal Officials	9
 <u>Financial Section</u>	
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
Notes to Financial Statements	43
 Required Supplementary Information	
Schedule of Revenues Expenditures and Changes in Fund Balances – Budget and Actual:	
General Fund	66
Federal and State Grants Fund	67
Other Special Revenue Fund	68
Pension Schedules	70
Notes to Required Supplementary Information	72
 Combining and Individual Fund Financial Statements and Schedules	
Governmental Funds:	
Combining Balance Sheet – All Non-Major Governmental Funds	78
Combining Statement of Revenues, Expenditures and Changes in Fund Balances –	
All Non-Major Governmental Funds	80

Queen Creek Unified School District No. 95

Table Of Contents

<u>Financial Section</u>	<u>Page</u>
Combining and Individual Fund Financial Statements and Schedules	
Governmental Funds:	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:	
Classroom Site	82
Instructional Improvement	83
Food Service	84
Debt Service	85
Adjacent Ways	86
Bond Building	87
Other Capital Projects	88
 <u>Statistical Section</u>	
Financial Trends:	
Net Position by Component	90
Expenses, Program Revenues, and Net (Expense)/Revenue	91
General Revenues and Total Changes in Net Position	93
Fund Balances – Governmental Funds	95
Governmental Funds Revenues	97
Governmental Funds Expenditures and Debt Service Ratio	99
Other Financing Sources and Uses and Net Changes in Fund Balances – Governmental Funds	101
Revenue Capacity:	
Net Limited Assessed Value and Full Cash Value of Taxable Property by Class	102
Net Full Cash Assessed Value of Taxable Property by Class	103
Property Tax Assessment Ratios	104
Direct and Overlapping Property Tax Rates	105
Principal Property Taxpayers	106
Property Tax Levies and Collections	107
Debt Capacity:	
Outstanding Debt by Type	108
Direct and Overlapping Governmental Activities Debt	109
Direct and Overlapping General Bonded Debt Ratios	109
Legal Debt Margin Information	110
Demographic and Economic Information:	
County-Wide Demographic and Economic Statistics	111
Principal Employers	112
Operating Information:	
Full-Time Equivalent District Employees by Type	113
Operating Statistics	115
Capital Assets Information	116

(This page intentionally left blank)

Introductory Section

(This page intentionally left blank)



Dr. Perry Berry, Superintendent
20217 E. Chandler Heights Road
Queen Creek, AZ 85142
480.987.5935

December 20, 2023

Citizens and Governing Board
Queen Creek Unified School District No. 95
20217 East Chandler Heights Road
Queen Creek, Arizona 85142

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 Queen Creek Unified School District No. 95 (District) for the fiscal year ended June 30, 2023.

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

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

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

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

Profile of the District

The District is one of 58 public school districts located in Maricopa County, Arizona. It provides a program of public education from pre-kindergarten through grade twelve.

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

The membership of the Governing Board consists of five members elected by the public. Under existing statutes, the Governing Board's duties and powers include, but are not limited to, the acquisition, maintenance and disposition of school property; the development and adoption of a school program; and the establishment, organization and operation of schools. The Board also has broad financial responsibilities, including the approval of the annual budget, and the establishment of a system of accounting and budgetary controls.

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

The District covers 44 square miles in the southeastern portion of Maricopa County, Arizona. The District overlaps the Town of Queen Creek and the City of Mesa, the principal communities of the District. The District consists of 15 schools: nine elementary schools, two junior high schools, three high schools and one virtual school. The average age of the school buildings is 11 years old. The 2022-23 average daily membership was 12,762, an increase of 11.3% over the previous school year. Projected enrollment for fiscal year 2023-24 is 13,455, an increase of 5.4%. During the 2022-23 fiscal year, the District opened a third high school, Crismon High School. This campus welcomed over 1000 7th-10th graders in its inaugural year. The District employs 41 administrators, 770 certified staff and 715 support service personnel.

The District's tax base continues to have above-average income and housing values. Commercial and industrial building and residential building permits indicate continuing future growth and tax base stabilization.

The District and community have set an expectation of high standards for academic achievement and work ethic for the District's students and employees. Excellence is continuously reinforced as we prepare our students to develop their fullest potential academically, emotionally, and physically. Students, teachers, administrators, and parents all work together to maintain the high performance standards for which the District is recognized. On average, the QCUSD students score above the state and national means on AASA Tests in reading, language, and math. The District is proud to have been named an A-Rated school district by the Arizona Department of Education.

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

Factors Affecting Financial Condition

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

Local Economy. The Phoenix metropolitan area and the rest of Maricopa County was, once again, one of the fastest growing regional markets in the United States. A few of the major firms represented in the Phoenix metropolitan area include Honeywell International, Inc., Banner Health Systems, Wal-Mart Stores, Inc., Wells Fargo Company, and Meta. The principal economic activity of the Town of Queen Creek and the outlying portions of the Town has begun to shift from is agriculture as the population of the Town continues to grow. Major employers within the District boundaries are Home Depot, Wal-Mart Stores, Inc., Target, Commercial Metals Company, and Legacy Sports Complex. 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.

Maricopa County is located in the south-central portion of Arizona and encompasses an area of approximately 9,224 square miles. Its boundaries encompass the cities of Phoenix, Scottsdale, Mesa, Tempe, Glendale, Chandler, and such towns as Gilbert, Paradise Valley, Queen Creek, and Fountain Hills. Maricopa County is currently the nation's fourth largest county in terms of population size and the 15th in land area. The County's 2022 population estimate was 4.8 million and is expected to reach 5.8 million by 2030.

The District's financial condition is reflective of the local economy. The District's tax base is similar to the Phoenix Metro area. The District's assessed value has increased for nine consecutive years. Developers recognize the southeastern portion of Maricopa County as the next potential growth area. A 2023 report from the US Census Bureau listed Queen Creek as the 7th fastest growing town in the country. The Town of Queen Creek includes a large percentage of young professionals and families with a median household income of \$127,182.

Long-term Financial Planning. The District has utilized a combination of voter approved bonds and overrides to prepare for additional population growth and movement by building, remodeling and equipping the elementary schools, middle school, junior high, and high school with the new technology. However, the District does not currently have bond funding available. QCUSD continues to submit applications annually to the Arizona School Facilities Oversight Board requesting funding for new student space at all levels to support the continuing growth in the District.

Awards and Acknowledgments

Awards. The Association of School Business Officials (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its annual comprehensive financial report for the fiscal year ended June 30, 2022. This was the 18th consecutive year that the District has received this award. In addition, the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its annual comprehensive financial report for the fiscal year ended June 30, 2022. In order to be awarded their 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, 2023 certificates.

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

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

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Perry Berry'.

Perry Berry, Ed.D.
Superintendent

A handwritten signature in blue ink, appearing to read 'Jessica M. Johnston'.

Jessica M. Johnston
Chief Financial Officer



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Queen Creek Unified School District 95

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

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



A handwritten signature in black ink, reading 'John W. Hutchison'.

John W. Hutchison
CAE

President

A handwritten signature in black ink, reading 'Siobhán McMahon'.

Siobhán McMahon,

**Chief Operations Officer/
Interim Executive Director**



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

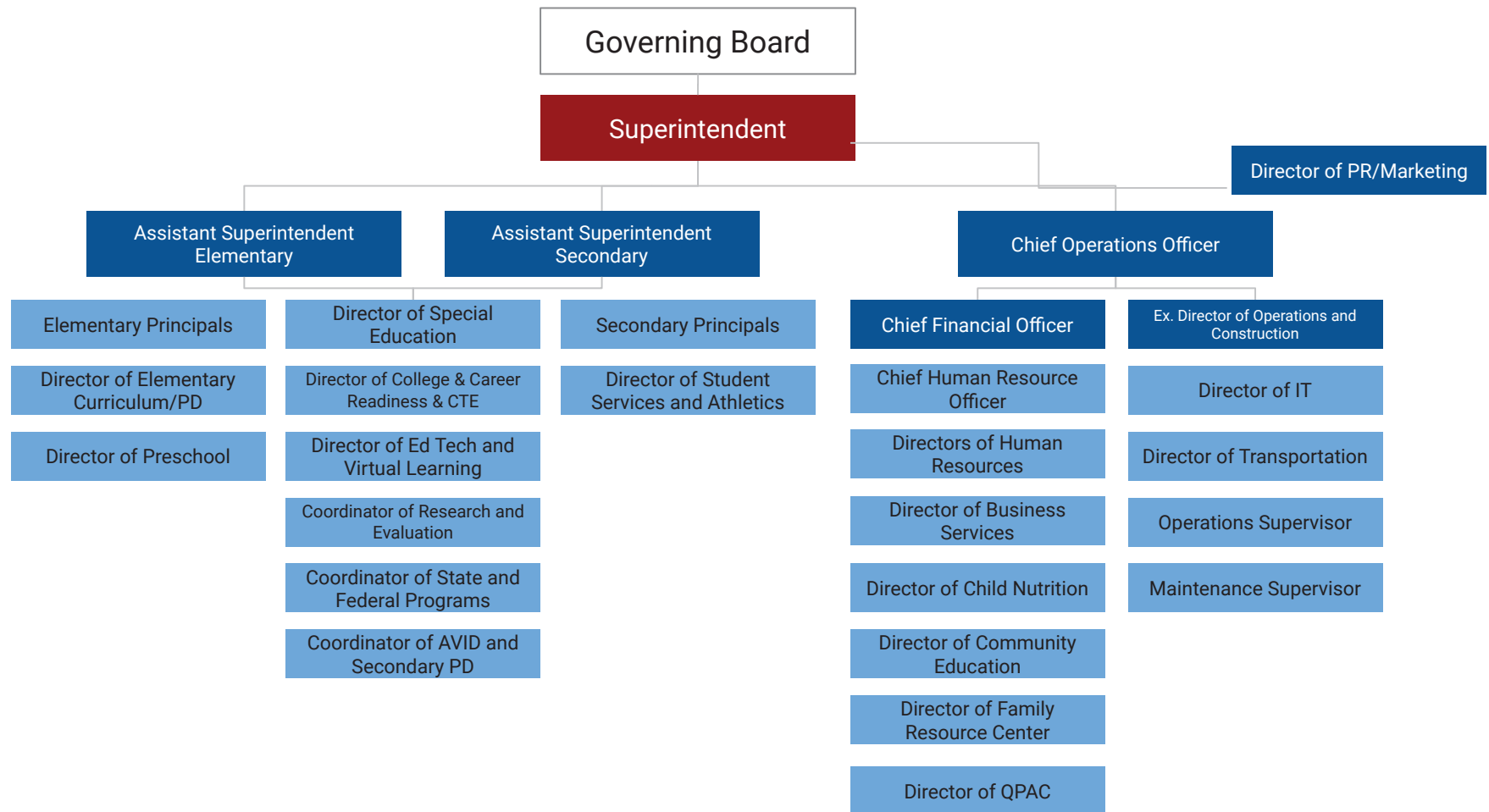
**Queen Creek Unified School District No. 95
Arizona**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO



Queen Creek Unified School District No. 95

List of Principal Officials

Governing Board

Jennifer Revolt, President

Samantha Davis, Vice President

Patty Campbell, Member

James Knox, Member

Matthew Riffey, Member

Administrative Staff

Perry Berry, Ed.D., Superintendent

Amber Bordes, Chief Operating Officer

(This page intentionally left blank)

Financial Section

(This page intentionally left blank)

Independent Auditor's Report

Governing Board
Queen Creek Unified School District No. 95

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 Queen Creek Unified School District No. 95 (District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Queen Creek Unified School District No. 95, as of June 30, 2023, and the respective changes in financial position 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 Queen Creek Unified School District No. 95 and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Other Matters

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2023, on our consideration of Queen Creek Unified School District No. 95'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 Queen Creek Unified School District No. 95'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 Queen Creek Unified School District No. 95's internal control over financial reporting and compliance.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Scottsdale, Arizona
December 20, 2023

(This page intentionally left blank)

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

(This page intentionally left blank)

Queen Creek Unified School District No. 95
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2023

As management of the Queen Creek Unified School District No. 95 (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2023. The management's discussion and analysis is presented as required supplementary information to supplement the basic financial statements. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The District's total net position of governmental activities increased \$13.1 million which represents a seven percent increase from the prior fiscal year as a result of the increases in unrestricted state aid and property taxes.
- General revenues accounted for \$141.2 million in revenue, or 81 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$33.1 million or 19 percent of total current fiscal year revenues.
- The District had approximately \$161.2 million in expenses related to governmental activities, an increase of 19 percent from the prior fiscal year as a result of continued expansion of District facilities and an increase in student count.
- Among major funds, the General Fund had \$114.5 million current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$117.0 million in expenditures. The General Fund's fund balance decrease from \$23.8 million at the prior fiscal year end to \$22.5 million at the end of the current fiscal year was primarily due to increased expenditures as a result of student count growth.

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.

Queen Creek Unified School District No. 95
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2023

Overview of Financial Statements

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

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

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

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

Queen Creek Unified School District No. 95
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2023

Overview of Financial Statements

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Federal and State Grants, Other Special Revenue, Debt Service, and Other Capital Projects Funds, 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.

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

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget process and pension plan. The District adopts an annual expenditure budget for all governmental funds. A schedule of revenues, expenditures and changes in fund balances – budget and actual has been provided for the General Fund and major Special Revenue Funds as required supplementary information. Schedules for the pension plan have also 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 \$201.2 million at the current fiscal year end.

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

Queen Creek Unified School District No. 95
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2023

Government-Wide Financial Analysis

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

	As of June 30, 2023	As of June 30, 2022
Current and other assets	\$ 88,384,862	\$ 100,335,773
Capital assets, net	401,305,755	386,724,314
Total assets	<u>489,690,617</u>	<u>487,060,087</u>
 Deferred outflows	 <u>23,614,710</u>	 <u>23,927,898</u>
 Current and other liabilities	 7,184,923	 17,803,030
Long-term liabilities	301,456,230	284,595,864
Total liabilities	<u>308,641,153</u>	<u>302,398,894</u>
 Deferred inflows	 <u>3,500,529</u>	 <u>20,575,230</u>
 Net position:		
Net investment in capital assets	206,616,934	191,857,158
Restricted	33,027,474	25,355,581
Unrestricted	(38,480,763)	(29,198,878)
Total net position	<u>\$ 201,163,645</u>	<u>\$ 188,013,861</u>

At the end of the current fiscal year, the District reported positive balances in two categories of net position. Unrestricted net position, which is normally used to meet the District's mission reported a deficit of \$38.5 million. The deficit is due to the District's proportionate share of the state pension plan's unfunded liability. The same situation held true for the prior fiscal year.

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

- The principal retirement of \$8.8 million of bonds.
- The addition of \$24.6 million in capital assets through the construction of a new school site and the renovation of several school sites.
- The increase of \$26.5 million in pension liabilities.
- The increase in accumulated depreciation of \$10.0 million.

Queen Creek Unified School District No. 95
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2023

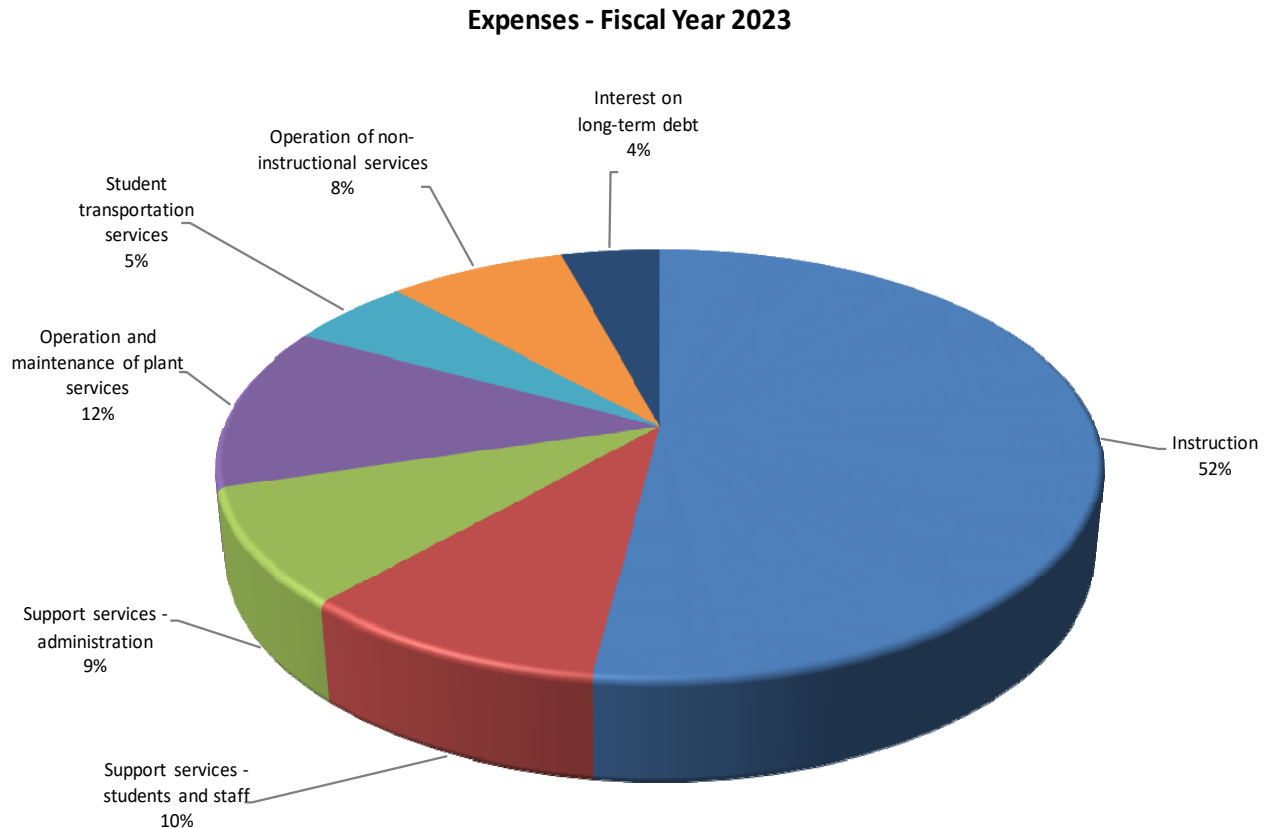
Government-Wide Financial Analysis

Changes in net position. The District's total revenues for the current fiscal year were \$174.3 million. The total cost of all programs and services was \$161.2 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2023 and June 30, 2022.

	Fiscal Year Ended June 30, 2023	Fiscal Year Ended June 30, 2022
Revenues:		
Program revenues:		
Charges for services	\$ 16,760,531	\$ 10,560,300
Operating grants and contributions	15,371,834	19,744,196
Capital grants and contributions	995,456	58,086,875
General revenues:		
Property taxes	50,377,004	44,755,012
Investment income	1,127,145	609,529
Unrestricted county aid		5,035,297
Unrestricted state aid	89,145,324	66,186,776
Unrestricted federal aid	553,750	609,283
Total revenues	<u>174,331,044</u>	<u>205,587,268</u>
Expenses:		
Instruction	83,864,755	70,511,992
Support services - students and staff	15,691,907	13,281,333
Support services - administration	14,087,857	10,892,824
Operation and maintenance of plant services	19,714,189	16,072,618
Student transportation services	8,568,949	6,910,170
Operation of non-instructional services	12,402,825	10,784,295
Interest on long-term debt	6,850,778	7,156,684
Total expenses	<u>161,181,260</u>	<u>135,609,916</u>
Changes in net position	<u>13,149,784</u>	<u>69,977,352</u>
Net position, beginning	<u>188,013,861</u>	<u>118,036,509</u>
Net position, ending	<u><u>\$ 201,163,645</u></u>	<u><u>\$ 188,013,861</u></u>

Queen Creek Unified School District No. 95
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2023

Government-Wide Financial Analysis



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

- An increase in unrestricted state aid of \$23.0 million due to increases in state per-pupil funding amounts for both equalization and classroom site funds.
- An increase in property tax revenue of \$5.6 million due to an increase in the net secondary assessed valuation of taxable property within the District.
- An increase of \$13.4 million in instruction expense due to the opening of a new school and an increase in student count.

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.

Queen Creek Unified School District No. 95
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2023

Government-Wide Financial Analysis

	Year Ended June 30, 2023		Year Ended June 30, 2022	
	Total	Net (Expense)/	Total	Net (Expense)/
	Expenses	Revenue	Expenses	Revenue
Instruction	\$ 83,864,755	\$ (71,158,685)	\$ 70,511,992	\$ (2,443,541)
Support services - students and staff	15,691,907	(13,317,621)	13,281,333	(11,144,630)
Support services - administration	14,087,857	(13,290,257)	10,892,824	(10,659,580)
Operation and maintenance of plant services	19,714,189	(18,184,289)	16,072,618	(13,564,987)
Student transportation services	8,568,949	(7,059,960)	6,910,170	(5,102,517)
Operation of non-instructional services	12,402,825	1,808,151	10,784,295	2,824,073
Interest on long-term debt	6,850,778	(6,850,778)	7,156,684	(7,127,363)
Total	<u>\$ 161,181,260</u>	<u>\$ (128,053,439)</u>	<u>\$ 135,609,916</u>	<u>\$ (47,218,545)</u>

- The cost of all governmental activities this year was \$161.2 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$33.1 million.
- Net cost of governmental activities of \$128.1 million was financed by general revenues, which are made up of primarily property taxes of \$50.4 million and state aid of \$89.1 million.

Financial Analysis of the District's Funds

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

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

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$68.8 million, an increase of \$2.6 million due primarily to the increase in property tax revenues.

Queen Creek Unified School District No. 95
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2023

Financial Analysis of the District's Funds

The General Fund comprises 33 percent of the total fund balance. Nearly all of the General Fund's fund balance is unassigned.

The General Fund is the principal operating fund of the District. The fund balance decreased \$1.3 million to \$22.5 million as of fiscal year end. General Fund revenues increased \$20.4 million primarily due to an increase in state aid. General Fund expenditures increased \$1.4 million primarily due to an increase in student count.

The Federal and State Grants Fund's fund balance increased \$2.1 million to a deficit of \$1.1 million as of fiscal year end primarily due to the receipt of monies from federal relief funding related to the COVID-19 pandemic.

The Other Special Revenue Fund's fund balance increase of \$5.3 million to \$13.2 million as of fiscal year end was due to an increase in Community School revenues.

The Debt Service Fund's fund balance increased \$414,384 to \$1.5 million as of fiscal year end, which was not significant.

The Other Capital Projects Fund's fund balance decrease of \$4.8 million to \$19.4 million as of fiscal year end was due to continued spending of funding received in prior years for capital needs.

Budgetary Highlights

Over the course of the year, the District revised the General Fund annual expenditure budget for changes in average daily membership of the District. The difference between the original budget and the final amended budget was a \$297,821 decrease, or less than one percent.

Significant variances for the final amended budget and actual revenues resulted from the District not being required by the State of Arizona to prepare a revenue budget. A schedule showing the original and final budget amounts compared to the District's actual financial activity for the General Fund is provided in this report as required supplementary information. The variance between the final amended budget and actual expenditures of four percent was due to the significant favorable variance of \$13.4 million in instruction, which was the result of budgeting to the maximum general budget limit and utilizing additional funding available to maximize budget carryforward to provide capacity in the future years for contingencies and student growth.

Queen Creek Unified School District No. 95
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2023

Capital Assets and Debt Administration

Capital Assets. At year end, the District had invested \$481.0 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 \$24.3 million from the prior fiscal year, primarily due to significant additions to multiple school sites and the construction of a new elementary school. Total depreciation expense for the current fiscal year was \$10.0 million.

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

	As of June 30, 2023	As of June 30, 2022
Capital assets - non-depreciable	\$ 77,477,707	\$ 132,213,255
Capital assets - depreciable, net	323,828,048	254,511,059
Total	<u>\$ 401,305,755</u>	<u>\$ 386,724,314</u>

The estimated cost to complete current construction projects is \$44.3 million.

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

Debt Administration. At year end, the District had \$212.1 million in long-term debt outstanding, \$7.2 million due within one year. Long-term debt decreased by \$9.8 million due to principal retirement of bonds.

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 \$362.7 million and the Class B debt limit is \$241.8 million, which are more than the District's total outstanding general obligation and Class B debt, respectively.

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

Queen Creek Unified School District No. 95
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2023

Economic Factors and Next Year's Budget and Rates

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

- Fiscal year 2022-23 budget balance carry forward (estimated \$3.0 million)
- District student population (estimated average daily membership of 13,455)

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

Budgeted expenditures in the General Fund increased 12 percent to \$112.8 million in fiscal year 2023-24. Increase in student count and base level funding are the primary reasons for the increase. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2022-23 budget.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Business and Finance Department, Queen Creek Unified School District No. 95, 20217 East Chandler Heights Road, Queen Creek, Arizona 85142.

Basic Financial Statements

(This page intentionally left blank)

Government-Wide Financial Statements

Queen Creek Unified School District No. 95
Statement of Net Position
June 30, 2023

	Governmental
	Activities
Assets	
Current assets:	
Cash and investments	\$ 67,677,066
Property taxes receivable	520,161
Due from governmental entities	18,829,883
Inventory	131,497
Leases receivable	1,226,255
Total current assets	<u>88,384,862</u>
Noncurrent assets:	
Capital assets not being depreciated	77,477,707
Capital assets, net accumulated depreciation	<u>323,828,048</u>
Total noncurrent assets	<u>401,305,755</u>
Total assets	<u>489,690,617</u>
Deferred outflows of resources	
Deferred charge on refunding	294,563
Pension plan items	<u>23,320,147</u>
Total deferred outflows of resources	<u>23,614,710</u>
Liabilities	
Current liabilities:	
Accounts payable	1,862,904
Accrued payroll and employee benefits	2,711,056
Compensated absences payable	282,703
Bonds payable	7,205,000
Accrued interest payable	<u>2,610,963</u>
Total current liabilities	<u>14,672,626</u>
Noncurrent liabilities:	
Non-current portion of long-term obligations	<u>293,968,527</u>
Total noncurrent liabilities	<u>293,968,527</u>
Total liabilities	<u>308,641,153</u>
Deferred inflows of resources	
Pension plan items	2,299,723
Leases	<u>1,200,806</u>
Total deferred inflows of resources	<u>3,500,529</u>
Net position	
Net investment in capital assets	206,616,934
Restricted for:	
Instruction	14,413,203
Food service	3,745,213
Non-instructional purposes	8,721,996
Debt service	1,568,422
Capital outlay	4,578,640
Unrestricted	<u>(38,480,763)</u>
Total net position	<u>\$ 201,163,645</u>

Queen Creek Unified School District No. 95
Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenue			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and
					Governmental Activities
Governmental activities					
Instruction	\$ 83,864,755	\$ 4,289,468	\$ 7,434,394	\$ 982,208	\$ (71,158,685)
Support services - students and staff	15,691,907	157,127	2,217,159		(13,317,621)
Support services - administration	14,087,857	36,943	760,657		(13,290,257)
Operation and maintenance of plant services	19,714,189	1,146,859	369,793	13,248	(18,184,289)
Student transportation services	8,568,949	98,494	1,410,495		(7,059,960)
Operation of non-instructional services	12,402,825	11,031,640	3,179,336		1,808,151
Interest on long-term debt	6,850,778				(6,850,778)
Total governmental activities	<u>\$ 161,181,260</u>	<u>\$ 16,760,531</u>	<u>\$ 15,371,834</u>	<u>\$ 995,456</u>	<u>(128,053,439)</u>
General revenues					
Property taxes					50,377,004
Investment income					1,127,145
Unrestricted state aid					89,145,324
Unrestricted federal aid					553,750
Total general revenues					<u>141,203,223</u>
Changes in net position					13,149,784
Net position, beginning of year					<u>188,013,861</u>
Net position, end of year					<u>\$ 201,163,645</u>

(This page intentionally left blank)

Fund Financial Statements

Queen Creek Unified School District No. 95

**Balance Sheet
Governmental Funds
June 30, 2023**

	General	Federal and State Grants	Other Special Revenue	Debt Service
Assets				
Cash and investments	\$ 11,042,602	\$	\$ 13,050,924	\$ 11,257,428
Property taxes receivable	393,204			126,957
Due from governmental entities	13,993,692	3,758,674	463,426	
Due from other funds	922,835			
Inventory	60,184			
Leases receivable	1,226,255			
Total assets	<u>\$ 27,638,772</u>	<u>\$ 3,758,674</u>	<u>\$ 13,514,350</u>	<u>\$ 11,384,385</u>
Liabilities				
Accounts payable	\$ 1,639,042	\$ 134,835	\$ 89,027	\$
Due to other funds		922,835		
Accrued payroll and employee benefits	2,113,420	115,700	229,100	
Bonds payable				7,205,000
Bond interest payable				2,610,963
Total liabilities	<u>3,752,462</u>	<u>1,173,370</u>	<u>318,127</u>	<u>9,815,963</u>
Deferred inflows of resources				
Unavailable revenues - property taxes	217,279			74,105
Unavailable revenues - intergovernmental		3,718,138		
Leases	1,200,806			
Total deferred inflows of resources	<u>1,418,085</u>	<u>3,718,138</u>		<u>74,105</u>
Fund balances				
Nonspendable	60,184			
Restricted			13,196,223	1,494,317
Unassigned	22,408,041	(1,132,834)		
Total fund balances	<u>22,468,225</u>	<u>(1,132,834)</u>	<u>13,196,223</u>	<u>1,494,317</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 27,638,772</u>	<u>\$ 3,758,674</u>	<u>\$ 13,514,350</u>	<u>\$ 11,384,385</u>

Other Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
\$ 19,361,944	\$ 12,964,168	\$ 67,677,066
		520,161
	614,091	18,829,883
		922,835
	71,313	131,497
		1,226,255
<u>\$ 19,361,944</u>	<u>\$ 13,649,572</u>	<u>\$ 89,307,697</u>
\$	\$	\$ 1,862,904
		922,835
	252,836	2,711,056
		7,205,000
		2,610,963
	<u>252,836</u>	<u>15,312,758</u>
		291,384
	3,473	3,721,611
		1,200,806
	<u>3,473</u>	<u>5,213,801</u>
	71,313	131,497
19,361,944	13,321,950	47,374,434
		21,275,207
<u>19,361,944</u>	<u>13,393,263</u>	<u>68,781,138</u>
<u>\$ 19,361,944</u>	<u>\$ 13,649,572</u>	<u>\$ 89,307,697</u>

(This page intentionally left blank)

Queen Creek Unified School District No. 95
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2023

Total fund balances - governmental funds **\$ 68,781,138**

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	\$ 480,968,462	
Less accumulated depreciation/amortization	<u>(79,662,707)</u>	
		401,305,755

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

Property taxes	291,384	
Intergovernmental	<u>3,721,611</u>	
		4,012,995

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.

294,563

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

Deferred outflows of resources related to pensions	23,320,147	
Deferred inflows of resources related to pensions	<u>(2,299,723)</u>	
		21,020,424

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

Compensated absences payable	(2,085,764)	
Financed purchases payable	(78,317,000)	
Bonds payable	(126,542,539)	
Net pension liability	<u>(87,305,927)</u>	
		<u>(294,251,230)</u>

Net position of governmental activities **\$ 201,163,645**

Queen Creek Unified School District No. 95
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	General	Federal and State Grants	Other Special Revenue	Debt Service
Revenues				
Other local	\$ 3,423,472	\$ 14,904	\$ 11,198,162	\$ 129,936
Property taxes	32,190,903			12,682,968
State aid and grants	78,316,359	1,133,461	20,491	
Federal aid, grants and reimbursements	553,750	13,041,415		
Total revenues	<u>114,484,484</u>	<u>14,189,780</u>	<u>11,218,653</u>	<u>12,812,904</u>
Expenditures				
Current:				
Instruction	53,517,391	6,827,413	675,118	
Support services - students and staff	11,960,540	1,874,355	309,852	
Support services - administration	11,487,559	618,410	141,668	
Operation and maintenance of plant services	14,698,617	346,779	212,214	
Student transportation services	5,664,199	1,331,620	55,129	
Operation of non-instructional services	1,587,608	131,968	4,284,231	
Capital outlay	15,616,925	377,699	203,951	
Debt service:				
Principal retirement				7,205,000
Interest and fiscal charges	2,510,757			5,224,325
Total expenditures	<u>117,043,596</u>	<u>11,508,244</u>	<u>5,882,163</u>	<u>12,429,325</u>
Excess (deficiency) of revenues over expenditures	<u>(2,559,112)</u>	<u>2,681,536</u>	<u>5,336,490</u>	<u>383,579</u>
Other financing sources (uses)				
Transfers in	1,132,809			30,805
Transfers out		(543,786)		
Insurance recoveries	120,105			
Total other financing sources (uses)	<u>1,252,914</u>	<u>(543,786)</u>		<u>30,805</u>
Changes in fund balances	<u>(1,306,198)</u>	<u>2,137,750</u>	<u>5,336,490</u>	<u>414,384</u>
Fund balances, beginning of year, as restated	<u>23,774,423</u>	<u>(3,270,584)</u>	<u>7,859,733</u>	<u>1,079,933</u>
Fund balances, end of year	<u>\$ 22,468,225</u>	<u>\$ (1,132,834)</u>	<u>\$ 13,196,223</u>	<u>\$ 1,494,317</u>

Other Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
\$ 858,261	\$ 3,707,744	\$ 19,332,479
	5,383,000	50,256,871
13,248	10,828,965	90,312,524
	<u>2,919,882</u>	<u>16,515,047</u>
<u>871,509</u>	<u>22,839,591</u>	<u>176,416,921</u>
	8,023,013	69,042,935
	4,878	14,149,625
	66,292	12,313,929
	431,851	15,689,461
		7,050,948
	4,322,167	10,325,974
5,661,082	8,560,599	30,420,256
		7,205,000
		<u>7,735,082</u>
<u>5,661,082</u>	<u>21,408,800</u>	<u>173,933,210</u>
<u>(4,789,573)</u>	<u>1,430,791</u>	<u>2,483,711</u>
		1,163,614
	(619,828)	(1,163,614)
		<u>120,105</u>
	<u>(619,828)</u>	<u>120,105</u>
<u>(4,789,573)</u>	<u>810,963</u>	<u>2,603,816</u>
<u>24,151,517</u>	<u>12,582,300</u>	<u>66,177,322</u>
<u>\$ 19,361,944</u>	<u>\$ 13,393,263</u>	<u>\$ 68,781,138</u>

Queen Creek Unified School District No. 95
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2023

Changes in fund balances - total governmental funds **\$ 2,603,816**

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

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

Expenditures for capitalized assets	\$ 24,623,056	
Less current year depreciation/amortization	<u>(10,015,330)</u>	
		14,607,726

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

Property taxes	120,133	
Intergovernmental	<u>(2,326,115)</u>	
		(2,205,982)

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

Bond principal retirement	<u>7,205,000</u>	
		7,205,000

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

Current year pension contributions	9,169,656	
Pension expense	<u>(18,932,476)</u>	
		(9,762,820)

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

Deferred bond items on issuance of refunding debt	(70,797)	
Loss on disposal of assets	(26,285)	
Amortization of deferred bond items	955,101	
Compensated absences	<u>(155,975)</u>	
		<u>702,044</u>

Changes in net position in governmental activities **\$ 13,149,784**

Queen Creek Unified School District No. 95
Notes to Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

The financial statements of the Queen Creek Unified School District No. 95 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

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

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

A. Reporting Entity

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

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

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

Queen Creek Unified School District No. 95
Notes to Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

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

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) present financial information about the District as a whole. The reported information includes all of the nonfiduciary activities of the District. For the most part, the effect of internal activity has been removed from these statements. These statements are to distinguish between the governmental and business-type activities of the District. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District does not have any business-type activities or fiduciary activities.

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

Queen Creek Unified School District No. 95
Notes to Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

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

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

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

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

Queen Creek Unified School District No. 95
Notes to Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

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

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

The District reports the following major governmental funds:

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

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

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

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

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

D. Cash and Investments

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.

Queen Creek Unified School District No. 95
Notes to Financial Statements
June 30, 2023

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.

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.

Queen Creek Unified School District No. 95
Notes to Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

G. Property Tax Calendar

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

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

H. Inventory

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories consist of expendable supplies held for consumption. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

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

I. Prepaid Items

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

J. Capital Assets

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

Queen Creek Unified School District No. 95
Notes to Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

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

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

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Land improvements	15 – 50 years
Buildings and improvements	20 – 50 years
Vehicles, furniture and equipment	5 – 25 years

K. Deferred Outflows/Inflows of Resources

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

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

L. Compensated Absences

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

Queen Creek Unified School District No. 95
Notes to Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

M. Leases

As lessor, the District recognizes lease receivables with an initial, individual value of \$50,000 or more. If there is no stated rate in the lease contract (or if the stated rate is not the rate the District charges the lessee) and the implicit rate cannot be determined, the District uses an interest rate based on the Applicable Federal Rate as the discount rate to measure lease receivables.

N. 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.

O. Long-term Obligations

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

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

P. Interfund Activity

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

Queen Creek Unified School District No. 95
Notes to Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

Q. Net Position Flow Assumption

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

R. Estimates

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

Note 2 – Fund Balance Classifications

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

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

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

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

Queen Creek Unified School District No. 95
Notes to Financial Statements
June 30, 2023

Note 2 – Fund Balance Classifications

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 District does not have a formal policy or procedures for the utilization of assigned fund balance, accordingly, no assigned fund balance amounts are reported.

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

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

The table below provides detail of the major components of the District's fund balance classifications at year end. Voter approved initiatives include monies restricted in the Classroom Site and Instructional Improvement Funds, both non-major governmental funds.

	General	Federal and State Grants	Other Special Revenue	Debt Service	Other Capital Projects	Non-Major Governmental Funds
Fund Balances:						
Nonspendable:						
Inventory	\$ 60,184	\$	\$	\$	\$	\$ 71,313
Restricted:						
Debt service				1,494,317		
Capital projects					19,361,944	2,297,851
Voter approved initiatives						7,353,672
Food service						3,670,427
Civic center			1,783,289			
Community schools			6,059,388			
Extracurricular activities			1,010,960			
Insurance refund			866,387			
Student activities			374,326			
CTED			3,075,040			
Other purposes			26,833			
Unassigned	22,408,041	(1,132,834)				
Total fund balances	<u>\$ 22,468,225</u>	<u>\$ (1,132,834)</u>	<u>\$ 13,196,223</u>	<u>\$ 1,494,317</u>	<u>\$ 19,361,944</u>	<u>\$ 13,393,263</u>

Queen Creek Unified School District No. 95
Notes to Financial Statements
June 30, 2023

Note 3 – Stewardship, Compliance and Accountability

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

	<u>Deficit</u>
Major Fund:	
Federal and State Grants	\$ 1,132,834

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

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 \$844,837 and the bank balance was \$909,476. At year end, all of the District's deposits were covered by depository insurance or 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 is an external investment pool with no regulatory oversight. The pool is not required to register (and is not registered) with the Securities and Exchange Commission. The fair value of each participant's position in the County Treasurer investment pool approximates the value of the participant's shares in the pool and the participants' shares are not identified with specific investments. Participants in the pool are not required to categorize the value of shares in accordance with the fair value hierarchy.

Queen Creek Unified School District No. 95
Notes to Financial Statements
June 30, 2023

Note 4 – Cash and Investments

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

	Average	Fair Value
County Treasurer's investment pool	469 days	\$ 66,832,229

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

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

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

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 Funds
Due from other governmental entities:				
Due from federal government	\$	\$ 3,745,625	\$	\$ 3,473
Due from state government	13,993,692	13,049		610,618
Due from other districts			463,426	
Net due from governmental entities	<u>\$ 13,993,692</u>	<u>\$ 3,758,674</u>	<u>\$ 463,426</u>	<u>\$ 614,091</u>

Queen Creek Unified School District No. 95
Notes to Financial Statements
June 30, 2023

Note 6 – Leases Receivable

The District acts as lessor in various telecommunications agreements under the provisions of contracts classified as leases. The related receivables under the lease agreements have been recorded at the present value of their future minimum lease payments as of the inception date. Lease revenue of \$105,638 and related interest revenue of \$3,193 are recorded as other local revenue in the General Fund.

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

Year Ending June 30:		
2024	\$	99,375
2025		102,135
2026		103,785
2027		104,940
2028		106,425
2029-33		434,380
2034-38		159,175
2039-43		131,171
2044		6,589
Total	\$	<u>1,247,975</u>

Note 7 – Capital Assets

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

	Beginning Balance	Increase	Decrease	Ending Balance
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 67,445,672	\$	\$	\$ 67,445,672
Construction in progress	<u>64,767,583</u>	<u>18,259,560</u>	<u>72,995,108</u>	<u>10,032,035</u>
Total capital assets, not being depreciated	<u>132,213,255</u>	<u>18,259,560</u>	<u>72,995,108</u>	<u>77,477,707</u>
Capital assets, being depreciated:				
Land improvements	23,037,090	8,779,412		31,816,502
Buildings and improvements	278,674,770	66,658,263		345,333,033
Vehicles, furniture and equipment	<u>22,744,426</u>	<u>3,920,929</u>	<u>324,135</u>	<u>26,341,220</u>
Total capital assets being depreciated	<u>324,456,286</u>	<u>79,358,604</u>	<u>324,135</u>	<u>403,490,755</u>
Less accumulated depreciation for:				
Land improvements	(4,555,371)	(1,188,013)		(5,743,384)
Buildings and improvements	(53,738,292)	(7,153,301)		(60,891,593)
Vehicles, furniture and equipment	<u>(11,651,564)</u>	<u>(1,674,016)</u>	<u>(297,850)</u>	<u>(13,027,730)</u>
Total accumulated depreciation	<u>(69,945,227)</u>	<u>(10,015,330)</u>	<u>(297,850)</u>	<u>(79,662,707)</u>
Total capital assets, being depreciated, net	<u>254,511,059</u>	<u>69,343,274</u>	<u>26,285</u>	<u>323,828,048</u>
Governmental activities capital assets, net	<u>\$ 386,724,314</u>	<u>\$ 87,602,834</u>	<u>\$ 73,021,393</u>	<u>\$ 401,305,755</u>

Queen Creek Unified School District No. 95
Notes to Financial Statements
June 30, 2023

Note 7 – Capital Assets

Depreciation and amortization expense were charged to governmental functions as follows:

Instruction	\$ 5,994,949
Support services – students and staff	26,409
Support services – administration	365,059
Operation and maintenance of plant services	2,602,638
Student transportation services	565,865
Operation of non-instructional services	460,410
Total depreciation expense – governmental activities	<u>\$ 10,015,330</u>

Construction Commitments – At year end, the District had contractual commitments related to the construction of one new school site, and the renovations of several school sites. At year end, the District had spent \$10.0 million on the projects and had estimated remaining contractual commitments of \$44.3 million. These projects are being funded from funds available in the Other Capital Projects Fund.

Note 8 – 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 \$4.0 million in unused line of credit.

Note 9 – Financed Purchases Payable

The District has made energy efficient updates to school sites and constructed a new high school as well as expanded two elementary schools under the provisions of agreements classified as financed purchases payables. Revenues from the General Fund are used to pay the debt obligations.

Annual debt service requirements to maturity on financed purchases payable at year end are summarized as follows:

Year ending June 30:	Governmental Activities	
	Principal	Interest
2024	\$	\$ 2,510,757
2025	2,253,000	2,510,757
2026	2,324,000	2,439,623
2027	4,948,000	2,357,851
2028	5,102,000	2,204,452
2029-33	27,987,000	8,543,948
2034-38	23,457,000	4,184,294
2039-41	12,246,000	782,010
Total	<u>\$ 78,317,000</u>	<u>\$ 25,533,692</u>

Queen Creek Unified School District No. 95
Notes to Financial Statements
June 30, 2023

Note 10 – General Obligation Bonds Payable

Bonds payable at year end, consisted of the following outstanding general obligation bonds. The bonds are both callable and noncallable with interest payable semiannually. Property taxes from the Debt Service Fund are used to pay bonded debt. The District's legal debt limit is \$362.7 million and the available margin is \$230.7 million.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2023	Due Within One Year
Governmental activities:					
School Improvement Bonds, Projects of 2010 & 2014, Series 2015	\$ 31,920,000	2.50-4.50%	7/1/23-34	\$ 25,070,000	\$ 1,825,000
Refunding Bonds, Series 2015	6,910,000	3.0-5.0%	7/1/23-27	5,120,000	830,000
School Improvement Bonds, Project of 2010 and 2014, Series 2016	4,350,000	2.25-3.00%	7/1/26-29	3,350,000	
School Improvement Bonds, Series 2018	45,215,000	4.0-5.0%	7/1/24-37	39,145,000	
School Improvement Bonds, Series 2019	20,640,000	2.0-5.0%	7/1/23-38	16,865,000	3,000,000
School Improvement Bonds, Series 2020	23,280,000	4.0-5.0%	7/1/23-39	19,880,000	750,000
Refunding Bonds, Series 2020	6,060,000	1.25-5.0%	7/1/23-29	4,000,000	500,000
School Improvement Bonds, Second Series 2020	11,450,000	4.00%	7/1/23-40	7,615,000	300,000
Total				<u>\$ 121,045,000</u>	<u>\$ 7,205,000</u>

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

Year ending June 30:	Governmental Activities	
	Principal	Interest
2024	\$ 7,205,000	\$ 5,086,113
2025	7,255,000	4,802,625
2026	7,165,000	4,496,950
2027	7,045,000	4,183,750
2028	7,390,000	3,877,713
2029-33	41,905,000	14,061,187
2034-38	36,960,000	5,115,575
2039-41	6,120,000	262,425
Total	<u>\$ 121,045,000</u>	<u>\$ 41,886,338</u>

Queen Creek Unified School District No. 95
Notes to Financial Statements
June 30, 2023

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	\$ 129,875,000	\$	\$ 8,830,000	\$ 121,045,000	\$ 7,205,000
Premium	13,657,640		955,101	12,702,539	
Total bonds payable	143,532,640		9,785,101	133,747,539	7,205,000
Financed purchases payable	78,317,000			78,317,000	
Net pension liability	60,816,435	26,489,492		87,305,927	
Compensated absences payable	1,929,789	3,959,595	3,803,620	2,085,764	282,703
Total long-term liabilities	<u>\$ 284,595,864</u>	<u>\$ 30,449,087</u>	<u>\$ 13,588,721</u>	<u>\$ 301,456,230</u>	<u>\$ 7,487,703</u>

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 of \$922,835 in the Treasurer’s pooled cash account. Negative cash on deposit with the County Treasurer was reduced by interfund borrowing with the General Fund. All interfund balances are expected to be paid within one year.

Interfund transfers:

Transfers out	Transfers in		
	General	Debt Service	Total
Federal and State Grants	\$ 543,786	\$	\$ 543,786
Non-Major Governmental Funds	589,023	30,805	619,828
Total	<u>\$ 1,132,809</u>	<u>\$ 30,805</u>	<u>\$ 1,163,614</u>

Transfers between funds were used to (1) move investment income in the Bond Building Fund, a non-major governmental fund, that is required by statute to be expended in the Debt Service Fund, and (2) to move federal grant funds 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.

Queen Creek Unified School District No. 95
Notes to Financial Statements
June 30, 2023

Note 14 – Prior Period Adjustment

The July 1, 2022, the fund balances of the General and Non-Major Governmental Funds do not agree to the prior year financial statements due to the correction of an error. The District omitted the indirect cost transfer for food services in the prior year. In addition, the District reclassified the Unrestricted Capital Outlay activity to the General Fund and Other Capital Projects Funds for financial reporting purposes, as well as combined the New School Facilities Fund with the Other Capital Projects Fund.

	General	Other Federal Projects	Federal and State Grants	Other Special Revenue	Other Capital Projects	Unrestricted Capital Outlay	New School Facilities	Non-Major Governmental Funds
Fund balance, June 30, 2022 as previously reported	\$ 20,440,073	\$ (3,968,564)	\$	\$	\$	\$ 26,006,261	\$ (1,095,771)	\$ 23,715,390
Omission of indirect cost transfer	639,858							(639,858)
Reclassification of Unrestricted Capital Outlay	2,694,492				23,311,769	(26,006,261)		
Reclassification of Federal and State Grants		3,968,564	(3,270,584)					(697,980)
Reclassification of Other Special Revenue				7,859,733				(7,859,733)
Reclassification of Non-Major Governmental Funds					1,935,519			(1,935,519)
Reclassification of New Schools Facilities					(1,095,771)		1,095,771	
Fund balance, July 1, 2022, as restated	<u>\$ 23,774,423</u>	<u>\$</u>	<u>\$ (3,270,584)</u>	<u>\$ 7,859,733</u>	<u>\$ 24,151,517</u>	<u>\$</u>	<u>\$</u>	<u>\$ 12,582,300</u>

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.

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), together with other 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's employees have health and accident insurance coverage with Kairos. Kairos is a public entity health benefits pool currently operating as a risk management and insurance program for government entities in the state. The District pays a monthly premium to Kairos for employees' health and accident insurance coverage. The agreement provides that Kairos will be self-sustaining through members' premiums and will reinsure through commercial companies for claims in excess of specified amounts for each insured event.

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

Queen Creek Unified School District No. 95
Notes to Financial Statements
June 30, 2023

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.

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

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

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

*With actuarially reduced benefits

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

Queen Creek Unified School District No. 95
Notes to Financial Statements
June 30, 2023

Note 16 – Pensions

Contributions. In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 12.17 percent (12.03 percent for retirement and 0.14 percent for long-term disability) of the members' annual covered payroll, and the District was required by statute to contribute at the actuarially determined rate of 12.17 percent (11.92 percent for retirement, 0.11 percent for health insurance premium benefit, and 0.14 percent for long-term disability) of the active members' annual covered payroll. The District's contributions to the pension plan for the year ended June 30, 2023 were \$9,169,656.

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

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

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

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

Net Liability	District % Proportion	Increase (Decrease)
\$ 87,305,927	0.535	0.072

Pension Expense and Deferred Outflows/Inflows of Resources. The District has deferred outflows and inflows of resources related to the net pension liability. Certain changes in the net pension liability are recognized as pension expense over a period of time rather than the year of occurrence. The District's pension expense for the year ended June 30, 2023 was \$18,932,476.

Queen Creek Unified School District No. 95
Notes to Financial Statements
June 30, 2023

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	\$ 743,898	\$
Changes of assumptions or other inputs	4,333,162	
Net difference between projected and actual earnings on pension investments		2,299,723
Changes in proportion and differences between contributions and proportionate share of contributions	9,073,431	
Contributions subsequent to the measurement date	<u>9,169,656</u>	
Total	<u>\$ 23,320,147</u>	<u>\$ 2,299,723</u>

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

Year Ending June 30:		
2024	\$	9,770,781
2025		2,392,032
2026		(3,992,859)
2027		3,680,814

Queen Creek Unified School District No. 95
Notes to Financial Statements
June 30, 2023

Note 16 – Pensions

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

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

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

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

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

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

Queen Creek Unified School District No. 95
Notes to Financial Statements
June 30, 2023

Note 16 – Pensions

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.

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

	Current		
	1% Decrease	Discount Rate	1% Increase
Rate	6.0%	7.0%	8.0%
Net liability	\$ 128,817,301	\$ 87,305,927	\$ 52,691,928

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

Queen Creek Unified School District No. 95
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General
For the Year Ended June 30, 2023

	<u>Budget</u>		<u>Non-GAAP Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other local	\$	\$	\$ 277,977	\$ 277,977
Property taxes			26,490,053	26,490,053
State aid and grants			64,970,206	64,970,206
Total revenues			<u>91,738,236</u>	<u>91,738,236</u>
Expenditures				
Current:				
Instruction	65,950,597	65,617,207	52,178,097	13,439,110
Support services - students and staff	9,698,266	9,698,266	11,831,489	(2,133,223)
Support services - administration	8,413,253	8,413,253	10,732,311	(2,319,058)
Operation and maintenance of plant services	11,624,716	11,624,716	14,594,009	(2,969,293)
Student transportation services	4,823,355	4,858,924	5,575,413	(716,489)
Operation of non-instructional services	491,379	491,379	1,446,660	(955,281)
Total expenditures	<u>101,001,566</u>	<u>100,703,745</u>	<u>96,357,979</u>	<u>4,345,766</u>
Changes in fund balances	<u>(101,001,566)</u>	<u>(100,703,745)</u>	<u>(4,619,743)</u>	<u>96,084,002</u>
Fund balances, beginning of year			<u>9,319,099</u>	<u>9,319,099</u>
Fund balances, end of year	<u>\$ (101,001,566)</u>	<u>\$ (100,703,745)</u>	<u>\$ 4,699,356</u>	<u>\$ 105,403,101</u>

Queen Creek Unified School District No. 95
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Federal and State Grants
For the Year Ended June 30, 2023

	<u>Budget</u>		
	<u>Original and Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Other local	\$	\$ 14,904	\$ 14,904
State aid and grants		1,133,461	1,133,461
Federal aid, grants and reimbursements		13,041,415	13,041,415
Total revenues		<u>14,189,780</u>	<u>14,189,780</u>
Expenditures			
Current:			
Instruction	12,066,965	6,827,413	5,239,552
Support services - students and staff	3,312,789	1,874,355	1,438,434
Support services - administration	1,092,996	618,410	474,586
Operation and maintenance of plant services	612,907	346,779	266,128
Student transportation services	2,353,543	1,331,620	1,021,923
Operation of non-instructional services	233,244	131,968	101,276
Capital outlay	667,556	377,699	289,857
Total expenditures	<u>20,340,000</u>	<u>11,508,244</u>	<u>8,831,756</u>
Excess (deficiency) of revenues over expenditures	<u>(20,340,000)</u>	<u>2,681,536</u>	<u>23,021,536</u>
Other financing sources (uses)			
Transfers out		(543,786)	(543,786)
Total other financing sources (uses)		<u>(543,786)</u>	<u>(543,786)</u>
Changes in fund balances	<u>(20,340,000)</u>	<u>2,137,750</u>	<u>22,477,750</u>
Fund balances, beginning of year		<u>(3,270,584)</u>	<u>(3,270,584)</u>
Fund balances, end of year	<u>\$ (20,340,000)</u>	<u>\$ (1,132,834)</u>	<u>\$ 19,207,166</u>

Queen Creek Unified School District No. 95
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Other Special Revenue
For the Year Ended June 30, 2023

	<u>Budget</u>		<u>Variance with</u>
	<u>Original and Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues			
Other local	\$	\$ 11,198,162	\$ 11,198,162
State aid and grants		20,491	20,491
Total revenues		<u>11,218,653</u>	<u>11,218,653</u>
Expenditures			
Current:			
Instruction	845,228	675,118	170,110
Support services - students and staff	387,926	309,852	78,074
Support services - administration	177,364	141,668	35,696
Operation and maintenance of plant services	265,686	212,214	53,472
Student transportation services	69,020	55,129	13,891
Operation of non-instructional services	5,363,735	4,284,231	1,079,504
Capital outlay	<u>255,341</u>	<u>203,951</u>	<u>51,390</u>
Total expenditures	<u>7,364,300</u>	<u>5,882,163</u>	<u>1,482,137</u>
Changes in fund balances	<u>(7,364,300)</u>	<u>5,336,490</u>	<u>12,700,790</u>
Fund balances, beginning of year		<u>7,859,733</u>	<u>7,859,733</u>
Fund balances, end of year	<u>\$ (7,364,300)</u>	<u>\$ 13,196,223</u>	<u>\$ 20,560,523</u>

(This page intentionally left blank)

Queen Creek Unified School District No.95
Schedule of the Proportionate Share of the Net Pension Liability
Arizona State Retirement System
Last Nine Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Measurement date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
District's proportion of the net pension (assets) liability	0.54%	0.46%	0.43%	0.36%
District's proportionate share of the net pension (assets) liability	\$ 87,305,927	\$ 60,816,435	\$ 73,648,106	\$ 51,790,501
District's covered payroll	\$ 63,647,052	\$ 51,954,678	\$ 46,486,550	\$ 37,526,082
District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	137.17%	117.06%	158.43%	138.01%
Plan fiduciary net position as a percentage of the total pension liability	74.26%	78.58%	69.33%	73.24%

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Actuarially determined contribution	\$ 9,169,656	\$ 7,644,011	\$ 6,052,720	\$ 5,322,710
Contributions in relation to the actuarially determined contribution	<u>9,169,656</u>	<u>7,644,011</u>	<u>6,052,720</u>	<u>5,322,710</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 76,926,644	\$ 63,647,052	\$ 51,954,678	\$ 46,486,550
Contributions as a percentage of covered payroll	11.92%	12.01%	11.65%	11.45%

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

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
0.32%	0.29%	0.24%	0.22%	0.23%
\$ 45,190,782	\$ 44,969,159	\$ 39,471,213	\$ 34,990,643	\$ 33,722,771
\$ 31,968,101	\$ 27,511,772	\$ 22,275,410	\$ 20,090,009	\$ 20,007,486
141.36%	163.45%	177.20%	174.17%	168.55%
73.40%	69.92%	67.06%	68.35%	69.49%

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 4,195,416	\$ 3,484,523	\$ 2,965,769	\$ 2,416,882	\$ 2,187,802
4,195,416	3,484,523	2,965,769	2,416,882	2,187,802
\$	\$	\$	\$	\$
\$ 37,526,082	\$ 31,968,101	\$ 27,511,772	\$ 22,275,410	\$ 20,090,009
11.18%	10.90%	10.78%	10.85%	10.89%

Queen Creek Unified School District No. 95
Notes to Required Supplementary Information
June 30, 2023

Note 1 – Budgetary Basis Of Accounting

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

- Certain activities reported in the General Fund are budgeted in separate funds in accordance with Arizona Revised Statutes.
- Insurance expenditures for employee health insurance are budgeted in the year paid.

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

	Total	Fund
	Expenditures	Balances
	<u>Expenditures</u>	<u>End of Year</u>
Statement of Revenues, Expenditures and Changes in		
Fund Balances - Governmental Funds	\$ 117,043,596	\$ 22,468,225
Activity budgeted as special revenue funds	(2,159,273)	(10,146,467)
Activity budgeted as capital projects funds	(17,892,697)	(3,972,113)
Employee insurance account	<u>(633,647)</u>	<u>(3,650,289)</u>
Schedule of Revenue, Expenditures and Changes in		
Fund Balances – Budget and Actual - General Fund	<u>\$ 96,357,979</u>	<u>\$ 4,699,356</u>

Note 2 – Pension Plan Schedules

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

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

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

(This page intentionally left blank)

Governmental Funds

(This page intentionally left blank)

Non-Major Governmental Funds

Special Revenue Funds

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

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

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.

Debt Service Fund

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

Capital Projects Funds

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

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

Queen Creek Unified School District No. 95
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2023

	Special Revenue Funds			Capital Projects
	Classroom Site	Instructional Improvement	Food Service	Adjacent Ways
Assets				
Cash and investments	\$ 6,141,473	\$ 854,417	\$ 3,670,427	\$ 2,297,851
Due from governmental entities		610,618	3,473	
Inventory			71,313	
Total assets	<u>\$ 6,141,473</u>	<u>\$ 1,465,035</u>	<u>\$ 3,745,213</u>	<u>\$ 2,297,851</u>
Liabilities				
Accrued payroll and employee benefits	\$ 245,068	\$ 7,768		
Total liabilities	<u>245,068</u>	<u>7,768</u>		
Deferred inflows of resources				
Unavailable revenues - intergovernmental			3,473	
Total deferred inflows of resources			<u>3,473</u>	
Fund balances				
Nonspendable			71,313	
Restricted	5,896,405	1,457,267	3,670,427	2,297,851
Total fund balances	<u>5,896,405</u>	<u>1,457,267</u>	<u>3,741,740</u>	<u>2,297,851</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,141,473</u>	<u>\$ 1,465,035</u>	<u>\$ 3,745,213</u>	<u>\$ 2,297,851</u>

**Total Non-Major
Governmental
Funds**

\$ 12,964,168
614,091
71,313

\$ 13,649,572

\$ 252,836

252,836

3,473

3,473

71,313

13,321,950

13,393,263

\$ 13,649,572

Queen Creek Unified School District No. 95
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Funds			Capital Projects Funds
	Classroom Site	Instructional Improvement	Food Service	Adjacent Ways
Revenues				
Other local	\$ 88,110	\$ 14,579	\$ 3,550,840	\$
Property taxes				5,383,000
State aid and grants	9,996,423	832,542		
Federal aid, grants and reimbursements			2,919,882	
Total revenues	<u>10,084,533</u>	<u>847,121</u>	<u>6,470,722</u>	<u>5,383,000</u>
Expenditures				
Current:				
Instruction	7,736,915	286,098		
Support services - students and staff		4,878		
Support services - administration		54,801	11,491	
Operation and maintenance of plant services			431,851	
Operation of non-instructional services	160,167		4,162,000	
Capital outlay			1,799,026	3,432,808
Total expenditures	<u>7,897,082</u>	<u>345,777</u>	<u>6,404,368</u>	<u>3,432,808</u>
Excess (deficiency) of revenues over expenditures	<u>2,187,451</u>	<u>501,344</u>	<u>66,354</u>	<u>1,950,192</u>
Other financing sources (uses)				
Transfers out			(589,023)	
Total other financing sources (uses)			<u>(589,023)</u>	
Changes in fund balances	<u>2,187,451</u>	<u>501,344</u>	<u>(522,669)</u>	<u>1,950,192</u>
Fund balances, beginning of year, as restated	<u>3,708,954</u>	<u>955,923</u>	<u>4,264,409</u>	<u>347,659</u>
Fund balances, end of year	<u>\$ 5,896,405</u>	<u>\$ 1,457,267</u>	<u>\$ 3,741,740</u>	<u>\$ 2,297,851</u>

Capital Projects	
Funds	
Bond Building Fund	Total Non-Major Governmental Funds
\$ 54,215	\$ 3,707,744
	5,383,000
	10,828,965
	2,919,882
<u>54,215</u>	<u>22,839,591</u>
	8,023,013
	4,878
	66,292
	431,851
	4,322,167
<u>3,328,765</u>	<u>8,560,599</u>
<u>3,328,765</u>	<u>21,408,800</u>
<u>(3,274,550)</u>	<u>1,430,791</u>
<u>(30,805)</u>	<u>(619,828)</u>
<u>(30,805)</u>	<u>(619,828)</u>
<u>(3,305,355)</u>	<u>810,963</u>
<u>3,305,355</u>	<u>12,582,300</u>
<u>\$</u>	<u>\$ 13,393,263</u>

Queen Creek Unified School District No. 95
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Classroom Site
For the Year Ended June 30, 2023

	<u>Budget</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues				
Other local	\$	\$	\$ 88,110	\$ 88,110
State aid and grants			9,996,423	9,996,423
Total revenues			<u>10,084,533</u>	<u>10,084,533</u>
Expenditures				
Current:				
Instruction	12,725,432	13,705,377	7,736,915	5,968,462
Operation of non-instructional services			160,167	(160,167)
Total expenditures	<u>12,725,432</u>	<u>13,705,377</u>	<u>7,897,082</u>	<u>5,808,295</u>
Changes in fund balances	<u>(12,725,432)</u>	<u>(13,705,377)</u>	<u>2,187,451</u>	<u>15,892,828</u>
Fund balances, beginning of year			<u>3,708,954</u>	<u>3,708,954</u>
Fund balances, end of year	<u>\$ (12,725,432)</u>	<u>\$ (13,705,377)</u>	<u>\$ 5,896,405</u>	<u>\$ 19,601,782</u>

Queen Creek Unified School District No. 95
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Instructional Improvement
For the Year Ended June 30, 2023

	<u>Budget</u>		
	<u>Original and Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Other local	\$	\$ 14,579	\$ 14,579
State aid and grants		832,542	832,542
Total revenues		847,121	847,121
Expenditures			
Current:			
Instruction	344,201	286,098	58,103
Support services - students and staff	5,869	4,878	991
Support services - administration	65,930	54,801	11,129
Total expenditures	416,000	345,777	70,223
Changes in fund balances	(416,000)	501,344	917,344
Fund balances, beginning of year		955,923	955,923
Fund balances, end of year	\$ (416,000)	\$ 1,457,267	\$ 1,873,267

Queen Creek Unified School District No. 95
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Food Service
For the Year Ended June 30, 2023

	<u>Budget</u>		
	<u>Original and Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Other local	\$	\$ 3,550,840	\$ 3,550,840
Federal aid, grants and reimbursements		2,919,882	2,919,882
Total revenues		6,470,722	6,470,722
Expenditures			
Current:			
Support services - administration	12,560	11,491	1,069
Operation and maintenance of plant services	472,015	431,851	40,164
Operation of non-instructional services	4,549,083	4,162,000	387,083
Capital outlay	1,966,343	1,799,026	167,317
Total expenditures	7,000,000	6,404,368	595,632
Excess (deficiency) of revenues over expenditures	(7,000,000)	66,354	7,066,354
Other financing sources (uses)			
Transfers out		(589,023)	(589,023)
Total other financing sources (uses)		(589,023)	(589,023)
Changes in fund balances	(7,000,000)	(522,669)	6,477,331
Fund balances, beginning of year, as restated		4,264,409	4,264,409
Fund balances, end of year	\$ (7,000,000)	\$ 3,741,740	\$ 10,741,740

Queen Creek Unified School District No. 95
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Debt Service
For the Year Ended June 30, 2023

	<u>Budget</u>		
	<u>Original and Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Other local	\$	\$ 129,936	\$ 129,936
Property taxes		12,682,968	12,682,968
Total revenues		12,812,904	12,812,904
Expenditures			
Debt service:			
Principal retirement	7,205,000	7,205,000	
Interest and fiscal charges	5,438,925	5,224,325	214,600
Total expenditures	12,643,925	12,429,325	214,600
Excess (deficiency) of revenues over expenditures	(12,643,925)	383,579	13,027,504
Other financing sources (uses)			
Transfers in		30,805	30,805
Total other financing sources (uses)		30,805	30,805
Changes in fund balances	(12,643,925)	414,384	13,058,309
Fund balances, beginning of year		1,079,933	1,079,933
Fund balances, end of year	\$ (12,643,925)	\$ 1,494,317	\$ 14,138,242

Queen Creek Unified School District No. 95
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Adjacent Ways
For the Year Ended June 30, 2023

	<u>Budget</u>		
	<u>Original and Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Property taxes	\$	\$ 5,383,000	\$ 5,383,000
Total revenues		<u>5,383,000</u>	<u>5,383,000</u>
Expenditures			
Capital outlay	5,350,000	3,432,808	1,917,192
Total expenditures	<u>5,350,000</u>	<u>3,432,808</u>	<u>1,917,192</u>
Changes in fund balances	<u>(5,350,000)</u>	<u>1,950,192</u>	<u>7,300,192</u>
Fund balances, beginning of year		<u>347,659</u>	<u>347,659</u>
Fund balances, end of year	<u>\$ (5,350,000)</u>	<u>\$ 2,297,851</u>	<u>\$ 7,647,851</u>

Queen Creek Unified School District No. 95
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Bond Building
For the Year Ended June 30, 2023

	<u>Budget</u>		
	<u>Original and Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Other local	\$	\$ 54,215	\$ 54,215
Total revenues		54,215	54,215
Expenditures			
Capital outlay	3,378,577	3,328,765	49,812
Total expenditures	3,378,577	3,328,765	49,812
Excess (deficiency) of revenues over expenditures	(3,378,577)	(3,274,550)	104,027
Other financing sources (uses)			
Transfers out		(30,805)	(30,805)
Total other financing sources (uses)		(30,805)	(30,805)
Changes in fund balances	(3,378,577)	(3,305,355)	73,222
Fund balances, beginning of year		3,305,355	3,305,355
Fund balances, end of year	\$ (3,378,577)	\$	\$ 3,378,577

Queen Creek Unified School District No. 95
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Other Capital Projects
For the Year Ended June 30, 2023

	<u>Budget</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues				
Other local	\$	\$	\$ 342,286	\$ 342,286
State aid and grants			13,248	13,248
Total revenues			<u>355,534</u>	<u>355,534</u>
Expenditures				
Capital outlay	<u>26,300,151</u>	<u>29,300,151</u>	<u>1,319,543</u>	<u>27,980,608</u>
Total expenditures	<u>26,300,151</u>	<u>29,300,151</u>	<u>1,319,543</u>	<u>27,980,608</u>
Changes in fund balances	<u>(26,300,151)</u>	<u>(29,300,151)</u>	<u>(964,009)</u>	<u>28,336,142</u>
Fund balances, beginning of year			<u>839,748</u>	<u>839,748</u>
Fund balances, end of year	<u>\$ (26,300,151)</u>	<u>\$ (29,300,151)</u>	<u>\$ (124,261)</u>	<u>\$ 29,175,890</u>

Statistical Section

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

Queen Creek Unified School District No. 95
Net Position by Component
Last Ten Fiscal Years
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Net Position:					
Net investment in capital assets	\$ 206,616,934	\$ 191,857,158	\$ 81,332,204	\$ 131,808,244	\$ 122,959,855
Restricted	33,027,474	25,355,581	68,074,511	13,810,066	10,020,049
Unrestricted	<u>(38,480,763)</u>	<u>(29,198,878)</u>	<u>(31,370,206)</u>	<u>(27,290,009)</u>	<u>(24,210,500)</u>
Total net position	<u><u>\$ 201,163,645</u></u>	<u><u>\$ 188,013,861</u></u>	<u><u>\$ 118,036,509</u></u>	<u><u>\$ 118,328,301</u></u>	<u><u>\$ 108,769,404</u></u>
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Net Position:					
Net investment in capital assets	\$ 88,451,254	\$ 68,032,347	\$ 67,464,476	\$ 67,906,920	\$ 67,572,100
Restricted	12,593,027	6,762,737	7,789,182	8,216,085	8,140,923
Unrestricted	<u>(21,854,421)</u>	<u>(24,014,887)</u>	<u>(26,810,714)</u>	<u>(28,122,455)</u>	<u>8,030,367</u>
Total net position	<u><u>\$ 79,189,860</u></u>	<u><u>\$ 50,780,197</u></u>	<u><u>\$ 48,442,944</u></u>	<u><u>\$ 48,000,550</u></u>	<u><u>\$ 83,743,390</u></u>

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

Note: The provisions of the Governmental Accounting Standards Board (GASB) Statement No.68 were implemented in 2015.

Queen Creek Unified School District No. 95
Expenses, Program Revenues, and Net (Expense)/Revenue
Last Ten Fiscal Years
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Expenses					
Instruction	\$ 83,864,755	\$ 70,511,992	\$ 64,010,721	\$ 54,960,020	\$ 40,516,638
Support services - students and staff	15,691,907	13,281,333	12,098,273	10,926,905	8,507,861
Support services - administration	14,087,857	10,892,824	9,908,569	8,957,703	8,400,826
Operation and maintenance of plant services	19,714,189	16,072,618	12,659,919	11,191,029	8,643,176
Student transportation services	8,568,949	6,910,170	5,495,111	4,494,255	4,703,459
Operation of non-instructional services	12,402,825	10,784,295	6,291,219	5,685,826	4,789,037
Interest on long-term debt	6,850,778	7,156,684	5,836,111	4,905,185	4,390,042
Total expenses	<u>161,181,260</u>	<u>135,609,916</u>	<u>116,299,923</u>	<u>101,120,923</u>	<u>79,951,039</u>
Program Revenues					
Charges for services:					
Instruction	4,289,468	3,465,469	4,879,337	2,985,868	1,926,558
Operation of non-instructional services	11,031,640	5,474,294	789,779	4,241,531	3,693,308
Other activities	1,439,423	1,620,537	721,681	876,643	1,140,673
Operating grants and contributions	15,371,834	19,744,196	13,614,706	7,618,180	4,946,126
Capital grants and contributions	995,456	58,086,875	5,453,077	12,928,882	31,206,094
Total program revenues	<u>33,127,821</u>	<u>88,391,371</u>	<u>25,458,580</u>	<u>28,651,104</u>	<u>42,912,759</u>
Net (Expense)/Revenue	<u>\$ (128,053,439)</u>	<u>\$ (47,218,545)</u>	<u>\$ (90,841,343)</u>	<u>\$ (72,469,819)</u>	<u>\$ (37,038,280)</u>

(Continued)

Queen Creek Unified School District No. 95
Expenses, Program Revenues, and Net (Expense)/Revenue
Last Ten Fiscal Years
(Accrual basis of accounting)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Expenses					
Instruction	\$ 33,710,073	\$ 29,917,103	\$ 22,987,109	\$ 21,666,500	\$ 20,654,350
Support services - students and staff	6,638,689	5,664,691	4,646,157	4,404,260	4,369,053
Support services - administration	6,109,880	5,437,447	5,244,747	4,380,787	4,358,965
Operation and maintenance of plant services	7,169,047	7,511,602	6,184,618	4,919,770	5,123,094
Student transportation services	3,949,889	3,432,255	2,783,146	2,636,950	2,521,520
Operation of non-instructional services	3,778,462	3,548,783	3,154,514	2,951,133	2,930,100
Interest on long-term debt	2,604,100	2,177,382	2,224,123	1,498,267	1,558,063
Total expenses	<u>63,960,140</u>	<u>57,689,263</u>	<u>47,224,414</u>	<u>42,457,667</u>	<u>41,515,145</u>
Program Revenues					
Charges for services:					
Instruction	1,470,085	1,691,980	2,035,229	2,733,807	1,794,820
Operation of non-instructional services	3,135,740	2,614,882	2,160,506	1,617,965	1,536,924
Other activities	881,744	1,447,783	684,177	512,476	649,180
Operating grants and contributions	5,079,024	4,149,858	4,063,862	3,654,413	3,597,355
Capital grants and contributions	24,441,346	318,513	137,386	140,600	60,313
Total program revenues	<u>35,007,939</u>	<u>10,223,016</u>	<u>9,081,160</u>	<u>8,659,261</u>	<u>7,638,592</u>
Net (Expense)/Revenue	<u>\$ (28,952,201)</u>	<u>\$ (47,466,247)</u>	<u>\$ (38,143,254)</u>	<u>\$ (33,798,406)</u>	<u>\$ (33,876,553)</u>

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

(Concluded)

Queen Creek Unified School District No. 95
General Revenues and Total Changes in Net Position
Last Ten Fiscal Years
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Net (Expense)/Revenue	\$ (128,053,439)	\$ (47,218,545)	\$ (90,841,343)	\$ (72,469,819)	\$ (37,038,280)
General Revenues:					
Property taxes	50,377,004	44,755,012	39,567,851	33,096,534	30,199,771
Investment income	1,127,145	609,529	641,576	907,224	1,080,546
Unrestricted county aid		5,035,297	4,104,582	3,276,530	2,388,204
Unrestricted state aid	89,145,324	66,186,776	45,865,050	43,792,449	32,841,343
Unrestricted federal aid	553,750	609,283	370,492	243,268	107,960
Total general revenues	<u>141,203,223</u>	<u>117,195,897</u>	<u>90,549,551</u>	<u>81,316,005</u>	<u>66,617,824</u>
Changes in Net Position	<u>\$ 13,149,784</u>	<u>\$ 69,977,352</u>	<u>\$ (291,792)</u>	<u>\$ 8,846,186</u>	<u>\$ 29,579,544</u>

(Continued)

Queen Creek Unified School District No. 95
General Revenues and Total Changes in Net Position
Last Ten Fiscal Years
(Accrual basis of accounting)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Net (Expense)/Revenue	\$ (28,952,201)	\$ (47,466,247)	\$ (38,143,254)	\$ (33,798,406)	\$ (33,876,553)
General Revenues:					
Property taxes	26,453,692	23,304,407	15,213,580	15,948,065	16,315,166
Investment income	347,462	89,066	141,983	71,815	45,806
Unrestricted county aid	2,350,517	2,009,104	1,682,024	1,417,591	1,416,310
Unrestricted state aid	27,985,051	24,214,177	21,226,124	17,295,836	17,106,213
Unrestricted federal aid	217,585	186,746	321,937	219,315	220,733
Total general revenues	<u>57,354,307</u>	<u>49,803,500</u>	<u>38,585,648</u>	<u>34,952,622</u>	<u>35,104,228</u>
Changes in Net Position	<u>\$ 28,402,106</u>	<u>\$ 2,337,253</u>	<u>\$ 442,394</u>	<u>\$ 1,154,216</u>	<u>\$ 1,227,675</u>

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

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

(Concluded)

Queen Creek Unified School District No. 95
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
General Fund:					
Nondisposable	\$ 60,184	\$ 138,939	\$ 152,581	\$ 40,324	\$ 59,015
Unassigned	22,408,041	20,301,134	14,202,475	11,523,903	7,880,269
Total General Fund	<u>\$ 22,468,225</u>	<u>\$ 20,440,073</u>	<u>\$ 14,355,056</u>	<u>\$ 11,564,227</u>	<u>\$ 7,939,284</u>
All Other Governmental Funds:					
Nondisposable	\$ 71,313	\$ 64,003	\$ 499,626	\$ 235,438	\$ 236,451
Restricted	47,374,434	51,658,687	73,920,120	40,507,341	27,118,996
Unassigned	(1,132,834)	(5,985,441)	(521,850)	(790,008)	(183,425)
Total all other governmental funds	<u>\$ 46,312,913</u>	<u>\$ 45,737,249</u>	<u>\$ 73,897,896</u>	<u>\$ 39,952,771</u>	<u>\$ 27,172,022</u>

(Continued)

Queen Creek Unified School District No. 95
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Fund:					
Nondisposable	\$ 52,583	\$	\$	\$	\$
Unassigned	11,691,357	6,552,857	4,205,429	3,325,992	3,176,035
Total General Fund	<u>\$ 11,743,940</u>	<u>\$ 6,552,857</u>	<u>\$ 4,205,429</u>	<u>\$ 3,325,992</u>	<u>\$ 3,176,035</u>
All Other Governmental Funds:					
Restricted	\$ 55,393,077	\$ 7,725,540	\$ 13,669,536	\$ 28,811,078	\$ 9,101,089
Unassigned	(3,711,844)	(283,491)			
Total all other governmental funds	<u>\$ 51,919,030</u>	<u>\$ 7,442,049</u>	<u>\$ 13,669,536</u>	<u>\$ 28,811,078</u>	<u>\$ 9,101,089</u>

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

(Concluded)

Queen Creek Unified School District No. 95
Governmental Funds Revenues
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Federal sources:					
Federal grants	\$ 13,595,165	\$ 6,951,549	\$ 8,394,900	\$ 3,383,584	\$ 3,736,109
National School Lunch Program	2,919,882	8,131,503	4,895,007	2,701,199	1,328,296
Total federal sources	<u>16,515,047</u>	<u>15,083,052</u>	<u>13,289,907</u>	<u>6,084,783</u>	<u>5,064,405</u>
State sources:					
State equalization assistance	78,316,359	56,897,320	44,964,503	39,648,107	28,906,967
State grants	1,133,461	1,158,017	968,091	790,939	586,575
School Facilities Oversight Board	13,248	55,759,527	46,190	9,957,556	22,270,713
Other revenues	10,849,456	9,309,265	5,463,477	4,144,342	3,911,248
Total state sources	<u>90,312,524</u>	<u>123,124,129</u>	<u>51,442,261</u>	<u>54,540,944</u>	<u>55,675,503</u>
Local sources:					
Property taxes	50,256,871	45,100,740	39,461,319	33,801,246	30,243,745
County aid	57,477	5,035,297	4,104,582	3,276,530	2,388,204
Food service sales	3,467,626	394,446	626,960	1,639,931	1,732,509
Investment income	1,127,145	609,529	641,576	907,224	1,080,546
Other revenues	14,680,231	11,006,916	6,596,163	7,326,791	5,365,969
Total local sources	<u>69,589,350</u>	<u>62,146,928</u>	<u>51,430,600</u>	<u>46,951,722</u>	<u>40,810,973</u>
Total revenues	<u><u>\$ 176,416,921</u></u>	<u><u>\$ 200,354,109</u></u>	<u><u>\$ 116,162,768</u></u>	<u><u>\$ 107,577,449</u></u>	<u><u>\$ 101,550,881</u></u>

(Continued)

Queen Creek Unified School District No. 95
Governmental Funds Revenues
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Federal sources:					
Federal grants	\$ 2,692,918	\$ 2,880,135	\$ 2,768,021	\$ 2,903,742	\$ 2,629,031
National School Lunch Program	1,192,799	1,224,809	1,154,247	1,041,332	1,030,574
Total federal sources	<u>3,885,717</u>	<u>4,104,944</u>	<u>3,922,268</u>	<u>3,945,074</u>	<u>3,659,605</u>
State sources:					
State equalization assistance	24,715,708	21,432,068	18,483,931	15,319,025	15,098,589
State grants	643,163	148,188	143,336	97,627	101,206
School Facilities Oversight Board	23,946,576	482,000			
Other revenues	<u>3,258,438</u>	<u>2,782,109</u>	<u>2,260,753</u>	<u>1,976,811</u>	<u>2,019,624</u>
Total state sources	<u>52,563,885</u>	<u>24,844,365</u>	<u>20,888,020</u>	<u>17,393,463</u>	<u>17,219,419</u>
Local sources:					
Property taxes	26,439,562	23,283,719	15,934,620	16,018,678	16,301,657
County aid	2,350,517	2,009,104	1,690,024		1,416,310
Food service sales	1,507,368	1,349,650	1,223,319	1,078,537	1,060,613
Investment income	347,462	89,066	141,983	71,815	45,806
Other revenues	<u>4,439,629</u>	<u>4,763,557</u>	<u>3,950,605</u>	<u>3,777,711</u>	<u>2,969,357</u>
Total local sources	<u>35,084,538</u>	<u>31,495,096</u>	<u>22,940,551</u>	<u>22,372,332</u>	<u>21,793,743</u>
Total revenues	<u><u>\$ 91,534,140</u></u>	<u><u>\$ 60,444,405</u></u>	<u><u>\$ 47,750,839</u></u>	<u><u>\$ 43,710,869</u></u>	<u><u>\$ 42,672,767</u></u>

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

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

(Concluded)

Queen Creek Unified School District No. 95
Governmental Funds Expenditures and Debt Service Ratio
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Expenditures:					
Current -					
Instruction	\$ 69,042,935	\$ 59,339,770	\$ 49,920,163	\$ 41,428,092	\$ 34,067,505
Support services - students and staff	14,149,625	12,273,811	10,403,113	9,746,282	8,101,697
Support services - administration	12,313,929	9,857,668	8,538,978	7,746,042	6,988,180
Operation and maintenance of plant services	15,689,461	11,800,323	10,173,296	8,936,738	7,387,837
Student transportation services	7,050,948	6,178,660	4,639,712	3,605,635	3,108,050
Operation of non-instructional services	10,325,974	8,817,271	5,761,202	5,027,368	4,400,312
Capital outlay	30,420,256	96,785,746	37,857,019	42,146,562	78,794,810
Debt service -					
Principal retirement	7,205,000	8,939,248	8,676,145	23,666,749	5,610,000
Interest, premium and fiscal charges	7,735,082	8,040,988	6,728,358	5,604,954	4,906,209
Bond issuance costs			610,934	767,823	289,732
Total expenditures	<u>\$ 173,933,210</u>	<u>\$ 222,033,485</u>	<u>\$ 143,308,920</u>	<u>\$ 148,676,245</u>	<u>\$ 153,654,332</u>
Expenditures for capitalized assets	\$ 24,623,056	\$ 90,754,000	\$ 33,274,582	\$ 36,215,646	\$ 73,762,675
Debt service as a percentage of noncapital expenditures	10%	13%	14%	26%	13%

(Continued)

Queen Creek Unified School District No. 95
Governmental Funds Expenditures and Debt Service Ratio
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Expenditures:					
Current -					
Instruction	\$ 27,711,540	\$ 25,532,755	\$ 19,847,001	\$ 18,174,397	\$ 17,932,854
Support services - students and staff	6,350,834	5,278,891	4,510,556	4,307,473	4,316,787
Support services - administration	5,229,766	4,869,509	4,923,198	4,187,163	4,022,744
Operation and maintenance of plant services	6,276,082	6,677,151	5,506,637	4,749,390	4,965,295
Student transportation services	2,757,798	2,631,286	2,180,756	2,168,632	2,050,649
Operation of non-instructional services	3,749,415	3,379,390	3,095,858	2,885,476	2,856,920
Capital outlay	48,952,102	8,952,367	19,553,100	14,127,876	1,828,526
Debt service -					
Principal retirement	5,560,000	4,675,000	4,405,000	4,350,000	4,135,000
Interest, premium and fiscal charges	3,017,419	2,328,115	2,423,200	1,684,701	1,656,999
Bond issuance costs	953,503		94,630	506,050	
Total expenditures	<u>\$ 110,558,459</u>	<u>\$ 64,324,464</u>	<u>\$ 66,539,936</u>	<u>\$ 57,141,158</u>	<u>\$ 43,765,774</u>
Expenditures for capitalized assets	\$ 45,539,429	\$ 5,491,410	\$ 17,379,514	\$ 13,003,993	\$ 1,327,280
Debt service as a percentage of noncapital expenditures	13%	12%	14%	14%	14%

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

(Concluded)

Queen Creek Unified School District No. 95
Other Financing Sources and Uses and Net Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Excess (deficiency) of revenues over expenditures	\$ 2,483,711	\$ (21,679,376)	\$ (27,146,152)	\$ (41,098,796)	\$ (52,103,451)
Other financing sources (uses):					
Issuance of school improvement bonds			11,450,000	23,280,000	20,640,000
Issuance of refunding bonds				6,060,000	
Premium on sale of bonds			2,010,877	5,552,920	2,864,424
Payment to refunded bond escrow agent				(6,565,581)	
Financed purchase agreements			50,000,000	28,484,142	
Insurance recoveries	120,105	53,011	44,784		42,277
Transfers in	1,163,614	754,693	1,062,761	1,190,018	1,223,789
Transfers out	<u>(1,163,614)</u>	<u>(754,693)</u>	<u>(1,062,761)</u>	<u>(1,190,018)</u>	<u>(1,223,789)</u>
Total other financing sources (uses)	<u>120,105</u>	<u>53,011</u>	<u>63,505,661</u>	<u>56,811,481</u>	<u>23,546,701</u>
Changes in fund balances	<u>\$ 2,603,816</u>	<u>\$ (21,626,365)</u>	<u>\$ 36,359,509</u>	<u>\$ 15,712,685</u>	<u>\$ (28,556,750)</u>
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Excess (deficiency) of revenues over expenditures	\$ (19,024,319)	\$ (3,880,059)	\$ (18,789,097)	\$ (13,430,289)	\$ (1,093,007)
Other financing sources (uses):					
Issuance of school improvement bonds	45,215,000		4,350,000	31,920,000	
Issuance of refunding bonds				6,910,000	
Premium on sale of bonds	5,282,203		176,992	2,431,572	
Payment to refunded bond escrow agent				(7,682,567)	
Financed purchase agreements	17,800,000				
Insurance recoveries	104,800				
Transfers in	303,599	114,965	272,096	1,252,491	112,895
Transfers out	<u>(303,599)</u>	<u>(114,965)</u>	<u>(272,096)</u>	<u>(1,252,491)</u>	<u>(112,895)</u>
Total other financing sources (uses)	<u>68,402,003</u>		<u>4,526,992</u>	<u>33,579,005</u>	
Changes in fund balances	<u>\$ 49,377,684</u>	<u>\$ (3,880,059)</u>	<u>\$ (14,262,105)</u>	<u>\$ 20,148,716</u>	<u>\$ (1,093,007)</u>

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

Queen Creek Unified School District No. 95
Net Limited Assessed Value and Full Cash Value of Taxable Property by Class
Last Ten Fiscal Years

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Commercial, Industrial, Utilities and Mining	\$ 133,053,299	\$ 119,548,542	\$ 99,998,088	\$ 90,801,301	\$ 82,599,416
Agricultural and Vacant	49,518,383	56,690,199	51,410,054	43,211,207	38,052,991
Residential (Owner Occupied)	522,953,386	446,493,575	384,393,571	318,716,997	274,820,517
Residential (Rental)	108,651,783	83,643,119	73,835,628	65,854,777	55,205,802
Railroad, Private Cars and Airlines	2,017,735	1,687,607	1,614,450	1,520,931	1,515,140
Historical Property				238,815	262,545
Certain Government Property Improvements	321,316	309,181	301,548		240,566
Total	<u>\$ 816,515,902</u>	<u>\$ 708,372,223</u>	<u>\$ 611,553,339</u>	<u>\$ 520,344,028</u>	<u>\$ 452,696,977</u>
Gross Full Cash Value	\$ 12,021,532,007	\$ 10,019,830,194	\$ 8,545,877,105	\$ 6,959,967,564	\$ 5,933,597,758
Ratio of Net Limited Assessed Value to Gross Full Cash Value	7%	7%	7%	7%	8%
Total Direct Rate	7.30	7.30	7.40	7.45	7.61

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Commercial, Industrial, Utilities and Mining	\$ 71,708,925	\$ 64,590,411	\$ 64,926,927	\$ 73,864,717	\$ 57,675,925
Agricultural and Vacant	45,997,143	39,730,509	41,424,711	34,194,728	26,027,364
Residential (Owner Occupied)	226,028,388	183,826,233	154,816,190	131,924,278	113,062,187
Residential (Rental)	51,006,633	46,476,500	41,737,053	34,578,223	23,486,322
Railroad, Private Cars and Airlines	1,615,876	1,560,000	1,704,669	1,815,687	1,616,615
Historical Property	350,255	394,845	4,055	4,480	4,836
Certain Government Property Improvements	278,900	292,778	183,045	113,698	6,649
Total	<u>\$ 396,986,120</u>	<u>\$ 336,871,276</u>	<u>\$ 304,796,650</u>	<u>\$ 276,495,811</u>	<u>\$ 221,879,898</u>
Gross Full Cash Value	\$ 5,056,731,948	\$ 4,499,321,946	\$ 3,819,516,923	\$ 2,885,566,249	\$ 2,324,966,663
Ratio of Net Limited Assessed Value to Gross Full Actual Value	8%	7%	8%	10%	10%
Total Direct Rate	7.57	8.04	6.17	6.55	8.16

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

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

Queen Creek Unified School District No. 95
Net Full Cash Assessed Value of Taxable Property by Class
Last Ten Fiscal Years

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Commercial, Industrial, Utilities and Mining	\$ 173,871,776	\$ 156,679,767	\$ 129,882,909	\$ 113,373,531	\$ 101,099,190
Agricultural and Vacant	117,737,944	118,926,950	105,718,242	85,017,487	75,319,725
Residential (Owner Occupied)	752,155,384	620,114,089	520,907,030	414,230,324	345,807,062
Residential (Rental)	162,204,038	118,452,300	102,150,834	87,461,053	71,481,894
Railroad, Private Cars and Airlines	2,663,564	2,197,519	2,052,029	1,884,711	1,831,491
Historical Property				238,815	262,545
Certain Government Property Improvements	337,624	329,232	477,699		309,876
Total	<u>\$ 1,208,970,330</u>	<u>\$ 1,016,699,857</u>	<u>\$ 861,188,743</u>	<u>\$ 702,205,921</u>	<u>\$ 596,111,783</u>
Gross Full Cash Value	\$ 12,021,532,007	\$ 10,019,830,194	\$ 8,545,877,105	\$ 6,959,967,564	\$ 5,933,597,758
Ratio of Net Full Assessed Value to Gross Full Cash Value	10%	10%	10%	10%	10%
Estimated Net Full Cash Value	10,618,885,067	8,797,078,735	7,449,037,509	6,002,447,265	5,078,054,126
Total Direct Rate	7.30	7.30	7.40	7.45	7.61
<u>Class</u>	<u>Fiscal Year</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Commercial, Industrial, Utilities and Mining	\$ 85,733,572	\$ 73,950,607	\$ 70,174,710	\$ 74,717,446	\$ 58,295,093
Agricultural and Vacant	75,187,562	70,739,886	62,335,654	41,192,781	29,093,255
Residential (Owner Occupied)	281,398,301	232,574,186	192,467,989	141,139,851	113,197,439
Residential (Rental)	65,361,953	60,099,917	53,248,366	37,584,674	23,564,342
Railroad, Private Cars and Airlines	1,887,203	1,671,670	1,737,728	1,832,955	1,632,133
Historical Property	350,255	394,845	4,055	4,480	4,836
Certain Government Property Improvements	350,060	362,858	198,514		
Total	<u>\$ 510,268,906</u>	<u>\$ 439,793,969</u>	<u>\$ 380,167,016</u>	<u>\$ 296,586,968</u>	<u>\$ 225,793,747</u>
Gross Full Cash Value	\$ 5,056,731,948	\$ 4,499,321,946	\$ 3,819,516,923	\$ 2,885,566,249	\$ 2,324,966,663
Ratio of Net Full Assessed Value to Gross Full Cash Value	10%	10%	10%	10%	10%
Estimated Net Full Cash Value	4,323,468,341	3,676,852,065	3,076,717,612	2,331,775,756	1,733,257,753
Total Direct Rate	7.57	8.04	6.17	6.55	8.16

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

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

Queen Creek Unified School District No. 95
Property Tax Assessment Ratios
Last Ten Fiscal Years

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

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

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

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

Queen Creek Unified School District No. 95
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Fiscal Year Ended June 30	Overlapping Rates							District Direct Rates		
	State	County	County	Flood	Community	Fire District	East Valley Institute of Technology School District No.	Primary	Secondary	Total
	Equalization		Free Library	Control District	College District	Assistance	401			
2023		1.25	0.05	0.16	1.19	4.61	0.05	4.00	3.30	7.30
2022	0.43	1.35	0.06	0.18	1.23	0.01	0.05	4.00	3.30	7.30
2021	0.44	1.40	0.06	0.18	1.29	0.01	0.05	3.99	3.41	7.40
2020	0.46	1.40	0.06	0.18	1.33	0.01	0.05	4.10	3.35	7.45
2019	0.47	1.40	0.06	0.18	1.38	0.01	0.05	4.23	3.39	7.61
2018	0.49	1.40	0.06	0.18	1.41	0.01	0.05	4.16	3.41	7.57
2017	N/A	1.40	0.06	0.18	1.47	0.01	0.05	4.68	3.36	8.04
2016	N/A	1.36	0.06	0.16	1.49	0.01	0.05	4.28	1.89	6.17
2015	N/A	1.32	0.06	0.14	1.52	0.01	0.05	4.30	2.24	6.55
2014	N/A	1.28	0.04	0.14	1.53	0.01	0.05	4.89	3.27	8.16

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

Queen Creek Unified School District No. 95
Principal Property Taxpayers
Current Fiscal Year and Fiscal Year Nine Years Prior

Taxpayer	2023		2014	
	Net Limited Assessed Valuation	Percentage of District's Net Limited Assessed Valuation	Net Full Cash Assessed Valuation	Percentage of District's Net Full Cash Assessed Valuation
CMC Steel Arizona	\$ 10,210,959	1.25 %		%
QCM Partners LLC	8,853,205	1.08		
Fujifilm Electronic Materials Usa Inc .	7,470,916	0.91		
ZF Passive Safety Systems US Inc.	7,202,999	0.88		
C1418 Landing 202 LLC/Sherman Street Land	6,857,948	0.84		
Landing 3 Industrial LLC	6,664,756	0.82		
Southwest Gas Corporation (T&D)	5,245,001	0.64		
Commercial Metals Company	4,178,493	0.51		
7613 East Ray LLC	4,176,565	0.51		
MSA Multifamily DST	3,757,748	0.46		
Broadstone Queen Creek LLC			52,056,087	23.05
HSL Encantada Queen Creek LLC			22,176,600	9.82
Siete Colar, LLC (C/O PSEG)			14,844,000	6.57
K&M Development #1 LLC			14,686,900	6.50
WDP Town Center LLP			11,286,025	5.00
Wal-Mart Stores, Inc.			11,164,900	4.94
Cresleigh Homes Arizona			10,464,700	4.63
Grace Power and Chandler Heights LLC			9,899,400	4.38
Richmond American Homes of Arizona			7,573,100	3.35
Union Pacific Railroad			7,561,655	3.35
Total	<u>\$ 64,618,590</u>	<u>7.90 %</u>	<u>\$ 161,713,367</u>	<u>71.59 %</u>

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

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

Queen Creek Unified School District No. 95
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Fiscal Years	Collected to the End of the Current Fiscal Year	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2023	\$ 58,646,710	\$ 56,322,234	96.04 %	\$	\$ 56,322,234	96.04 %
2022	51,663,806	49,071,639	94.98	2,585,408	51,657,047	99.99
2021	45,364,311	42,959,609	94.70	2,398,425	45,358,034	99.99
2020	38,873,810	36,618,507	94.20	2,239,650	38,858,157	99.96
2019	34,779,357	32,554,549	93.60	2,215,672	34,770,221	99.97
2018	30,235,963	28,358,336	93.79	1,874,385	30,232,721	99.99
2017	27,111,702	25,475,272	93.96	1,633,527	27,108,799	99.99
2016	18,894,620	18,284,185	96.77	608,087	18,892,272	99.99
2015	18,389,795	16,792,339	91.31	1,594,593	18,386,932	99.98
2014	18,340,627	17,256,071	94.09	1,082,173	18,338,244	99.99

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.

Queen Creek Unified School District No. 95
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 and Leases	Total	Percentage of Estimated Actual Value	Per Capita	Percentage of Personal Income
2023	\$ 133,747,539	\$ 1,568,422	\$ 132,179,117	1.32 %	\$ 1,973	\$ 78,317,000	\$ 212,064,539	1.76 %	\$ 3,165	0.08 %
2022	143,532,640	1,128,724	142,403,916	1.42	4,067	78,317,000	221,849,640	2.21	4,936	0.09
2021	153,127,741	1,175,256	151,952,485	1.78	4,277	78,426,248	231,553,989	2.71	6,518	0.10
2020	146,885,965	2,419,664	144,466,301	2.08	3,883	28,462,393	175,348,358	2.52	4,713	0.08
2019	124,950,505	1,597,429	123,353,076	2.08	3,106	17,800,000	142,750,505	2.41	3,594	0.07
2018	107,211,676	909,915	106,301,761	2.10	2,992	17,800,000	125,011,676	2.47	3,519	0.07
2017	62,232,220	401,873	61,830,347	1.37	1,846		62,232,220	1.38	1,858	0.03
2016	66,847,381	2,590,024	64,257,357	1.68	2,135		66,847,381	1.75	2,221	0.04
2015	66,928,894	1,271,482	65,657,412	2.28	2,225		66,928,894	2.32	2,268	0.05
2014	36,565,000	321,334	36,243,666	1.56	1,296		36,565,000	1.57	1,308	0.02

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

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

Queen Creek Unified School District No. 95
Direct and Overlapping Governmental Activities Debt
June 30, 2023

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Overlapping:			
State of Arizona	None	0.87%	None
Maricopa County	None	1.34	None
Maricopa County Community College District	\$ 199,635,000	1.34	\$ 2,675,109
Maricopa County Special Health Care District (MIHS)	718,289,359	1.34	9,625,077
City of Mesa	318,950,000	5.66	18,052,570
Town of Queen Creek	None	82.81	None
Cadence Community Facilities District	8,695,000	100.00	8,695,000
Eastmark Community Facilities District No. 1	61,345,000	92.34	56,645,973
Eastmark Community Facilities District No. 2	2,240,000	5.23	117,152
Subtotal, Overlapping Debt			<u>95,810,881</u>
Direct:			
Queen Creek Unified School District No. 95			<u>212,064,539</u>
Total Direct and Overlapping Debt			<u><u>\$ 307,875,420</u></u>

Direct and Overlapping General Bonded Debt Ratios

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation	16.19	%
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 3,402	
As a Percentage of Net Limited Assessed Valuation	27.92	%
As a Percentage of Gross Full Cash Value	1.90	%

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.

Queen Creek Unified School District No. 95
Legal Debt Margin Information
Last Ten Fiscal Years

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

Net full cash assessed valuation	\$ 1,208,970,330
Debt limit (20% of assessed value)	241,794,066
Debt applicable to limit	<u>132,018,270</u>
Legal debt margin	<u><u>\$ 109,775,796</u></u>

Total Legal Debt Margin Calculation for Fiscal Year 2023:

Net full cash assessed valuation	\$ 1,208,970,330
Debt limit (30% of assessed value)	362,691,099
Debt applicable to limit	<u>132,018,270</u>
Legal debt margin	<u><u>\$ 230,672,829</u></u>

	Fiscal Year Ended June 30				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Debt Limit	\$ 362,691,099	\$ 305,009,957	\$ 258,356,623	\$ 210,661,776	\$ 178,833,535
Total net debt applicable to limit	<u>132,018,270</u>	<u>141,651,817</u>	<u>151,226,503</u>	<u>144,407,946</u>	<u>122,547,258</u>
Legal debt margin	<u><u>\$ 230,672,829</u></u>	<u><u>\$ 163,358,140</u></u>	<u><u>\$ 107,130,120</u></u>	<u><u>\$ 66,253,830</u></u>	<u><u>\$ 56,286,277</u></u>
Total net debt applicable to the limit as a percentage of debt limit	36%	46%	59%	69%	69%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Debt Limit	\$ 153,080,672	\$ 131,938,191	\$ 114,050,105	\$ 88,976,090	\$ 67,738,124
Total net debt applicable to limit	<u>102,049,372</u>	<u>59,945,000</u>	<u>64,350,000</u>	<u>64,350,000</u>	<u>36,565,000</u>
Legal debt margin	<u><u>\$ 51,031,300</u></u>	<u><u>\$ 71,993,191</u></u>	<u><u>\$ 49,700,105</u></u>	<u><u>\$ 24,626,090</u></u>	<u><u>\$ 31,173,124</u></u>
Total net debt applicable to the limit as a percentage of debt limit	67%	45%	56%	72%	54%

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

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

Queen Creek Unified School District No. 95
County-Wide Demographic and Economic Statistics
Last Ten Calendar Years

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands)</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>	<u>Estimated District Population</u>
2022	4,586,431	\$ 268,713,717	\$ 59,759	3.3 %	67,010
2021	4,507,417	249,677,860	56,255	4.5	66,346
2020	4,579,081	245,077,753	53,521	6.6	61,081
2019	4,485,414	223,097,349	49,663	3.6	35,524
2018	4,294,460	210,370,180	47,694	4.1	37,202
2017	4,221,684	196,286,191	45,573	4.2	39,714
2016	4,137,076	185,111,698	43,628	4.5	35,524
2015	4,076,438	184,784,917	42,092	5.5	33,492
2014	4,087,191	168,483,421	41,222	5.9	30,100
2013	4,009,412	147,700,000	27,552	6.2	29,510

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

Queen Creek Unified School District No. 95
Principal Employers
Current Fiscal Year and Fiscal Year Nine Years Prior

Employer	2023		2014	
	Employees	Percentage of Total Employment	Employees	Percentage of Total Employment
Banner Health	28,740	1.56 %	25,270	1.41 %
State of Arizona	25,640	1.39	49,278	2.76
Walmart Stores, Inc.	20,080	1.09	32,169	1.80
Amazon	18,780	1.02		
Fry's Food Stores	15,620	0.85		
Wells Fargo	13,960	0.76	14,713	0.82
Maricopa County	12,730	0.69	12,698	0.71
Intel Corporation	11,810	0.64	11,900	0.67
Arizona State University	11,360	0.62	12,222	0.68
City of Phoenix	10,430	0.57	14,983	0.84
JPMorgan Chase & Co.			11,042	0.62
Bank of America			11,000	0.62
Apollo Group In.c			10,000	0.56
Mesa Public Schools			8,217	0.46
Total	<u>169,150</u>	<u>9.19 %</u>	<u>213,492</u>	<u>11.95 %</u>
Total employment	<u>1,845,890</u>		<u>1,787,000</u>	

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.

Queen Creek Unified School District No. 95
Full-Time Equivalent District Employees by Type
Last Ten Fiscal Years

	Full-time Equivalent Employees as of June 30				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Supervisory					
Superintendent	1	1	1		
Assistant superintendent	3	3	2		
Consultants/supervisors of instruction	9	10	8	8	8
Principals	14	13	13	12	10
Assistant principals	10	11	9	8	6
Total supervisory	<u>37</u>	<u>38</u>	<u>33</u>	<u>28</u>	<u>24</u>
Instruction					
Teachers	704	654	526	462	391
Other professionals (instructional)	44	35	32	27	19
Aides	189	174	130	105	78
Total instruction	<u>937</u>	<u>863</u>	<u>688</u>	<u>594</u>	<u>488</u>
Student Services					
Librarians		1	1	1	1
Technicians	13	12	11	8	6
Guidance counselors	28	26	21	19	15
Other professionals (noninstructional)	6	95	92	78	64
Total student services	<u>47</u>	<u>134</u>	<u>125</u>	<u>106</u>	<u>86</u>
Support and Administration					
Clerical workers	219	136	131	125	106
Unskilled laborers	218	256	226	194	155
Total support and administration	<u>437</u>	<u>392</u>	<u>357</u>	<u>319</u>	<u>261</u>
Total	<u><u>1,458</u></u>	<u><u>1,427</u></u>	<u><u>1,203</u></u>	<u><u>1,047</u></u>	<u><u>859</u></u>

(Continued)

Queen Creek Unified School District No. 95
Full-Time Equivalent District Employees by Type
Last Ten Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Supervisory					
Superintendent					
Assistant superintendent					
Consultants/supervisors of instruction	6	5	7	11	10
Principals	8	8	7	7	7
Assistant principals	6	5	4	4	3
Total supervisory	<u>20</u>	<u>18</u>	<u>18</u>	<u>22</u>	<u>20</u>
Instruction					
Teachers	365	320	277	245	257
Other professionals (instructional)	12	9	5	5	5
Aides	68	61	69	80	62
Total instruction	<u>445</u>	<u>390</u>	<u>351</u>	<u>330</u>	<u>324</u>
Student Services					
Librarians	1	1	1	1	1
Technicians	7	4	1	1	1
Guidance counselors	13	8	8	8	8
Other professionals (noninstructional)	49	52	40	33	28
Total student services	<u>70</u>	<u>65</u>	<u>50</u>	<u>43</u>	<u>38</u>
Support and Administration					
Clerical workers	72	70	87	153	139
Unskilled laborers	129	113	84	82	94
Total support and administration	<u>201</u>	<u>183</u>	<u>171</u>	<u>235</u>	<u>233</u>
Total	<u><u>736</u></u>	<u><u>656</u></u>	<u><u>590</u></u>	<u><u>630</u></u>	<u><u>615</u></u>

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

(Concluded)

Queen Creek Unified School District No. 95
Operating Statistics
Last Ten Fiscal Years

Fiscal Year Ended June 30	Average Daily Membership	Operating Expenditures	Cost per Pupil	Percentage Change	Expenses	Cost per Pupil	Percentage Change	Teaching Staff	Pupil- Teacher Ratio	Percentage of Free/Reduced Students
2023	12,762	\$ 128,572,872	\$ 10,075	7.44 %	\$ 161,181,260	\$ 12,630	7.53 %	704	18.1	16.1 %
2022	11,546	108,267,503	9,377	1.87	135,609,916	11,745	(1.88)	654	17.7	13.8
2021	9,716	89,436,464	9,205	4.93	116,299,923	11,970	3.21	526	18.5	18.6
2020	8,719	76,490,157	8,773	(1.98)	101,120,923	11,598	3.82	462	18.9	19.4
2019	7,157	64,053,581	8,950	18.61	79,951,039	11,171	20.54	391	18.3	21.8
2018	6,902	52,075,435	7,546	(1.63)	63,960,140	9,268	1.30	365	18.9	26.6
2017	6,306	48,368,982	7,671	6.80	57,689,263	9,149	8.06	320	19.7	28.0
2016	5,578	40,064,006	7,183	(1.10)	47,224,414	8,466	0.14	277	20.1	36.6
2015	5,022	36,472,531	7,263	(2.43)	42,457,667	8,454	(1.11)	245	20.5	27.0
2014	4,856	36,145,249	7,443	(2.12)	41,515,145	8,549	(6.67)	257	18.9	32.0

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

Notes: 1) Operating expenditures are total expenditures less debt service and capital outlay.

Queen Creek Unified School District No. 95
Capital Assets Information
Last Ten Fiscal Years

	Fiscal Year Ended June 30									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Schools										
Elementary										
Buildings	9	9	8	7	6	5	5	5	4	4
Square feet	705,762	705,762	604,772	457,797	368,797	287,363	287,363	343,214	254,144	254,144
Capacity	7,696	7,696	6,890	6,190	4,904	3,968	3,968	4,076	3,176	3,176
Enrollment	7,207	6,644	5,435	4,753	3,689	3,633	3,717	2,747	2,185	2,241
Middle										
Buildings	2	2	2	2	2	2	2	2	2	2
Square feet	209,461	209,461	209,461	209,461	209,461	209,461	209,461	231,564	241,261	241,261
Capacity	2,445	2,445	2,445	2,445	2,000	2,306	2,306	2,507	1,993	1,993
Enrollment	2,144	1,819	1,662	2,115	1,741	1,486	1,283	1,216	1,602	1,646
High										
Buildings	3	2	2	2	1	1	1	1	1	1
Square feet	643,632	452,808	452,808	388,692	235,010	235,010	235,010	237,380	241,571	241,571
Capacity	3,466	3,466	3,466	3,466	1,500	2,169	2,169	1,975	1,993	1,993
Enrollment	3,979	3,265	2,979	2,585	2,109	2,117	2,074	1,900	1,796	1,891

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