
Tolleson Union High School District No. 214

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2023



Tolleson Union High School District No. 214

Tolleson, Arizona

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

Issued by:
Business and Finance Department

Tolleson Union High School District No. 214

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Introductory Section

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ADMINISTRATIVE CENTER
9801 West Van Buren Street
Tolleson, Arizona 85353
(623) 478-4000
(623) 936-5048 Fax
Website: www.tuhsd.org

GOVERNING BOARD
Freddie Villalon, President
Dr. Elda Luna-Najera, Vice President
Steven Chapman, Member
Devin Del Palacio, Member
Dr. Kino Flores, Member

SUPERINTENDENT
Nora Gutierrez

December 13, 2023

Citizens and Governing Board
Tolleson Union High School District No. 214
9801 West Van Buren Street
Tolleson, Arizona 85353

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 Tolleson Union High School District No. 214 (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.

Learning today, leading tomorrow!

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 grade nine through grade twelve, with a fiscal year 2021-22 average daily membership of 13,621.

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 was organized in 1914 and currently encompasses approximately 102.5 square miles. Located within Maricopa County and the greater Phoenix metropolitan area, the District lies approximately ten miles west of downtown Phoenix, Arizona. Portions of the cities of Phoenix, Avondale, Glendale, and the entire city of Tolleson are included within the boundaries of the District.

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.

Age of Buildings. The original high school in the District was built in 1928. In 1989, the District added its second high school, and three more schools were built between 2002 and 2009. The newest high school in the District opened in July 2019.

Local Economy. The economy of the District is based primarily on the economies of the cities of Tolleson and Avondale. Commercial, agricultural and industrial influences are present throughout the District. Employment opportunities can be found locally and in the greater Phoenix metropolitan area.

Historically, Tolleson's economy has been agriculturally based. However, with the growth of Phoenix to its west, Tolleson is in a transitional period from an agricultural based economy to a commercial and industrial based economy. Tolleson has become a strong distribution hub for companies wishing to deliver products to southwestern markets due to Tolleson's location south of Interstate 10 and the interchange with Loop 101.

Encompassed in the District's boundary are the homes for the Arizona Cardinals and Spring Training baseball. These venues are helping to influence the development of the areas north of I-10 especially in the Westgate Entertainment District. South of the I-10 new freeways are being built providing greater access to the rest of the valley and influencing significant residential developments. The District has several thriving suburbs that are projected to add over 12,000 homes in the next seven years.

Long-term Financial Planning. The District has contracted with a professional demographer who projects that the District will gain 200 to 300 students per year for at least the next five years. The District has received significant increases in Federal and State funding over the past few years. Additionally, the local community has been very supportive of the District at the ballot for budget override and Bond questions. The District is purposefully building and holding onto reserves in order to prepare for the next economic downturn.

Awards and Acknowledgment

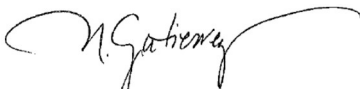
Awards. The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its annual comprehensive financial report for the fiscal year ended June 30, 2022. This was the 12th consecutive year that the District received this prestigious award. In addition, the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its annual comprehensive financial report for the fiscal year ended June 30, 2022. In order to be awarded these certificates, the District published an easily readable and efficiently organized annual comprehensive financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

These certificates are valid for a period of one year only. We believe that our current 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.

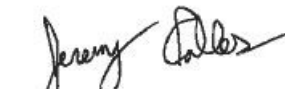
Acknowledgments. The preparation of the annual comprehensive financial report on a timely basis was made possible by the dedicated service of the entire staff of the business and finance department. Each member of the department has our sincere appreciation for the contributions made in the preparation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



Nora Gutierrez
Superintendent



Jeremy Calles
Chief Financial Officer



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Tolleson Union High School District No.214

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 blue ink, reading 'John W. Hutchison'. The signature is written in a cursive style.

John W. Hutchison
President

A handwritten signature in blue ink, reading 'Siobhán McMahon'. The signature is written in a cursive style.

Siobhán McMahon, CAE
Chief Operations Officer/
Interim Executive Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Tolleson Union High School District No. 214
Arizona**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

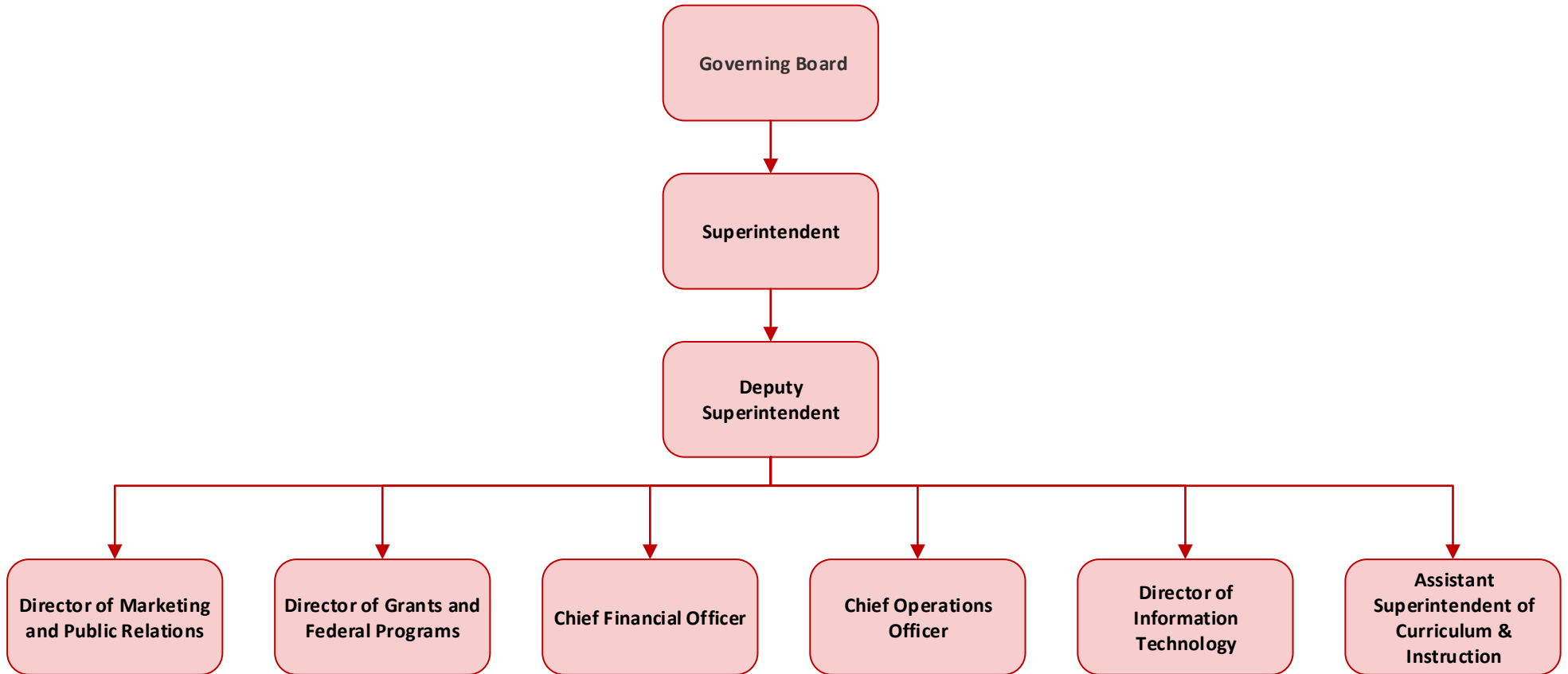
June 30, 2022

Christopher P. Morill

Executive Director/CEO



Tolleson Union High School District Organization Chart



Tolleson Union High School District No. 214

List of Principal Officials

Governing Board

Freddie Villalon, President

Elda Luna-Najera, Vice President

Kino Flores, Member

Steven Chapman, Member

Devin Del Palacio, Member

Administrative Staff

Nora Gutierrez, Superintendent

Jeremy Calles, Chief Financial Officer

Mindy Westover, Assistant Superintendent

Juan Ceja, Assistant Superintendent

Joyce Council, Director of Business Services

Antonio Aguirre, Director of Information Technology

Joseph Ortiz, Director of Public Relations and Marketing

Rosalva Lagunas, Director of Grants and Federal Programs

Financial Section

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Independent Auditor's Report

Governing Board
Tolleson Union High School District No. 214

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 Tolleson Union High School District No. 214 (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 Tolleson Union High School District No. 214, 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 Tolleson Union High School District No. 214 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 13, 2023, on our consideration of Tolleson Union High School District No. 214'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 Tolleson Union High School District No. 214'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 Tolleson Union High School District No. 214's internal control over financial reporting and compliance.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Scottsdale, Arizona
December 13, 2023

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

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Tolleson Union High School District No. 214
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2023

As management of the Tolleson Union High School District No. 214 (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 \$38.1 million which represents a 13 percent increase from the prior fiscal year as a result of an increase in unrestricted state aid and property tax revenues.
- General revenues accounted for \$199.3 million in revenue, or 88 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$26.7 million or 12 percent of total current fiscal year revenues.
- The District had approximately \$187.8 million in expenses related to governmental activities, an increase of 12 percent from the prior fiscal year. The increase is primarily due to an increase in instruction and operation and maintenance of plant services expenses related to student growth and facility maintenance.
- Among major funds, the General Fund had \$146.9 million current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$122.4 million in expenditures. The General Fund's fund balance increase from \$101.0 million at the prior fiscal year end to \$127.2 million at the end of the current fiscal year was primarily due to an increase in state aid.

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.

Tolleson Union High School District No. 214
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.

Tolleson Union High School District No. 214
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, Debt Service, and Bond Building Funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and schedules.

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

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget process and pension plan. The District adopts an annual expenditure budget for all governmental funds. A schedule of revenues, expenditures and changes in fund balances – budget and actual has been provided for the General Fund and major Special Revenue Fund as required supplementary information. Schedules for the pension plan have 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 \$341.8 million at the current fiscal year end.

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

Tolleson Union High School District No. 214
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 assets	\$ 266,855,605	\$ 205,233,635
Capital assets, net	448,621,475	442,874,382
Total assets	<u>715,477,080</u>	<u>648,108,017</u>
Deferred outflows	<u>24,222,240</u>	<u>30,990,058</u>
Current and other liabilities	10,817,707	16,260,820
Long-term liabilities	382,784,277	331,497,992
Total liabilities	<u>393,601,984</u>	<u>347,758,812</u>
Deferred inflows	<u>4,336,295</u>	<u>27,713,415</u>
Net position:		
Net investment in capital assets	223,393,384	218,659,130
Restricted	60,174,961	61,064,780
Unrestricted	58,192,696	23,901,938
Total net position	<u>\$ 341,761,041</u>	<u>\$ 303,625,848</u>

At the end of the current fiscal year the District reported positive balances in all three categories of net position.

- The principal retirement of \$18.2 million of school improvement bonds and related premium.
- The addition of \$22.0 million in capital assets through the completion of various school improvements, and purchases of vehicles, furniture and equipment.

Tolleson Union High School District No. 214
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2023

Government-Wide Financial Analysis

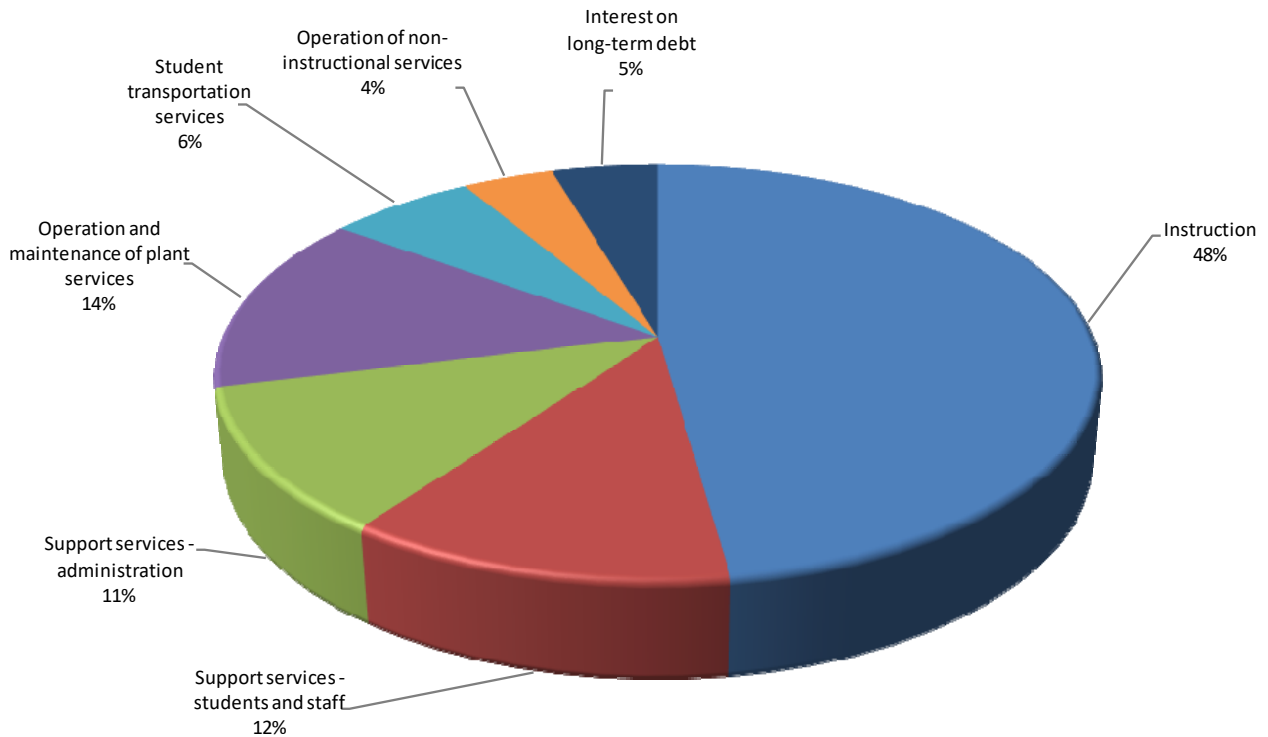
Changes in net position. The District's total revenues for the current fiscal year were \$226.0 million. The total cost of all programs and services was \$187.8 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2023 and June 30, 2022.

	<u>Fiscal Year Ended June 30, 2023</u>	<u>Fiscal Year Ended June 30, 2022</u>
Revenues:		
Program revenues:		
Charges for services	\$ 6,318,439	\$ 4,663,074
Operating grants and contributions	19,418,116	30,849,145
Capital grants and contributions	947,939	6,813,367
General revenues:		
Property taxes	86,082,969	68,088,994
Investment income	3,920,499	1,392,342
Unrestricted county aid		5,817,521
Unrestricted state aid	108,955,481	73,785,818
Unrestricted federal aid	327,247	312,912
Total revenues	<u>225,970,690</u>	<u>191,723,173</u>
Expenses:		
Instruction	89,727,941	82,427,238
Support services - students and staff	22,915,341	20,239,897
Support services - administration	21,223,131	18,392,229
Operation and maintenance of plant services	26,032,125	21,779,098
Student transportation services	11,929,147	9,954,163
Operation of non-instructional services	7,394,113	7,156,696
Interest on long-term debt	8,613,699	7,444,421
Total expenses	<u>187,835,497</u>	<u>167,393,742</u>
Changes in net position	38,135,193	24,329,431
Net position, beginning	303,625,848	279,296,417
Net position, ending	<u>\$ 341,761,041</u>	<u>\$ 303,625,848</u>

**Tolleson Union High School District No. 214
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2023**

Government-Wide Financial Analysis

Expenses - Fiscal Year 2023



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

- Unrestricted state aid increased \$35.2 million as a result of an increase in base level funding.
- Operating grants and contributions decreased \$11.4 million primarily due to the expiration of the nationwide waivers in response to the COVID-19 pandemic that provided free meals to students under the Summer Food Service Program, as well as a decrease in COVID related grant monies received from the Federal Government to allow students to return to in-person instruction.
- Property tax revenues increased \$18.0 million due to an increase in the secondary tax rate combined with an increase in net assessed valuations.

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.

**Tolleson Union High School District No. 214
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2023**

Government-Wide Financial Analysis

	Year Ended June 30, 2023		Year Ended June 30, 2022	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
Instruction	\$ 89,727,941	\$ (79,805,294)	\$ 82,427,238	\$ (75,138,578)
Support services - students and staff	22,915,341	(14,796,861)	20,239,897	(12,450,163)
Support services - administration	21,223,131	(21,016,258)	18,392,229	(14,994,010)
Operation and maintenance of plant services	26,032,125	(24,995,768)	21,779,098	(12,806,261)
Student transportation services	11,929,147	(11,089,245)	9,954,163	(3,115,625)
Operation of non-instructional services	7,394,113	(833,878)	7,156,696	880,902
Interest on long-term debt	8,613,699	(8,613,699)	7,444,421	(7,444,421)
Total	\$ 187,835,497	\$(161,151,003)	\$ 167,393,742	\$(125,068,156)

- The cost of all governmental activities this year was \$187.8 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$26.7 million.
- Net cost of governmental activities of \$161.2 million was financed by general revenues, which are made up of primarily property taxes of \$86.1 million and state aid of \$109.0 million. Investment earnings accounted for \$3.9 million of funding.

Financial Analysis of the District's Funds

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

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

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$222.2 million, an increase of \$61.0 million due primarily to an increase in state aid as well as unspent bond proceeds.

Tolleson Union High School District No. 214
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2023

Financial Analysis of the District's Funds

The General Fund comprises 57 percent of the total fund balance. Approximately \$120.9 million, or 95 percent of the General Fund's fund balance is unassigned.

The General Fund is the principal operating fund of the District. The increase in fund balance from \$101.0 million to \$127.2 million was due to an increase in funding received from the State legislature.

The fund balance of the Federal and State Grants Fund increased \$4.9 million as a result of an increase in \$1.7 million in revenue combined with a decrease of \$6.6 million in expenditures related to COVID-19 grants received from the Federal Government.

The fund balance of the Debt Service Fund increased \$778,737, or 14 percent, primarily as a result of a transfer from the Bond Building Fund for interest earned on investments.

The fund balance of the Bond Building Fund increased \$24.0 million primarily due to the issuance of school improvement bonds.

Budgetary Highlights

Over the course of the year, the District revised the General Fund annual expenditure budget for changes in legislative allowances to include increases in student count from the original budget. The difference between the original budget and the final amended budget was an increase of \$18.0 million, or 11 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 significant favorable variance of \$71.5 million in instruction is primarily due to conservative budgeting to ensure a continuing healthy contingency balance.

Tolleson Union High School District No. 214
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 \$596.4 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 \$20.0 million from the prior fiscal year, primarily due to various school improvement projects. Total depreciation expense for the current fiscal year was \$16.1 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	\$ 91,753,846	\$ 88,379,266
Capital assets - depreciable, net	356,867,629	354,495,116
Total	\$ 448,621,475	\$ 442,874,382

The estimated cost to complete current construction projects is \$886,112.

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

Debt Administration. At year end, the District had \$271.2 million in long-term debt outstanding, \$26.1 million due within one year. Long-term debt increased by \$25.1 million due to the issuance of school improvement 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 15 percent of the total net full cash assessed valuation) and the statutory debt limit on Class B bonds (the greater of 10 percent of the net full cash assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$382.6 million and the Class B debt limit is \$255.1 million, both of which are greater 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 9-12.

**Tolleson Union High School District No. 214
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 \$64.2 million).
- District student population (estimated 14,250).

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 seven percent or \$12.0 million in fiscal year 2023-24. This resulted from increases in average daily membership, the base level support from the State of Arizona, and budget carry forward. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2023-24 budget.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Business and Finance Department, Tolleson Union High School District No. 214, 9801 West Van Buren Street, Tolleson, Arizona 85353.

Basic Financial Statements

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Government-Wide Financial Statements

Tolleson Union High School District No. 214
Statement of Net Position
June 30, 2023

	Governmental Activities
Assets	
Current assets:	
Cash and investments	\$ 241,501,506
Property taxes receivable	2,006,173
Due from governmental entities	21,513,970
Deposits	328,268
Leases receivable	1,505,688
Total current assets	266,855,605
Noncurrent assets:	
Capital assets not being depreciated	91,753,846
Capital assets, net accumulated depreciation	356,591,171
Right-to-use assets, net accumulated amortization	276,458
Total noncurrent assets	448,621,475
Total assets	715,477,080
 Deferred outflows of resources	
Pension plan items	24,222,240
Total deferred outflows of resources	24,222,240
 Liabilities	
Current liabilities:	
Accounts payable	2,530,290
Accrued payroll and employee benefits	1,529,570
Unearned revenues	1,428,109
Compensated absences payable	300,612
Financed purchases payable	100,105
Leases payable	154,290
Bonds payable	26,130,000
Accrued interest payable	5,329,738
Total current liabilities	37,502,714
Noncurrent liabilities:	
Non-current portion of long-term obligations	356,099,270
Total noncurrent liabilities	356,099,270
Total liabilities	393,601,984
 Deferred inflows of resources	
Pension plan items	2,853,102
Leases	1,483,193
Total deferred inflows of resources	4,336,295
 Net position	
Net investment in capital assets	223,393,384
Restricted for:	
Instruction	33,863,478
Food service	5,224,528
Non-instructional purposes	1,127,092
Debt service	6,801,146
Capital outlay	13,158,717
Unrestricted	58,192,696
Total net position	\$ 341,761,041

Tolleson Union High School District No. 214
Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenue		Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions		Governmental Activities
		Expenses	Charges for Services		Operating Grants and Contributions
Governmental activities					
Instruction	\$ 89,727,941	\$ 2,398,192	\$ 6,965,807	\$ 558,648	\$ (79,805,294)
Support services - students and staff	22,915,341	1,617,386	6,501,094		(14,796,861)
Support services - administration	21,223,131		206,873		(21,016,258)
Operation and maintenance of plant services	26,032,125		647,066	389,291	(24,995,768)
Student transportation services	11,929,147		839,902		(11,089,245)
Operation of non-instructional services	7,394,113	2,302,861	4,257,374		(833,878)
Interest on long-term debt	8,613,699				(8,613,699)
Total governmental activities	<u>\$ 187,835,497</u>	<u>\$ 6,318,439</u>	<u>\$ 19,418,116</u>	<u>\$ 947,939</u>	<u>(161,151,003)</u>
General revenues					
Property taxes					86,082,969
Investment income					3,920,499
Unrestricted state aid					108,955,481
Unrestricted federal aid					327,247
Total general revenues					<u>199,286,196</u>
Changes in net position					38,135,193
Net position, beginning of year					<u>303,625,848</u>
Net position, end of year					<u>\$ 341,761,041</u>

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Fund Financial Statements

Tolleson Union High School District No. 214

Balance Sheet

Governmental Funds

June 30, 2023

	General	Federal and State Grants	Debt Service	Bond Building
Assets				
Cash and investments	\$ 114,183,481	\$ 1,294,472	\$ 37,744,055	\$ 46,370,972
Property taxes receivable	1,489,344		516,829	
Due from governmental entities	15,471,016	4,802,079		
Deposits				
Leases receivable				
Total assets	<u>\$ 131,143,841</u>	<u>\$ 6,096,551</u>	<u>\$ 38,260,884</u>	<u>\$ 46,370,972</u>
Liabilities				
Accounts payable	\$ 1,880,653	\$ 66,625	\$	\$ 365,135
Accrued payroll and employee benefits	767,482	731,804		
Unearned revenues		1,428,109		
Bonds payable			26,130,000	
Bond interest payable			5,329,738	
Total liabilities	<u>2,648,135</u>	<u>2,226,538</u>	<u>31,459,738</u>	<u>365,135</u>
Deferred inflows of resources				
Unavailable revenues - property taxes	1,312,335		380,900	
Unavailable revenues - intergovernmental		4,507,341		
Leases				
Total deferred inflows of resources	<u>1,312,335</u>	<u>4,507,341</u>	<u>380,900</u>	
Fund balances				
Restricted	6,251,799	216,748	6,420,246	46,005,837
Unassigned	120,931,572	(854,076)		
Total fund balances	<u>127,183,371</u>	<u>(637,328)</u>	<u>6,420,246</u>	<u>46,005,837</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 131,143,841</u>	<u>\$ 6,096,551</u>	<u>\$ 38,260,884</u>	<u>\$ 46,370,972</u>

Non-Major Governmental Funds	Total Governmental Funds
\$ 41,908,526	\$ 241,501,506
	2,006,173
1,240,875	21,513,970
328,268	328,268
<u>1,505,688</u>	<u>1,505,688</u>
<u>\$ 44,983,357</u>	<u>\$ 266,855,605</u>
\$ 217,877	\$ 2,530,290
30,284	1,529,570
	1,428,109
	26,130,000
	<u>5,329,738</u>
<u>248,161</u>	<u>36,947,707</u>
	1,693,235
	4,507,341
<u>1,483,193</u>	<u>1,483,193</u>
<u>1,483,193</u>	<u>7,683,769</u>
43,252,003	102,146,633
	<u>120,077,496</u>
<u>43,252,003</u>	<u>222,224,129</u>
<u>\$ 44,983,357</u>	<u>\$ 266,855,605</u>

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Tolleson Union High School District No. 214
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2023

Total fund balances - governmental funds **\$ 221,410,719**

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	\$ 596,696,669	
Less accumulated depreciation/amortization	<u>(148,075,194)</u>	
		448,621,475

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

Property taxes	1,693,235	
Intergovernmental	<u>4,507,341</u>	
		6,200,576

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	24,222,240	
Deferred inflows of resources related to pensions	<u>(2,853,102)</u>	
		21,369,138

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

Compensated absences payable	(3,236,091)	
Financed purchases payable	(452,641)	
Leases payable	(274,737)	
Bonds payable	(244,376,550)	
Net pension liability	<u>(108,314,258)</u>	
		<u>(356,654,277)</u>

Net position of governmental activities **\$ 340,947,631**

Tolleson Union High School District No. 214
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	<u>General</u>	<u>Federal and State Grants</u>	<u>Debt Service</u>	<u>Bond Building</u>
Revenues				
Other local	\$ 2,812,569	\$ 40,906	\$ 586,716	\$ 648,776
Property taxes	49,151,391		35,909,116	
State aid and grants	94,611,438	969,816		
Federal aid, grants and reimbursements	<u>327,247</u>	<u>18,522,143</u>		
Total revenues	<u>146,902,645</u>	<u>19,532,865</u>	<u>36,495,832</u>	<u>648,776</u>
Expenditures				
Current:				
Instruction	58,297,108	6,221,414		
Support services - students and staff	13,288,608	6,470,377		
Support services - administration	16,850,054	205,896		
Operation and maintenance of plant services	15,605,712	644,009		
Student transportation services	6,602,409	189,108		
Operation of non-instructional services	786,770	132,237		
Capital outlay	10,736,281	558,648		18,408,113
Debt service:				
Principal retirement	208,397		26,130,000	19,706
Interest and fiscal charges	7,716		10,235,871	544
Bond issuance costs				<u>451,963</u>
Total expenditures	<u>122,383,055</u>	<u>14,421,689</u>	<u>36,365,871</u>	<u>18,880,326</u>
Excess (deficiency) of revenues over expenditures	<u>24,519,590</u>	<u>5,111,176</u>	<u>129,961</u>	<u>(18,231,550)</u>
Other financing sources (uses)				
Transfers in	737,492		648,776	
Transfers out		(187,492)		(648,776)
Issuance of school improvement bonds				39,710,000
Premium on sale of bonds				2,887,613
Financed purchase agreements	586,048			
Lease agreements				294,443
Proceeds from sale of capital assets	<u>381,992</u>			
Total other financing sources (uses)	<u>1,705,532</u>	<u>(187,492)</u>	<u>648,776</u>	<u>42,243,280</u>
Changes in fund balances	<u>26,225,122</u>	<u>4,923,684</u>	<u>778,737</u>	<u>24,011,730</u>
Fund balances, beginning of year	<u>100,958,249</u>	<u>(5,561,012)</u>	<u>5,641,509</u>	<u>21,994,107</u>
Fund balances, end of year	<u>\$ 127,183,371</u>	<u>\$ (637,328)</u>	<u>\$ 6,420,246</u>	<u>\$ 46,005,837</u>

Non-Major Governmental Funds	Total Governmental Funds
\$ 6,491,624	\$ 10,580,591
	85,060,507
14,760,139	110,341,393
<u>4,124,509</u>	<u>22,973,899</u>
<u>25,376,272</u>	<u>228,956,390</u>
9,659,284	74,177,806
1,108,678	20,867,663
59,267	17,115,217
535,854	16,785,575
1,509,244	8,300,761
5,617,563	6,536,570
1,275,940	30,978,982
	26,358,103
	10,244,131
	<u>451,963</u>
<u>19,765,830</u>	<u>211,816,771</u>
<u>5,610,442</u>	<u>17,139,619</u>
	1,386,268
(550,000)	(1,386,268)
	39,710,000
	2,887,613
	586,048
	294,443
	<u>381,992</u>
<u>(550,000)</u>	<u>43,860,096</u>
<u>5,060,442</u>	<u>60,999,715</u>
<u>38,191,561</u>	<u>161,224,414</u>
<u>\$ 43,252,003</u>	<u>\$ 222,224,129</u>

Tolleson Union High School District No. 214
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 **\$ 60,999,715**

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	\$ 22,003,999	
Less current year depreciation/amortization	<u>(16,085,970)</u>	5,918,029

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

Issuance of school improvement bonds	(42,597,613)	
Financed purchase agreements	(586,048)	
Lease agreements	<u>(294,443)</u>	(43,478,104)

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

Property taxes	1,022,462	
Intergovernmental	<u>(4,390,154)</u>	(3,367,692)

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

Financed purchase principal retirement	208,397	
Lease principal retirement	19,706	
Bond principal retirement	<u>26,130,000</u>	26,358,103

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	11,012,861	
Pension expense	<u>(20,353,276)</u>	(9,340,415)

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

Loss on disposal of assets	(170,936)	
Amortization of deferred bond items	1,630,432	
Compensated absences	<u>(413,939)</u>	1,045,557

Changes in net position in governmental activities **\$ 38,135,193**

Tolleson Union High School District No. 214
Notes to Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

The financial statements of the Tolleson Union High School District No. 214 (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.

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.

Tolleson Union High School District No. 214
Notes to Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

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 of functions. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, unrestricted state aid, and other items not included among program revenues are reported instead as general revenues.

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

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

Tolleson Union High School District No. 214
Notes to Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

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

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

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

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

Tolleson Union High School District No. 214
Notes to Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

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

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

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

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.

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.

Tolleson Union High School District No. 214
Notes to Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

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.

Tolleson Union High School District No. 214
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. 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.

I. Capital Assets

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

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

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

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

Land improvements	10 - 20 years
Buildings and improvements	5 - 60 years
Vehicles, furniture and equipment	3 - 20 years
Intangible right-to-use assets	2- 5 years

Tolleson Union High School District No. 214
Notes to Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

J. 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.

K. 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.

L. Leases

As lessee, the District recognizes lease liabilities with an initial, individual value of \$40,000 or more. If there is no stated rate in the lease contract and the implicit rate cannot be determined, the District uses the Daily Treasury Par Yield Curve Rate as the interest rate to measure the lease.

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.

M. Pensions

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

Tolleson Union High School District No. 214
Notes to Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

N. 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.

O. Interfund Activity

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

P. Net Position Flow Assumption

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

Q. Estimates

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

Tolleson Union High School District No. 214
Notes to Financial Statements
June 30, 2023

Note 2 – Fund Balance Classifications

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

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

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

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

Assigned. Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Governing Board or 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.

Tolleson Union High School District No. 214
Notes to Financial Statements
June 30, 2023

Note 2 – Fund Balance Classifications

The District has established a fund balance policy which states that the District will maintain an unrestricted General Fund balance of 30 percent of the actual Maintenance & Operations expenditures. Unassigned fund balance in the General Fund accounted for 95 percent of the actual Maintenance & Operation expenditures for the year.

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

	General	Federal and State Grants	Debt Service	Bond Building	Non-Major Governmental Funds
Fund Balances:					
Restricted:					
Debt service	\$	\$	\$ 6,420,246	\$	\$
Capital projects	6,251,799				6,906,918
Bond building projects				46,005,837	
Voter approved initiatives					19,864,558
Federal and state projects		216,748			
Food service					5,224,528
Civic center					1,057,231
Community schools					55,764
Extracurricular activities					449,499
Gifts and donations					887,617
Career technical education					7,671,037
Student activities					1,036,921
Other purposes					97,930
Unassigned	120,931,572	(854,076)			
Total fund balances	<u>\$ 127,183,371</u>	<u>\$ (637,328)</u>	<u>\$ 6,420,246</u>	<u>\$ 46,005,837</u>	<u>\$ 43,252,003</u>

Note 3 – Stewardship, Compliance and Accountability

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

Major Fund:	<u>Deficit</u>
Federal and State Grants Fund	\$ 637,328

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

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

Tolleson Union High School District No. 214
Notes to Financial Statements
June 30, 2023

Note 4 – Cash and Investments

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure the District’s deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the District’s deposits was \$213,781 and the bank balance was \$528,468. At year end, the District’s deposits were covered by federal depository insurance.

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.

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

	Average	Fair Value
County Treasurer’s investment pool	469 days	\$ 241,287,725

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.

Tolleson Union High School District No. 214
Notes to Financial Statements
June 30, 2023

Note 5 – Receivables

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

	General	Federal and State Grants	Non-Major Governmental Funds
Due from other governmental entities:			
Due from federal government	\$	\$ 4,776,040	\$ 502,929
Due from state government	15,471,016	26,039	737,946
Net due from governmental entities	\$ 15,471,016	\$ 4,802,079	\$ 1,240,875

Note 6 – Leases Receivable

The District acts as lessor in various agreements, most of which are for cell phone towers under the provisions of contracts classified as lease. 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 \$101,940 and related interest revenue of \$3,953 are recorded as other local revenue in the Other Special Revenue Fund, a non-major governmental fund.

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

Year Ending June 30:	
2024	\$ 96,723
2025	97,066
2026	99,850
2027	102,750
2028	103,203
2029-33	452,647
2034-38	308,292
2039-43	201,605
2044-46	77,941
Total	\$ 1,540,077

Tolleson Union High School District No. 214
Notes to Financial Statements
June 30, 2023

Note 7 – Capital Assets

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

Governmental Activities	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 37,467,085	\$ 5,000	\$	\$ 37,472,085
Construction in progress	50,912,181	16,457,713	13,088,133	54,281,761
Total capital assets, not being depreciated	<u>88,379,266</u>	<u>16,462,713</u>	<u>13,088,133</u>	<u>91,753,846</u>
Capital assets, being depreciated:				
Land improvements	38,936,426	9,010,707	478,460	47,468,673
Buildings and improvements	415,420,935	3,991,019		419,411,954
Vehicles, furniture and equipment	33,969,112	5,333,250	1,534,609	37,767,753
Total capital assets being depreciated	<u>488,326,473</u>	<u>18,334,976</u>	<u>2,013,069</u>	<u>504,648,380</u>
Less accumulated depreciation for:				
Land improvements	(10,989,238)	(2,281,388)	(336,868)	(12,933,758)
Buildings and improvements	(103,484,988)	(10,527,280)		(114,012,268)
Vehicles, furniture and equipment	(19,357,131)	(3,259,317)	(1,505,265)	(21,111,183)
Total accumulated depreciation	<u>(133,831,357)</u>	<u>(16,067,985)</u>	<u>(1,842,133)</u>	<u>(148,057,209)</u>
Total capital assets, being depreciated, net	<u>354,495,116</u>	<u>2,266,991</u>	<u>170,936</u>	<u>356,591,171</u>
Intangible right-to-use assets:				
Leased vehicles, furniture and equipment		294,443		294,443
Less accumulated amortization		(17,985)		(17,985)
Total intangible right-to-use assets, net		<u>276,458</u>		<u>276,458</u>
Governmental activities capital assets, net	<u>\$ 442,874,382</u>	<u>\$ 19,006,162</u>	<u>\$ 13,259,069</u>	<u>\$ 448,621,475</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 5,144,375
Support services – students and staff	171,775
Support services – administration	1,178,861
Operation and maintenance of plant services	7,828,453
Student transportation services	1,496,373
Operation of non-instructional services	266,133
Total depreciation expense – governmental activities	<u>\$ 16,085,970</u>

Construction Commitments – At year end, the District had contractual commitments related to various renovation projects at multiple high schools. At year end the District had spent \$54.3 million on the projects and had estimated remaining contractual commitments of \$886,112. These projects are being funded with bond proceeds.

Tolleson Union High School District No. 214
Notes to Financial Statements
June 30, 2023

Note 8 – Short Term Debt – Revolving Line of Credit

The District has a revolving line of credit to provide cash flow during the year to mitigate the impact of timing differences of expenditures and the receipt of state aid and property tax revenues. At year end, the District had \$2.0 million in unused line of credit.

Note 9 – Financed Purchases Payable

The District has acquired copiers under the provisions of a contract classified as a financed purchase payable. Revenues from the General Fund are used to pay the debt obligation.

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	\$ 100,105	\$ 37,268
2025	108,347	29,026
2026	117,267	20,105
2027	126,922	10,450
Total	\$ 452,641	\$ 96,849

Note 10 – Leases Payable

The District has acquired vehicles under the provisions of contracts classified as leases. The related obligations under the lease agreements have been recorded at the present value of their future minimum lease payments as of the inception date. Revenues from the Bond Building Fund are used to pay the lease obligations. Amortization of right-to-use assets recorded under leases is included with depreciation expense.

The net present value and future minimum lease payments at year end were as follows:

Year ending June 30:	Governmental Activities	
	Principal	Interest
2024	\$ 154,290	\$ 10,314
2025	120,447	3,130
Total	\$ 274,737	\$ 13,444

Tolleson Union High School District No. 214
Notes to Financial Statements
June 30, 2023

Note 10 – Leases Payable

The right-to-use assets recorded under leases that meet the District’s capitalization threshold are as follows:

	Governmental Activities
Asset:	
Vehicles, furniture and equipment	\$ 294,443
Less: Accumulated amortization	17,985
Total	\$ 276,458

Note 11 – 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 \$382.6 million, and the available margin is \$127.5 million. Of the amount originally authorized, \$82.8 million remains unissued.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2023	Due Within One Year
Governmental activities:					
School Improvement Bonds, Project of 2017, Series A (2018)	\$ 59,495,000	3.00 - 5.00%	7/1/23-37	\$ 44,420,000	\$ 4,925,000
School Improvement Bonds, Project of 2017, Series B (2019)	58,475,000	2.00 - 5.00%	7/1/23-38	55,775,000	2,175,000
School Improvement Bonds, Project of 2019, Series A (2020)	56,630,000	2.00 - 5.00%	7/1/23-39	44,195,000	1,795,000
School Improvement Bonds, Project of 2019, Series B (2021)	60,730,000	3.00 - 5.00%	7/1/23-41	56,330,000	5,935,000
School Improvement Bonds, Project of 2021, Series A (2022)	39,710,000	3.00 - 5.00%	7/1/23-33	39,710,000	11,300,000
Total				\$ 240,430,000	\$ 26,130,000

Tolleson Union High School District No. 214
Notes to Financial Statements
June 30, 2023

Note 11 – General Obligation Bonds Payable

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

Year ending June 30:	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 26,130,000	\$ 10,021,225
2025	23,210,000	8,843,425
2026	20,185,000	7,805,250
2027	11,100,000	7,029,125
2028	10,530,000	6,513,675
2029-33	54,805,000	24,856,500
2034-38	59,225,000	12,118,000
2039-42	<u>35,245,000</u>	<u>1,698,812</u>
Total	<u>\$ 240,430,000</u>	<u>\$ 78,886,012</u>

Note 12 – Changes in Long-Term Liabilities

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

	<u>Beginning</u>			<u>Ending</u>	<u>Due Within</u>
	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>One Year</u>
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 217,315,000	\$ 39,710,000	\$ 16,595,000	\$ 240,430,000	\$ 26,130,000
Premium	<u>28,819,369</u>	<u>2,887,613</u>	<u>1,630,432</u>	<u>30,076,550</u>	<u></u>
Total bonds payable	<u>246,134,369</u>	<u>42,597,613</u>	<u>18,225,432</u>	<u>270,506,550</u>	<u>26,130,000</u>
Financed purchases payable	74,990	586,048	208,397	452,641	100,105
Leases payable		294,443	19,706	274,737	154,290
Net pension liability	82,466,481	25,847,777		108,314,258	
Compensated absences payable	<u>2,822,152</u>	<u>1,568,384</u>	<u>1,154,445</u>	<u>3,236,091</u>	<u>300,612</u>
Total long-term liabilities	<u>\$ 331,497,992</u>	<u>\$ 70,894,265</u>	<u>\$ 19,607,980</u>	<u>\$ 382,784,277</u>	<u>\$ 26,685,007</u>

Tolleson Union High School District No. 214
Notes to Financial Statements
June 30, 2023

Note 13 – Interfund Receivables, Payables, and Transfers

At year end, interfund balances were as follows:

Interfund transfers:

Transfers out	Transfers in		
	General	Debt Service	Total
Bond Building	\$	\$ 648,776	\$ 648,776
Federal and State Grants	187,492		187,492
Non-Major Governmental Funds	550,000		550,000
Total	\$ 737,492	\$ 648,776	\$ 1,386,268

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

Note 14 – Contingent Liabilities

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

Note 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). ASRRT is a public entity risk pool currently operating as a common risk management and insurance program for school districts and community colleges in the State. The District pays an annual premium to ASRRT for its general insurance coverage. The agreement provides that ASRRT will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of specified amounts.

Tolleson Union High School District No. 214
Notes to Financial Statements
June 30, 2023

Note 15 – Risk Management

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

The District joined the Valley Schools Employee Benefit Trust (VSEBT) for risks of loss related to employee health and accident claims. VSEBT is a public entity risk pool currently operating as a common risk management and insurance program for school districts in the State. The District pays a monthly premium to VSEBT for employees' health and accident insurance coverage. The agreement provides that VSEBT will be self-sustaining through members' premiums and will reinsure through commercial companies for claims in excess of specified amounts for each insured event.

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.

Tolleson Union High School District No. 214
Notes to Financial Statements
June 30, 2023

Note 16 – Pensions

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

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

*With actuarially reduced benefits

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

Contributions. In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 12.17 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 \$11,012,861.

Tolleson Union High School District No. 214
Notes to Financial Statements
June 30, 2023

Note 16 – Pensions

Employers are also required to pay an Alternate Contribution Rate (ACR), for retired members who return to work in positions that would typically be filled by an employee who contributes to ASRS. The District was required by statute to contribute at the actuarially determined rate of 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)
\$ 108,314,258	0.664	0.036

Tolleson Union High School District No. 214
Notes to Financial Statements
June 30, 2023

Note 16 – Pensions

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 \$20,353,276.

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	\$ 922,902	\$
Changes of assumptions or other inputs	5,375,846	
Net difference between projected and actual earnings on pension investments		2,853,102
Changes in proportion and differences between contributions and proportionate share of contributions	6,910,631	
Contributions subsequent to the measurement date	11,012,861	
Total	\$ 24,222,240	\$ 2,853,102

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	\$ 10,326,387
2025	417,021
2026	(4,953,656)
2027	4,566,525

Tolleson Union High School District No. 214
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%	

Tolleson Union High School District No. 214
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:

	1% Decrease	Current Discount Rate	1% Increase
Rate	6.0%	7.0%	8.0%
Net liability	\$ 159,814,468	\$ 108,314,258	\$ 65,371,129

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

Note 17 – Subsequent Event

In September 2023, the District issued \$76,550,000 in school improvement bonds.

In November 2023, the District’s voters authorized \$125.0 million in bonding capacity for the District.

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Required Supplementary Information

Tolleson Union High School District No. 214
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General
For the Year Ended June 30, 2023

	Budget		Non-GAAP Actual	Variance with Final Budget
	Original	Final		
Revenues				
Other local	\$	\$	\$ 1,403,146	\$ 1,403,146
Property taxes			39,652,324	39,652,324
State aid and grants			94,611,438	94,611,438
Total revenues			<u>135,666,908</u>	<u>135,666,908</u>
Expenditures				
Current:				
Instruction	111,187,570	129,187,570	57,653,768	71,533,802
Support services - students and staff	15,199,821	15,199,821	13,076,193	2,123,628
Support services - administration	16,355,177	16,355,177	16,382,300	(27,123)
Operation and maintenance of plant services	15,687,122	15,687,122	15,027,965	659,157
Student transportation services	5,601,946	5,601,946	6,591,718	(989,772)
Operation of non-instructional services	968,364	968,364	697,175	271,189
Total expenditures	<u>165,000,000</u>	<u>183,000,000</u>	<u>109,429,119</u>	<u>73,570,881</u>
Changes in fund balances	<u>(165,000,000)</u>	<u>(183,000,000)</u>	<u>26,237,789</u>	<u>209,237,789</u>
Fund balances, beginning of year			<u>80,062,281</u>	<u>80,062,281</u>
Fund balances, end of year	<u>\$ (165,000,000)</u>	<u>\$ (183,000,000)</u>	<u>\$ 106,300,070</u>	<u>\$ 289,300,070</u>

Tolleson Union High School District No. 214
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</u>		<u>Variance with</u>
	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues			
Other local	\$	\$ 40,906	\$ 40,906
State aid and grants		969,816	969,816
Federal aid, grants and reimbursements		18,522,143	18,522,143
Total revenues		<u>19,532,865</u>	<u>19,532,865</u>
Expenditures			
Current:			
Instruction	6,916,953	6,221,414	695,539
Support services - students and staff	7,193,750	6,470,377	723,373
Support services - administration	228,915	205,896	23,019
Operation and maintenance of plant services	716,008	644,009	71,999
Student transportation services	210,250	189,108	21,142
Operation of non-instructional services	147,021	132,237	14,784
Capital outlay	621,104	558,648	62,456
Total expenditures	<u>16,034,000</u>	<u>14,421,689</u>	<u>1,612,311</u>
Excess (deficiency) of revenues over expenditures	<u>(16,034,000)</u>	<u>5,111,176</u>	<u>21,145,176</u>
Other financing sources (uses)			
Transfers out		(187,492)	(187,492)
Total other financing sources (uses)		<u>(187,492)</u>	<u>(187,492)</u>
Changes in fund balances	<u>(16,034,000)</u>	<u>4,923,684</u>	<u>20,957,684</u>
Fund balances, beginning of year		<u>(5,561,012)</u>	<u>(5,561,012)</u>
Fund balances, end of year	<u>\$ (16,034,000)</u>	<u>\$ (637,328)</u>	<u>\$ 15,396,672</u>

Tolleson Union High School District No. 214
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	0.66%	0.63%	0.56%	0.51%
District's proportionate share of the net pension (assets) liability	\$ 108,314,258	\$ 82,466,481	\$ 96,879,504	\$ 73,413,530
District's covered payroll	\$ 79,038,143	\$ 69,995,494	\$ 61,427,389	\$ 53,259,580
District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	137.04%	117.82%	157.71%	137.84%
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	\$ 11,012,861	\$ 9,492,481	\$ 8,154,475	\$ 7,033,436
Contributions in relation to the actuarially determined contribution	<u>11,012,861</u>	<u>9,492,481</u>	<u>8,154,475</u>	<u>7,033,436</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 92,389,773	\$ 79,038,143	\$ 69,995,494	\$ 61,427,389
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
0.48%	0.46%	0.42%	0.45%	0.41%
\$ 66,379,670	\$ 70,940,885	\$ 67,600,141	\$ 69,903,127	\$ 60,876,409
\$ 47,398,073	\$ 44,249,852	\$ 39,024,802	\$ 41,317,805	\$ 38,356,047
140.05%	160.32%	173.22%	169.18%	158.71%
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>
\$ 5,954,421	\$ 5,166,390	\$ 4,770,134	\$ 4,234,191	\$ 4,499,509
5,954,421	5,166,390	4,770,134	4,234,191	4,499,509
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 53,259,580	\$ 47,398,073	\$ 44,249,852	\$ 39,024,802	\$ 41,317,805
11.18%	10.90%	10.78%	10.85%	10.89%

Tolleson Union High School District No. 214
Notes to Required Supplementary Information
June 30, 2023

Note 1 – Budgetary Basis of Accounting

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

- Certain activities reported in the General Fund are budgeted in separate funds in accordance with Arizona Revised Statutes.
- Prepaid items are budgeted in the year prepaid.
- Employee insurance expenditures are budgeted in the year the employee insurance account is funded.

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

	Total	Fund
	<u>Expenditures</u>	<u>Balances</u>
		<u>End of Year</u>
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 122,383,055	\$ 127,183,371
Activity budgeted as special revenue funds	(1,667,976)	(6,005,744)
Activity budgeted as capital projects funds	(10,904,020)	(13,037,846)
Current-year prepaid items	1,289,972	(1,289,972)
Prior-year prepaid items	(1,671,912)	
Employee insurance account	<u> </u>	<u>(549,739)</u>
Schedule of Revenue, Expenditures and Changes in Fund Balances – Budget and Actual - General Fund	<u>\$ 109,429,119</u>	<u>\$ 106,300,070</u>

Note 2 – Pension Plan Schedules

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

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

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

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Governmental Funds

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Non-Major Governmental Funds

Special Revenue Funds

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.

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, gifts and donations, career and technical education projects, fingerprinting, textbooks, grants and gifts to teachers, career technical education, and student activities.

Capital Projects Funds

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

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

Tolleson Union High School District No. 214
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2023

Special Revenue Funds

	<u>Classroom Site</u>	<u>Instructional Improvement</u>	<u>Food Service</u>	<u>Other Special Revenue</u>
Assets				
Cash and investments	\$ 14,914,400	\$ 4,224,371	\$ 4,641,492	\$ 11,233,504
Due from governmental entities		725,787	502,929	
Deposits			328,268	
Leases receivable				1,505,688
Total assets	<u>\$ 14,914,400</u>	<u>\$ 4,950,158</u>	<u>\$ 5,472,689</u>	<u>\$ 12,739,192</u>
Liabilities				
Accounts payable	\$	\$	\$ 217,877	\$
Accrued payroll and employee benefits			30,284	
Total liabilities			<u>248,161</u>	
Deferred inflows of resources				
Leases				1,483,193
Total deferred inflows of resources				<u>1,483,193</u>
Fund balances				
Restricted	<u>14,914,400</u>	<u>4,950,158</u>	<u>5,224,528</u>	<u>11,255,999</u>
Total fund balances	<u>14,914,400</u>	<u>4,950,158</u>	<u>5,224,528</u>	<u>11,255,999</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 14,914,400</u>	<u>\$ 4,950,158</u>	<u>\$ 5,472,689</u>	<u>\$ 12,739,192</u>

<u>Capital Projects Funds</u>		<u>Total Non-Major</u>
<u>Adjacent Ways</u>	<u>Other Capital</u>	<u>Governmental</u>
	<u>Projects</u>	<u>Funds</u>
\$ 6,569,871	\$ 324,888	\$ 41,908,526
	12,159	1,240,875
		328,268
		1,505,688
<u>\$ 6,569,871</u>	<u>\$ 337,047</u>	<u>\$ 44,983,357</u>
\$	\$	\$ 217,877
		30,284
		248,161
		1,483,193
		1,483,193
<u>6,569,871</u>	<u>337,047</u>	<u>43,252,003</u>
<u>6,569,871</u>	<u>337,047</u>	<u>43,252,003</u>
<u>\$ 6,569,871</u>	<u>\$ 337,047</u>	<u>\$ 44,983,357</u>

Tolleson Union High School District No. 214
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2023

	<u>Special Revenue Funds</u>			
	<u>Classroom Site</u>	<u>Instructional Improvement</u>	<u>Food Service</u>	<u>Other Special Revenue</u>
Revenues				
Other local	\$ 260,803	\$ 43,112	\$ 2,155,836	\$ 3,857,024
State aid and grants	12,629,498	1,714,545		26,805
Federal aid, grants and reimbursements			4,124,509	
Total revenues	<u>12,890,301</u>	<u>1,757,657</u>	<u>6,280,345</u>	<u>3,883,829</u>
Expenditures				
Current:				
Instruction	8,365,468	222,748		1,071,068
Support services - students and staff	723,379			385,299
Support services - administration			3,813	55,454
Operation and maintenance of plant services			492,182	43,672
Student transportation services				1,509,244
Operation of non-instructional services			5,430,130	187,433
Capital outlay			535,056	130,302
Total expenditures	<u>9,088,847</u>	<u>222,748</u>	<u>6,461,181</u>	<u>3,382,472</u>
Excess (deficiency) of revenues over expenditures	<u>3,801,454</u>	<u>1,534,909</u>	<u>(180,836)</u>	<u>501,357</u>
Other financing sources (uses)				
Transfers out			(550,000)	
Total other financing sources (uses)			<u>(550,000)</u>	
Changes in fund balances	<u>3,801,454</u>	<u>1,534,909</u>	<u>(730,836)</u>	<u>501,357</u>
Fund balances, beginning of year	<u>11,112,946</u>	<u>3,415,249</u>	<u>5,955,364</u>	<u>10,754,642</u>
Fund balances, end of year	<u>\$ 14,914,400</u>	<u>\$ 4,950,158</u>	<u>\$ 5,224,528</u>	<u>\$ 11,255,999</u>

<u>Capital Projects Funds</u>		<u>Total Non-Major</u>
<u>Adjacent Ways</u>	<u>Other Capital</u>	<u>Governmental</u>
	<u>Projects</u>	<u>Funds</u>
\$ 120,131	\$ 54,718	\$ 6,491,624
	389,291	14,760,139
		4,124,509
<u>120,131</u>	<u>444,009</u>	<u>25,376,272</u>
		9,659,284
		1,108,678
		59,267
		535,854
		1,509,244
		5,617,563
<u>219,370</u>	<u>391,212</u>	<u>1,275,940</u>
<u>219,370</u>	<u>391,212</u>	<u>19,765,830</u>
<u>(99,239)</u>	<u>52,797</u>	<u>5,610,442</u>
		(550,000)
		(550,000)
<u>(99,239)</u>	<u>52,797</u>	<u>5,060,442</u>
<u>6,669,110</u>	<u>284,250</u>	<u>38,191,561</u>
<u>\$ 6,569,871</u>	<u>\$ 337,047</u>	<u>\$ 43,252,003</u>

Tolleson Union High School District No. 214
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Classroom Site
For the Year Ended June 30, 2023

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other local	\$	\$	\$ 260,803	\$ 260,803
State aid and grants			12,629,498	12,629,498
Total revenues			<u>12,890,301</u>	<u>12,890,301</u>
Expenditures				
Current:				
Instruction	17,955,925	19,954,003	8,365,468	11,588,535
Support services - students and staff	4,350,000	4,350,000	723,379	3,626,621
Total expenditures	<u>22,305,925</u>	<u>24,304,003</u>	<u>9,088,847</u>	<u>15,215,156</u>
Changes in fund balances	<u>(22,305,925)</u>	<u>(24,304,003)</u>	<u>3,801,454</u>	<u>28,105,457</u>
Fund balances, beginning of year			<u>11,112,946</u>	<u>11,112,946</u>
Fund balances, end of year	<u>\$ (22,305,925)</u>	<u>\$ (24,304,003)</u>	<u>\$ 14,914,400</u>	<u>\$ 39,218,403</u>

Tolleson Union High School District No. 214
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</u>		<u>Variance with</u>
	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues			
Other local	\$	\$ 43,112	\$ 43,112
State aid and grants		1,714,545	1,714,545
Total revenues		<u>1,757,657</u>	<u>1,757,657</u>
Expenditures			
Current:			
Instruction	2,850,000	222,748	2,627,252
Total expenditures	<u>2,850,000</u>	<u>222,748</u>	<u>2,627,252</u>
Changes in fund balances	<u>(2,850,000)</u>	<u>1,534,909</u>	<u>4,384,909</u>
Fund balances, beginning of year		<u>3,415,249</u>	<u>3,415,249</u>
Fund balances, end of year	<u>\$ (2,850,000)</u>	<u>\$ 4,950,158</u>	<u>\$ 7,800,158</u>

Tolleson Union High School District No. 214
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</u>		<u>Variance with</u>
	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues			
Other local	\$	\$ 2,155,836	\$ 2,155,836
Federal aid, grants and reimbursements		4,124,509	4,124,509
Total revenues		<u>6,280,345</u>	<u>6,280,345</u>
Expenditures			
Current:			
Support services - administration	3,836	3,813	23
Operation and maintenance of plant services	495,139	492,182	2,957
Operation of non-instructional services	5,462,754	5,430,130	32,624
Capital outlay	538,271	535,056	3,215
Total expenditures	<u>6,500,000</u>	<u>6,461,181</u>	<u>38,819</u>
Excess (deficiency) of revenues over expenditures	<u>(6,500,000)</u>	<u>(180,836)</u>	<u>6,319,164</u>
Other financing sources (uses)			
Transfers out		(550,000)	(550,000)
Total other financing sources (uses)		<u>(550,000)</u>	<u>(550,000)</u>
Changes in fund balances	<u>(6,500,000)</u>	<u>(730,836)</u>	<u>5,769,164</u>
Fund balances, beginning of year		<u>5,955,364</u>	<u>5,955,364</u>
Fund balances, end of year	<u>\$ (6,500,000)</u>	<u>\$ 5,224,528</u>	<u>\$ 11,724,528</u>

Tolleson Union High School District No. 214
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>Original and</u>		<u>Variance with</u>
	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues			
Other local	\$	\$ 3,857,024	\$ 3,857,024
State aid and grants		26,805	26,805
Total revenues		<u>3,883,829</u>	<u>3,883,829</u>
Expenditures			
Current:			
Instruction	3,379,951	1,071,068	2,308,883
Support services - students and staff	1,215,881	385,299	830,582
Support services - administration	174,995	55,454	119,541
Operation and maintenance of plant services	137,815	43,672	94,143
Student transportation services	4,762,695	1,509,244	3,253,451
Operation of non-instructional services	591,479	187,433	404,046
Capital outlay	411,192	130,302	280,890
Total expenditures	<u>10,674,009</u>	<u>3,382,472</u>	<u>7,291,537</u>
Excess (deficiency) of revenues over expenditures	<u>(10,674,009)</u>	<u>501,357</u>	<u>11,175,366</u>
Changes in fund balances	<u>(10,674,009)</u>	<u>501,357</u>	<u>11,175,366</u>
Fund balances, beginning of year		<u>10,754,642</u>	<u>10,754,642</u>
Fund balances, end of year	<u>\$ (10,674,009)</u>	<u>\$ 11,255,999</u>	<u>\$ 21,930,008</u>

Tolleson Union High School District No. 214
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Debt Service
For the Year Ended June 30, 2023

	<u>Budget</u>		Variance with Final Budget
	<u>Original and Final</u>	<u>Actual</u>	
Revenues			
Other local	\$	\$ 586,716	\$ 586,716
Property taxes		35,909,116	35,909,116
Total revenues		<u>36,495,832</u>	<u>36,495,832</u>
Expenditures			
Debt service:			
Principal retirement	14,830,000	26,130,000	(11,300,000)
Interest and fiscal charges	8,724,575	10,235,871	(1,511,296)
Total expenditures	<u>23,554,575</u>	<u>36,365,871</u>	<u>(12,811,296)</u>
Excess (deficiency) of revenues over expenditures	<u>(23,554,575)</u>	<u>129,961</u>	<u>23,684,536</u>
Other financing sources (uses)			
Transfers in		648,776	648,776
Total other financing sources (uses)		<u>648,776</u>	<u>648,776</u>
Changes in fund balances	<u>(23,554,575)</u>	<u>778,737</u>	<u>24,333,312</u>
Fund balances, beginning of year		<u>5,641,509</u>	<u>5,641,509</u>
Fund balances, end of year	<u>\$ (23,554,575)</u>	<u>\$ 6,420,246</u>	<u>\$ 29,974,821</u>

Tolleson Union High School District No. 214
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</u>		<u>Variance with</u>
	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues			
Other local	<u> </u>	<u>120,131</u>	<u>120,131</u>
Total revenues	<u> </u>	<u>120,131</u>	<u>120,131</u>
Expenditures			
Capital outlay	<u>6,892,414</u>	<u>219,370</u>	<u>6,673,044</u>
Total expenditures	<u>6,892,414</u>	<u>219,370</u>	<u>6,673,044</u>
Excess (deficiency) of revenues over expenditures	<u>(6,892,414)</u>	<u>(99,239)</u>	<u>6,793,175</u>
Changes in fund balances	<u>(6,892,414)</u>	<u>(99,239)</u>	<u>6,793,175</u>
Fund balances, beginning of year	<u> </u>	<u>6,669,110</u>	<u>6,669,110</u>
Fund balances, end of year	<u>\$ (6,892,414)</u>	<u>\$ 6,569,871</u>	<u>\$ 13,462,285</u>

Tolleson Union High School District No. 214
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</u>		<u>Variance with</u>
	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues			
Other local	\$	\$ 648,776	\$ 648,776
Total revenues		<u>648,776</u>	<u>648,776</u>
Expenditures			
Capital outlay	69,527,787	18,113,670	51,414,117
Debt service:			
Principal retirement	19,706	19,706	
Interest and fiscal charges	544	544	
Bond issuance costs	451,963	451,963	
Total expenditures	<u>70,000,000</u>	<u>18,585,883</u>	<u>51,414,117</u>
Excess (deficiency) of revenues over expenditures	<u>(70,000,000)</u>	<u>(17,937,107)</u>	<u>52,062,893</u>
Other financing sources (uses)			
Transfers out		(648,776)	(648,776)
Issuance of school improvement bonds		39,710,000	39,710,000
Premium on sale of bonds		2,887,613	2,887,613
Total other financing sources (uses)		<u>41,948,837</u>	<u>41,948,837</u>
Changes in fund balances	<u>(70,000,000)</u>	<u>24,011,730</u>	<u>94,011,730</u>
Fund balances, beginning of year		<u>21,994,107</u>	<u>21,994,107</u>
Fund balances, end of year	<u>\$ (70,000,000)</u>	<u>\$ 46,005,837</u>	<u>\$ 116,005,837</u>

Tolleson Union High School District No. 214
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Other Capital Projects
For the Year Ended June 30, 2023

	<u>Budget</u>		
	<u>Original and</u>		<u>Variance with</u>
	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues			
Other local	\$	\$ 54,718	\$ 54,718
State aid and grants		389,291	389,291
Total revenues		<u>444,009</u>	<u>444,009</u>
Expenditures			
Capital outlay	2,952,000	391,212	2,560,788
Total expenditures	<u>2,952,000</u>	<u>391,212</u>	<u>2,560,788</u>
Excess (deficiency) of revenues over expenditures	<u>(2,952,000)</u>	<u>52,797</u>	<u>3,004,797</u>
Changes in fund balances	<u>(2,952,000)</u>	<u>52,797</u>	<u>3,004,797</u>
Fund balances, beginning of year		<u>284,250</u>	<u>284,250</u>
Fund balances, end of year	<u>\$ (2,952,000)</u>	<u>\$ 337,047</u>	<u>\$ 3,289,047</u>

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Statistical Section

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

Note: For locally assessed property (i.e., excluding mines, utilities, etc.) Proposition 117, approved by voters in 2012, amended the Arizona Constitution to require that all property taxes after fiscal year 2014-15 be based upon property values limited to 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.

Tolleson Union High School District No. 214
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	\$ 223,393,384	\$ 218,659,130	\$ 218,219,877	\$ 209,078,664	\$ 192,771,578
Restricted	60,174,961	61,064,780	43,363,584	46,929,158	27,880,203
Unrestricted	58,192,696	23,901,938	17,712,956	10,258,317	5,674,562
Total net position	\$ 341,761,041	\$ 303,625,848	\$ 279,296,417	\$ 266,266,139	\$ 226,326,343
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Net Position:					
Net investment in capital assets	\$ 170,047,381	\$ 170,727,224	\$ 165,609,147	\$ 156,135,103	\$ 145,715,464
Restricted	16,203,467	21,217,499	25,057,598	16,754,937	18,194,065
Unrestricted	(6,976,838)	(22,310,092)	(27,220,998)	(19,532,896)	34,567,936
Total net position	\$ 179,274,010	\$ 169,634,631	\$ 163,445,747	\$ 153,357,144	\$ 198,477,465

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

Note: The District's unrestricted net position changed significantly with the implementation of GASB Statement No. 68 in fiscal year ended June 30, 2015.

Tolleson Union High School District No. 214
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	\$ 89,727,941	\$ 82,427,238	\$ 70,664,181	\$ 64,491,764	\$ 54,275,038
Support services - students and staff	22,915,341	20,239,897	17,717,006	14,396,181	11,105,718
Support services - administration	21,223,131	18,392,229	16,164,710	14,904,939	12,461,602
Operation and maintenance of plant services	26,032,125	21,779,098	18,818,014	16,284,889	14,270,565
Student transportation services	11,929,147	9,954,163	6,751,198	8,296,857	7,109,361
Operation of non-instructional services	7,394,113	7,156,696	4,690,460	6,258,423	6,267,626
Interest on long-term debt	8,613,699	7,444,421	6,344,365	5,237,513	3,719,903
Total expenses	<u>187,835,497</u>	<u>167,393,742</u>	<u>141,149,934</u>	<u>129,870,566</u>	<u>109,209,813</u>
Program Revenues					
Charges for services:					
Instruction	2,398,192	989,834	2,151,613	3,546,896	2,740,659
Operation of non-instructional services	2,302,861	1,079,887	205,279	1,627,529	1,676,577
Other activities	1,617,386	2,593,353	214,013	137,951	147,546
Operating grants and contributions	19,418,116	30,849,145	21,417,004	10,034,145	9,966,531
Capital grants and contributions	947,939	6,813,367	1,240,696	24,869,291	33,081,603
Total program revenues	<u>26,684,494</u>	<u>42,325,586</u>	<u>25,228,605</u>	<u>40,215,812</u>	<u>47,612,916</u>
Net (Expense)/Revenue	<u>\$ (161,151,003)</u>	<u>\$ (125,068,156)</u>	<u>\$ (115,921,329)</u>	<u>\$ (89,654,754)</u>	<u>\$ (61,596,897)</u>

(Continued)

Tolleson Union High School District No. 214
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	\$ 50,205,815	\$ 47,694,713	\$ 45,778,279	\$ 41,559,302	\$ 42,090,724
Support services - students and staff	10,262,160	10,452,356	9,246,300	8,432,957	6,735,591
Support services - administration	11,051,706	9,477,013	8,859,722	7,791,910	9,017,374
Operation and maintenance of plant services	13,211,101	12,688,188	10,762,379	10,675,799	8,922,762
Student transportation services	6,368,324	4,791,320	4,565,677	4,174,404	4,190,592
Operation of non-instructional services	5,932,208	5,810,787	5,333,271	5,467,527	4,894,144
Interest on long-term debt	1,582,037	1,016,924	1,247,057	1,524,051	1,937,351
Total expenses	<u>98,613,351</u>	<u>91,931,301</u>	<u>85,792,685</u>	<u>79,625,950</u>	<u>77,788,538</u>
Program Revenues					
Charges for services:					
Instruction	2,746,158	2,654,898	2,514,310	2,202,235	1,067,946
Operation of non-instructional services	1,545,714	1,484,782	1,614,587	1,522,669	1,668,000
Other activities	118,371	178,469	75,524		112,498
Operating grants and contributions	9,437,555	9,087,941	8,507,803	8,743,473	8,493,069
Capital grants and contributions	2,104,997	1,535,155	1,433,382	558,372	22,201
Total program revenues	<u>15,952,795</u>	<u>14,941,245</u>	<u>14,145,606</u>	<u>13,026,749</u>	<u>11,363,714</u>
Net (Expense)/Revenue	<u>\$ (82,660,556)</u>	<u>\$ (76,990,056)</u>	<u>\$ (71,647,079)</u>	<u>\$ (66,599,201)</u>	<u>\$ (66,424,824)</u>

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

(Concluded)

Tolleson Union High School District No. 214
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	\$ (161,151,003)	\$ (125,068,156)	\$ (115,921,329)	\$ (89,654,754)	\$ (61,596,897)
General Revenues:					
Property taxes	86,082,969	68,088,994	61,394,107	60,279,568	49,417,047
Investment income	3,920,499	1,392,342	1,440,430	2,463,243	2,232,694
Unrestricted county aid		5,817,521	5,376,399	4,956,891	4,017,915
Unrestricted state aid	108,955,481	73,785,818	60,740,671	60,764,557	52,981,574
Unrestricted federal aid	327,247	312,912			
Total general revenues	<u>199,286,196</u>	<u>149,397,587</u>	<u>128,951,607</u>	<u>128,464,259</u>	<u>108,649,230</u>
Changes in Net Position	<u>\$ 38,135,193</u>	<u>\$ 24,329,431</u>	<u>\$ 13,030,278</u>	<u>\$ 38,809,505</u>	<u>\$ 47,052,333</u>

(Continued)

Tolleson Union High School District No. 214
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	\$ (82,660,556)	\$ (76,990,056)	\$ (71,647,079)	\$ (66,599,201)	\$ (66,424,824)
General Revenues:					
Property taxes	40,526,143	33,869,806	35,842,069	40,519,357	45,985,022
Investment income	798,213	322,064	276,012	202,969	148,649
Unrestricted county aid	4,340,347	3,915,456	3,592,379	3,854,071	3,280,528
Unrestricted state aid	46,622,917	45,071,614	42,025,222	39,255,691	36,892,277
Total general revenues	<u>92,287,620</u>	<u>83,178,940</u>	<u>81,735,682</u>	<u>83,832,088</u>	<u>86,306,476</u>
Changes in Net Position	<u>\$ 9,627,064</u>	<u>\$ 6,188,884</u>	<u>\$ 10,088,603</u>	<u>\$ 17,232,887</u>	<u>\$ 19,881,652</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)

Tolleson Union High School District No. 214
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
General Fund:					
Nonspendable	\$	\$	\$	\$ 1,054,297	\$
Restricted	6,251,799				
Unassigned	120,931,572	87,335,179	77,794,750	67,300,559	59,294,009
Total General Fund	\$ 127,183,371	\$ 87,335,179	\$ 77,794,750	\$ 68,354,856	\$ 59,294,009
All Other Governmental Funds:					
Restricted	95,894,834	80,562,611	67,107,295	116,327,581	58,078,519
Unassigned	(854,076)	(6,673,376)	(3,451,138)	(2,772,014)	(1,484,809)
Total all other governmental funds	\$ 95,040,758	\$ 73,889,235	\$ 63,656,157	\$ 113,555,567	\$ 56,593,710

(Continued)

Tolleson Union High School District No. 214
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Fund:					
Nonspendable	\$	\$ 748,155	\$ 1,660,000	\$ 1,500,000	\$
Unassigned	48,005,537	33,904,172	29,547,025	32,538,232	22,784,539
Total General Fund	<u>\$ 48,005,537</u>	<u>\$ 34,652,327</u>	<u>\$ 31,207,025</u>	<u>\$ 34,038,232</u>	<u>\$ 22,784,539</u>
All Other Governmental Funds:					
Restricted	72,759,477	20,656,086	23,535,382	15,976,712	17,459,692
Total all other governmental funds	<u>\$ 72,439,572</u>	<u>\$ 20,572,299</u>	<u>\$ 23,473,010</u>	<u>\$ 15,938,223</u>	<u>\$ 17,415,651</u>

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

(Concluded)

Tolleson Union High School District No. 214
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	\$ 18,849,390	\$ 17,386,634	\$ 12,812,755	\$ 6,278,698	\$ 4,524,619
National School Lunch Program	4,124,509	6,948,374	5,634,519	3,977,464	4,065,185
Total federal sources	<u>22,973,899</u>	<u>24,335,008</u>	<u>18,447,274</u>	<u>10,256,162</u>	<u>8,589,804</u>
State sources:					
State equalization assistance	94,611,438	60,913,517	53,098,337	53,330,266	45,757,364
State grants	996,621	797,353	848,697	920,365	530,946
School Facilities Oversight Board	389,291	4,648,789	437,157	24,208,593	32,534,285
Other revenues	14,344,043	12,872,301	7,647,181	7,434,291	7,224,210
Total state sources	<u>110,341,393</u>	<u>79,231,960</u>	<u>62,031,372</u>	<u>85,893,515</u>	<u>86,046,805</u>
Local sources:					
Property taxes	85,060,507	68,220,343	61,628,864	60,777,125	49,617,133
County aid		5,817,521	5,376,399	4,956,891	4,017,915
Food service sales	1,942,717	826,543	105,050	1,477,149	1,403,437
Investment income	3,961,405	1,392,342	1,440,430	2,463,243	2,232,697
Other revenues	4,676,469	5,514,549	2,741,441	3,804,709	3,185,061
Total local sources	<u>95,641,098</u>	<u>81,771,298</u>	<u>71,292,184</u>	<u>73,479,117</u>	<u>60,456,243</u>
Total revenues	<u><u>\$ 228,956,390</u></u>	<u><u>\$ 185,338,266</u></u>	<u><u>\$ 151,770,830</u></u>	<u><u>\$ 169,628,794</u></u>	<u><u>\$ 155,092,852</u></u>

(Continued)

Tolleson Union High School District No. 214
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	\$ 4,885,272	\$ 5,333,433	\$ 5,503,600	\$ 5,168,318	\$ 4,618,382
National School Lunch Program	4,064,153	4,015,599	3,706,666	3,437,563	3,178,087
Total federal sources	<u>8,949,425</u>	<u>9,349,032</u>	<u>9,210,266</u>	<u>8,605,881</u>	<u>7,796,469</u>
State sources:					
State equalization assistance	40,230,491	39,633,152	36,568,546	34,818,586	32,576,588
State grants	606,120	521,785	498,197	508,312	327,669
School Facilities Oversight Board	1,453,941	598,339	108,917	330,569	37,513
Other revenues	<u>6,392,426</u>	<u>5,438,462</u>	<u>5,456,676</u>	<u>4,437,105</u>	<u>4,317,930</u>
Total state sources	<u>48,682,978</u>	<u>46,191,738</u>	<u>42,632,336</u>	<u>40,094,572</u>	<u>37,259,700</u>
Local sources:					
Property taxes	40,564,761	33,962,167	36,597,843	40,589,674	46,224,037
County aid	4,340,347	3,915,456	3,592,379	3,854,071	3,280,528
Food service sales	1,273,893	1,254,059	1,242,748	1,171,870	1,466,344
Investment income	798,213	322,064	276,012	202,969	148,649
Other revenues	<u>3,349,511</u>	<u>3,218,030</u>	<u>3,085,478</u>	<u>2,656,310</u>	<u>1,502,597</u>
Total local sources	<u>50,326,725</u>	<u>42,671,776</u>	<u>44,794,460</u>	<u>48,474,894</u>	<u>52,622,155</u>
Total revenues	<u>\$ 107,959,128</u>	<u>\$ 98,212,546</u>	<u>\$ 96,637,062</u>	<u>\$ 97,175,347</u>	<u>\$ 97,678,324</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)

Tolleson Union High School District No. 214
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	\$ 74,177,806	\$ 66,977,373	\$ 59,087,078	\$ 51,871,183	\$ 47,342,147
Support services - students and staff	20,867,663	18,609,734	16,205,374	13,102,128	10,963,761
Support services - administration	17,115,217	14,804,233	13,437,212	11,454,360	9,921,579
Operation and maintenance of plant services	16,785,575	13,910,753	11,540,209	12,009,243	9,668,380
Student transportation services	8,300,761	6,161,230	4,389,831	5,072,945	4,480,282
Operation of non-instructional services	6,536,570	6,222,089	4,136,686	5,469,284	5,639,501
Capital outlay	30,978,982	84,047,341	52,334,806	64,445,448	127,034,916
Debt service -					
Principal retirement	26,358,103	16,678,970	22,566,091	11,307,085	7,365,232
Interest, premium and fiscal charges	10,244,131	8,606,531	7,506,475	6,399,623	4,022,854
Bond issuance costs	451,963	712,849		583,170	596,310
Total expenditures	<u><u>\$ 211,816,771</u></u>	<u><u>\$ 236,018,254</u></u>	<u><u>\$ 191,203,762</u></u>	<u><u>\$ 181,131,299</u></u>	<u><u>\$ 226,438,652</u></u>
 Debt service as a percentage of noncapital expenditures	 19%	 15%	 21%	 14%	 10%

Tolleson Union High School District No. 214
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	\$ 42,001,067	\$ 39,351,288	\$ 37,056,162	\$ 36,833,398	\$ 36,067,108
Support services - students and staff	9,874,159	9,560,384	7,994,625	7,839,012	6,228,202
Support services - administration	8,921,716	7,862,875	7,306,139	7,094,736	8,307,678
Operation and maintenance of plant services	8,457,067	9,583,074	7,011,312	8,610,051	7,046,973
Student transportation services	4,372,835	3,518,782	3,124,196	3,177,785	3,201,492
Operation of non-instructional services	5,405,059	5,360,454	4,848,806	5,038,335	4,376,754
Capital outlay	17,747,577	13,009,753	16,216,117	11,188,071	9,418,163
Debt service -					
Principal retirement	8,581,223	7,492,576	7,289,068	7,593,643	10,967,175
Interest, premium and fiscal charges	1,582,037	1,016,924	1,247,057	1,524,051	1,937,351
Bond issuance costs	601,779				
Total expenditures	<u>\$ 107,544,519</u>	<u>\$ 96,756,110</u>	<u>\$ 92,093,482</u>	<u>\$ 88,899,082</u>	<u>\$ 87,550,896</u>
Expenditures for capitalized assets					
Debt service as a percentage of noncapital expenditures					
	11%	10%	10%	11%	16%

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

(Concluded)

Tolleson Union High School District No. 214
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	\$ 17,139,619	\$ (50,679,988)	\$ (39,432,932)	\$ (11,502,505)	\$ (71,345,800)
Other financing sources (uses):					
General obligation bonds issued	39,710,000	60,730,000		56,630,000	58,475,000
Premium on sale of bonds	2,887,613	9,366,449		8,896,994	8,286,178
Financed purchase agreements	586,048				
Lease agreements	294,443				
Capital lease agreements				419,580	419,066
Insurance recoveries		2,671	27,713	131,746	132,512
Proceeds from sale of capital assets	381,992	1,067,224		67,189	71,964
Transfers in	1,386,268	5,342,216	1,198,546	6,012,663	7,200,903
Transfers out	(1,386,268)	(5,342,216)	(1,198,546)	(6,012,663)	(7,200,903)
Total other financing sources (uses)	<u>43,860,096</u>	<u>71,166,344</u>	<u>27,713</u>	<u>66,145,509</u>	<u>67,384,720</u>
Changes in fund balances	<u>\$ 60,999,715</u>	<u>\$ 20,486,356</u>	<u>\$ (39,405,219)</u>	<u>\$ 54,643,004</u>	<u>\$ (3,961,080)</u>
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Excess (deficiency) of revenues over expenditures	\$ 414,609	\$ 1,456,436	\$ 4,543,580	\$ 8,276,265	\$ 10,127,428
Other financing sources (uses):					
General obligation bonds issued	59,495,000				
Premium on sale of bonds	6,059,029				
Capital lease agreements					474,125
Transfers in	672,139	581,840	598,378	704,639	4,200,079
Transfers out	(672,139)	(581,840)	(598,378)	(704,639)	(4,200,079)
Total other financing sources (uses)	<u>65,554,029</u>	<u></u>	<u></u>	<u></u>	<u>474,125</u>
Changes in fund balances	<u>\$ 65,968,638</u>	<u>\$ 1,456,436</u>	<u>\$ 4,543,580</u>	<u>\$ 8,276,265</u>	<u>\$ 10,601,553</u>

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

Tolleson Union High School District No. 214
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	\$ 860,187,996	\$ 800,066,951	\$ 730,284,036	\$ 675,769,361	\$ 608,769,076
Agricultural and Vacant	52,707,759	51,497,265	48,475,631	42,656,077	41,343,773
Residential (Owner Occupied)	436,781,855	396,760,043	363,621,473	334,633,099	307,615,256
Residential (Rental)	250,701,708	218,909,578	204,748,135	190,970,604	172,474,225
Railroad, Private Cars and Airlines	3,200,056	2,384,730	2,291,451	2,357,042	2,334,686
Historical Property	3,744,541	2,090,119	2,240,869	3,478,925	2,352,270
Certain Government Property Improvements	26,616	10,114	9,633	9,174	42,205
Total	\$ 1,607,350,531	\$ 1,471,718,800	\$ 1,351,671,228	\$ 1,249,874,282	\$ 1,134,931,491
Gross Full Cash Value	\$ 24,199,993,731	\$ 22,217,558,389	\$ 20,642,357,279	\$ 18,531,214,157	\$ 16,518,329,006
Ratio of Net Limited Assessed Value to Gross Full Cash Value	7%	7%	7%	7%	7%
Total Direct Rate	5.41	4.73	4.71	4.71	4.45

<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	\$ 563,822,625	\$ 516,463,907	\$ 484,493,581	\$ 457,945,760	\$ 454,416,054
Agricultural and Vacant	44,899,707	44,203,055	48,062,173	46,314,261	47,445,092
Residential (Owner Occupied)	280,465,176	258,255,089	241,110,983	228,199,372	214,554,438
Residential (Rental)	169,023,619	161,868,913	156,669,693	148,764,920	128,587,773
Railroad, Private Cars and Airlines	2,504,203	2,288,551	2,508,708	2,675,148	2,424,052
Historical Property	2,970,250	4,442,302	4,797,525	4,124,960	4,046,704
Certain Government Property Improvements	8,321	7,925	7,547	61,400	6,960
Total	\$ 1,063,693,901	\$ 987,529,742	\$ 937,650,210	\$ 888,085,821	\$ 851,481,073
Gross Full Cash Value	\$ 15,334,987,531	\$ 14,076,758,717	\$ 12,543,274,432	\$ 10,251,379,911	\$ 9,456,875,810
Ratio of Net Limited Assessed Value to Gross Full Cash Value	7%	7%	7%	9%	9%
Total Direct Rate	3.94	3.56	4.01	4.53	5.49

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

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

Tolleson Union High School District No. 214
Net Full Cash Assessed Value of Taxable Property by Class
Last Ten Fiscal Years

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Commercial, Industrial, Utilities and Mining	\$ 1,205,601,185	\$ 1,169,384,934	\$ 1,050,740,193	\$ 954,770,468	\$ 827,346,069
Agricultural and Vacant	96,907,621	93,162,648	85,994,677	70,912,787	64,960,636
Residential (Owner Occupied)	772,468,071	696,163,286	623,074,972	540,218,961	494,148,021
Residential (Rental)	466,236,403	397,023,313	353,248,037	310,256,152	278,622,805
Railroad, Private Cars and Airlines	4,231,239	3,107,257	2,914,163	2,924,467	2,825,622
Historical Property	5,326,452	3,632,355	3,657,760	4,854,317	3,419,770
Certain Government Property Improvements	30,487	14,262	14,603	13,890	66,360
Total	\$ 2,550,801,458	\$ 2,362,488,055	\$ 2,119,644,405	\$ 1,883,951,042	\$ 1,671,389,283
Gross Full Cash Value	\$ 24,199,993,731	\$ 22,217,558,389	\$ 20,642,357,279	\$ 18,531,214,157	\$ 16,518,329,006
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	11%	11%	10%	10%	10%
Estimated Net Full Cash Value	\$ 19,414,464,693	\$ 17,592,510,180	\$ 15,716,013,411	\$ 13,901,742,633	\$ 12,387,143,149
Total Direct Rate	5.41	4.73	4.71	4.71	4.45

<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	\$ 789,065,560	\$ 692,205,775	\$ 565,912,558	\$ 469,631,929	\$ 456,361,197
Agricultural and Vacant	68,117,265	63,408,363	59,151,689	49,771,267	49,371,857
Residential (Owner Occupied)	420,995,658	377,706,633	344,068,971	251,854,824	215,056,806
Residential (Rental)	254,434,014	230,016,807	214,986,853	164,123,192	131,273,261
Railroad, Private Cars and Airlines	2,927,770	2,453,179	2,557,608	2,700,744	2,447,388
Historical Property	4,007,123	8,951,638	10,477,450	7,756,504	8,109,539
Certain Government Property Improvements	13,466	12,414	8,593	66,762	6,960
Total	\$ 1,539,560,856	\$ 1,374,754,809	\$ 1,197,163,722	\$ 945,905,222	\$ 862,627,008
Gross Full Cash Value	\$ 15,334,987,531	\$ 14,076,758,717	\$ 12,543,274,432	\$ 10,251,379,911	\$ 9,456,875,810
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	10%	10%	10%	9%	9%
Estimated Net Full Cash Value	\$ 11,280,256,255	\$ 10,066,291,391	\$ 8,599,153,102	\$ 6,620,814,181	\$ 5,870,529,217
Total Direct Rate	3.94	3.56	4.01	4.53	5.49

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.

Tolleson Union High School District No. 214
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.

Tolleson Union High School District No. 214
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Fiscal Year Ended June 30	Overlapping Rates											District Direct Rates		
	State Equilization	County	Flood Control District	Community College District	Central Arizona Water	City of Phoenix	City of Tolleson	City of Avondale	City of Glendale	Elementary School Districts	Western Maricopa Education District	Primary	Secondary	Total
	2023		1.25	0.16	1.19	0.14	2.11	2.68	1.55	1.67	23.06	0.15	1.77	3.64
2022	0.43	1.35	0.18	1.23	0.14	2.12	2.75	1.42	1.73	22.98	0.16	2.00	2.74	4.73
2021	0.44	1.40	0.18	1.29	0.14	2.13	3.53	1.42	1.80	24.06	0.17	2.10	2.60	4.71
2020	0.44	1.40	0.18	1.29	0.14	2.13	3.53	1.42	1.80	24.06	0.17	2.10	2.60	4.71
2019	0.47	1.40	0.18	1.38	0.14	2.14	3.83	1.76	1.98	25.66	0.15	2.67	1.78	4.45
2018	0.49	1.40	0.18	1.41	0.14	2.16	3.99	1.60	2.08	26.06	0.18	2.16	1.77	3.94
2017	0.50	1.40	0.18	1.47	0.14	2.17	3.97	1.70	2.15	28.07	0.08	2.27	1.29	3.56
2016	0.51	1.36	0.16	1.49	0.14	1.82	3.97	1.75	2.20	26.48	0.07	2.40	1.61	4.01
2015	0.51	1.32	0.14	1.52	0.10	1.82	3.75	1.75	2.15	25.74	0.08	2.86	1.68	4.53
2014	0.51	1.28	0.14	1.53	0.14	1.82	3.76	1.81	2.29	26.28	0.06	3.22	2.27	5.49

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

Tolleson Union High School District No. 214
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
Liberty Property LP	\$ 21,340,900	1.33 %		
Amazon.Com Services LLC	16,726,438	1.04		
Target Corporation	15,668,937	0.97	\$ 10,047,477	1.18 %
SVC Manufacturing Inc.	14,002,536	0.87		
Smiths Food & Drug Center Inc.	13,205,039	0.82	8,940,551	1.05
CLNC NNN Alberts AZ LLC	12,505,266	0.78		
YAM Westgate LLC	12,148,738	0.76		
FR Cal 3 Tolleson Buckeye LIC	11,648,664	0.72		
Winco Foods LLC	11,529,035	0.72		
Arizona Public Service Company	11,522,126	0.72		
Falcon Inc.			8,089,070	0.95
Entertainment Center Development			7,663,330	0.90
LBA Realty LLC			6,811,849	0.80
Swift Transportation Co Inc.			5,960,368	0.70
Svc Manufacturing Inc.			5,875,219	0.69
JQH Glendale Development			5,023,738	0.59
Coyote Center Development LLC			4,172,257	0.49
Phoenix Speedway Corp.			4,087,109	0.48
Total	<u>\$ 140,297,679</u>	<u>8.73 %</u>	<u>\$ 66,670,968</u>	<u>7.83 %</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.

Tolleson Union High School District No. 214
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	\$ 87,549,174	\$ 85,281,857	97.41 %	\$	\$ 85,281,857	97.41 %
2022	70,000,820	68,088,034	97.27	1,868,188	69,956,222	99.94
2021	63,677,925	61,503,235	96.58	2,130,092	63,633,327	99.93
2020	62,912,794	60,968,130	96.91	1,908,090	62,876,220	99.94
2019	50,921,187	49,113,887	96.45	1,768,214	50,882,101	99.92
2018	41,975,213	40,579,571	96.68	1,388,176	41,967,747	99.98
2017	35,462,200	34,125,355	96.23	1,333,976	35,459,331	99.99
2016	37,737,524	37,132,841	98.40	602,771	37,735,612	99.99
2015	41,457,495	40,090,493	96.70	1,364,847	41,455,340	99.99
2014	46,936,383	42,275,604	90.07	4,658,165	46,933,769	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.

Tolleson Union High School District No. 214
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 (Full Cash Value)	Per Capita	Percentage of Personal Income	
2023	\$ 270,506,550	\$ 6,801,146	\$ 263,705,404	1.09 %	\$ 1,298	\$ 727,378	\$ 271,233,928	1.12 %	\$ 1,335	N/A %	
2022	246,134,369	5,819,834	240,314,535	1.08	1,216	74,990	246,209,359	1.11	1,246	0.09	
2021	190,430,030	4,645,469	185,784,561	0.90	960	158,960	190,588,990	0.92	984	0.08	
2020	201,867,140	8,568,275	193,298,865	1.04	1,015	9,495,051	211,362,191	1.14	1,110	0.09	
2019	144,727,256	6,977,772	137,749,484	0.83	741	329,274	145,056,530	0.88	780	0.07	
2018	86,754,029	600,878	86,153,151	0.56	299	50,440	86,804,469	0.57	301	0.04	
2017	28,600,000	449,986	28,150,014	0.20	147	146,663	28,746,663	0.20	150	0.02	
2016	35,800,000	421,658	35,378,342	0.28	207	239,239	36,039,239	0.29	211	0.02	
2015	43,300,000	510,169	42,789,831	0.42	251	328,307	43,628,307	0.43	256	0.03	
2014	54,215,000	387,964	53,827,036	0.57	316	421,950	54,636,950	0.58	320	0.04	

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

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

Note: The provisions of the Governmental Accounting Standards Board (GASB) Statement No. 87 were adopted in fiscal year 2022. The standard replaced 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 related to the transactions previously designated as capital leases.

Tolleson Union High School District No. 214
Direct and Overlapping Governmental Activities Debt
June 30, 2023

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Overlapping:			
Maricopa County Community College District	\$ 135,585,000	3.12 %	\$ 4,230,252
Marcopa County Special Health Care District	600,335,000	3.10	18,610,385
City of Avondale	44,475,000	68.91	30,647,723
City of Glendale	125,320,000	7.43	9,311,276
City of Phoenix	815,395,000	5.06	41,258,987
City of Tolleson	9,775,000	100.00	9,775,000
Tolleson Elementary School District No. 17	20,855,000	100.00	20,855,000
Fowler Elementary School District No. 45	6,425,000	100.00	6,425,000
Union Elementary School District No. 62	10,745,000	100.00	10,745,000
Littleton Elementary School District No. 65	46,755,000	100.00	46,755,000
Pendergast Elementary School District No. 92	49,950,000	100.00	49,950,000
Western Maricopa Education Center District	130,195,000	8.33	10,845,244
Subtotal, Overlapping Debt			<u>259,408,867</u>
Direct:			
Tolleson Union High School District No. 214			<u>271,233,928</u>
Total Direct and Overlapping Governmental Activities Debt			<u>\$ 530,642,795</u>

Direct and Overlapping General Bonded Debt Ratios

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation		16.46 %
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 2,580	
As a Percentage of Net Limited Assessed Valuation		32.60 %
As a Percentage of Gross Full Value		2.16 %

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.

- Notes:** 1) Estimated percentage of debt outstanding applicable to the District is calculated based on the District's secondary assessed valuation as a percentage of the secondary assessed valuation of the overlapping jurisdiction.
2) Outstanding debt as of June 30, 2022 is presented for the overlapping governments as this is the most recent available information.

Tolleson Union High School District No. 214
Legal Debt Margin Information
Last Ten Fiscal Years

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

Net full cash assessed valuation	\$ 2,550,801,458
Debt limit (10% of assessed value)	255,080,146
Debt applicable to limit	255,075,349
Legal debt margin	<u>\$ 4,797</u>

Total Legal Debt Margin Calculation for Fiscal Year 2023:

Net full cash assessed valuation	\$ 2,550,801,458
Debt limit (15% of assessed value)	382,620,219
Debt applicable to limit	255,075,349
Legal debt margin	<u>\$ 127,544,870</u>

Fiscal Year Ended June 30

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Debt Limit	\$ 382,620,219	\$ 354,373,208	\$ 317,946,661	\$ 282,592,656	\$ 250,708,392
Total net debt applicable to limit	<u>255,075,349</u>	<u>230,292,382</u>	<u>179,425,039</u>	<u>190,155,971</u>	<u>137,633,112</u>
Legal debt margin	<u>\$ 127,544,870</u>	<u>\$ 124,080,826</u>	<u>\$ 138,521,622</u>	<u>\$ 92,436,685</u>	<u>\$ 113,075,280</u>
Total net debt applicable to the limit as a percentage of debt limit	67%	65%	56%	67%	55%

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Debt Limit	\$ 230,934,128	\$ 206,213,221	\$ 179,574,558	\$ 141,885,783	\$ 129,394,051
Total net debt applicable to limit	<u>86,200,000</u>	<u>28,600,000</u>	<u>35,800,000</u>	<u>43,300,000</u>	<u>54,215,000</u>
Legal debt margin	<u>\$ 144,734,128</u>	<u>\$ 177,613,221</u>	<u>\$ 143,774,558</u>	<u>\$ 98,585,783</u>	<u>\$ 75,179,051</u>
Total net debt applicable to the limit as a percentage of debt limit	37%	14%	20%	31%	42%

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.

Tolleson Union High School District No. 214
County-Wide Demographic and Economic Statistics
Last Ten Calendar Years

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands)</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>	<u>Estimated District Population</u>
2022	4,586,431	\$ N/A	\$ N/A	3.3 %	203,103
2021	4,507,419	268,713,717	59,759	4.5	197,644
2020	4,439,220	249,677,860	56,255	6.6	193,601
2019	4,367,835	222,943,072	49,704	3.6	190,396
2018	4,294,460	210,370,180	47,694	4.1	185,916
2017	4,221,684	196,286,191	45,573	4.2	288,422
2016	4,137,076	185,111,698	43,628	4.5	191,981
2015	4,076,438	175,437,829	42,092	5.5	170,530
2014	4,008,651	168,483,421	27,256	5.9	170,530
2013	4,009,412	147,700,000	27,552	6.2	170,530

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.

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

**Tolleson Union High School District No. 214
Principal Employers
Current Fiscal Year and Fiscal Year Nine Years Prior**

<u>Employer</u>	<u>2023</u>		<u>2014</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Banner Health	28,740	1.56 %	25,270	1.48 %
State of Arizona	25,640	1.39	49,278	2.88
Wal-Mart Stores Inc.	20,080	1.09	32,169	1.88
Amazon	18,780	1.02		
Fry's Food Stores	15,620	0.85		
Wells Fargo Bank, N.A.	13,960	0.76	14,713	0.86
Maricopa County	12,730	0.69	12,698	0.74
Intel Corp.	11,810	0.64	11,900	0.70
Arizona State University	11,360	0.62	12,222	0.71
City of Phoenix	10,430	0.57	14,983	0.88
Bank of America			11,000	0.64
JP Morgan Chase & Co.			11,042	0.65
Total	<u>169,150</u>	<u>9.19 %</u>	<u>195,275</u>	<u>11.42 %</u>
Total employment	<u>1,845,910</u>		<u>1,710,000</u>	

Source: The source of this county-wide information is Maricopa Association of Governments.

Note: The principal employers were not available for the District alone, therefore, the principal employers for Maricopa County are presented.

Tolleson Union High School District No. 214
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	1	1
Assistant superintendents	2	2	2	2	2
Consultants/supervisors of instruction	27	24	10	9	8
Principals	9	8	8	7	7
Assistant principals	24	24	24	24	22
Total supervisory	<u>63</u>	<u>59</u>	<u>45</u>	<u>43</u>	<u>40</u>
Instruction					
Teachers	643	599	590	652	556
Other professionals (instructional)	23	24	25	7	6
Aides	94	68	76	80	71
Total instruction	<u>760</u>	<u>691</u>	<u>691</u>	<u>739</u>	<u>633</u>
Student Services					
Nurses	7	6	6	6	6
Counselors/Advisors	42	39	38	37	35
Librarians	6	7	7	7	6
Technicians	35	35	15	6	6
Total student services	<u>90</u>	<u>87</u>	<u>66</u>	<u>56</u>	<u>53</u>
Support and Administration					
Clerical workers	62	63	93	83	81
Maintenance workers	109	93	59	42	42
Bus Drivers	96	99	62	73	56
Food Service workers	68	70	74	66	52
Other classified	145	130	136	115	110
Total support and administration	<u>480</u>	<u>455</u>	<u>424</u>	<u>379</u>	<u>341</u>
Total	<u><u>1,393</u></u>	<u><u>1,292</u></u>	<u><u>1,226</u></u>	<u><u>1,217</u></u>	<u><u>1,067</u></u>

(Continued)

Tolleson Union High School District No. 214
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	1	1	1	1	1
Assistant superintendents	2	1	1	1	1
Consultants/supervisors of instruction	7	7	7	7	7
Principals	6	6	6	6	6
Assistant principals	15	15	15	15	15
Total supervisory	<u>31</u>	<u>30</u>	<u>30</u>	<u>30</u>	<u>30</u>
Instruction					
Teachers	521	500	508	473	455
Other professionals (instructional)	5	5	5	5	5
Aides	73	74	85	73	81
Total instruction	<u>599</u>	<u>579</u>	<u>598</u>	<u>551</u>	<u>541</u>
Student Services					
Nurses	5	5	5	5	5
Counselors/Advisors	30	30	33	27	23
Librarians	5	5	5	5	5
Technicians	5	5	5	5	5
Total student services	<u>45</u>	<u>45</u>	<u>48</u>	<u>42</u>	<u>38</u>
Support and Administration					
Clerical workers	86	86	83	83	83
Maintenance workers	40	40	41	39	66
Bus Drivers	46	47	57	54	52
Food Service workers	42	44	65	58	48
Other classified	66	65	67	62	62
Total support and administration	<u>280</u>	<u>282</u>	<u>313</u>	<u>296</u>	<u>311</u>
Total	<u><u>955</u></u>	<u><u>936</u></u>	<u><u>989</u></u>	<u><u>919</u></u>	<u><u>920</u></u>

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

(Concluded)

Tolleson Union High School District No. 214
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	13,621	\$ 143,783,592	\$ 10,556	11.14 %	\$ 187,835,497	\$ 13,790	9.88 %	643	21.2	54.0 %
2022	13,338	126,685,412	9,498	5.76	167,393,742	12,550	7.71	691	19.3	44.1
2021	12,114	108,796,390	8,981	11.80	141,149,934	11,652	10.54	691	17.5	64.3
2020	12,321	98,979,143	8,033	6.60	129,870,566	10,541	12.72	739	16.7	64.3
2019	11,679	88,015,650	7,536	11.50	109,209,813	9,351	10.88	633	18.5	67.3
2018	11,693	79,031,903	6,759	1.22	98,613,351	8,434	3.36	599	19.5	67.9
2017	11,267	75,236,857	6,678	9.58	91,931,301	8,159	5.10	579	19.5	68.4
2016	11,051	67,341,240	6,094	(4.50)	85,792,685	7,763	4.81	598	18.5	69.0
2015	10,750	68,593,317	6,381	2.70	79,625,950	7,407	(0.03)	551	19.5	70.0
2014	10,499	65,228,207	6,213	0.66	77,788,538	7,409	(2.50)	541	19.4	69.0

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

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

Tolleson Union High School District No. 214
Capital Assets Information
Last Ten Fiscal Years

	Fiscal Year Ended June 30									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Schools</u>										
High										
Buildings	85	85	82	82	76	75	75	75	75	75
Square feet	1,664,533	1,664,533	1,593,231	1,593,231	1,318,231	1,310,221	1,310,221	1,310,221	1,310,221	1,310,221
Capacity	14,865	14,865	14,865	14,865	11,939	11,578	11,578	11,578	11,578	11,578
<u>Administrative</u>										
Buildings	3	3	3	3	3	3	3	3	3	3
Square feet	30,970	30,970	30,970	30,970	30,970	30,970	30,970	30,970	30,970	30,970
<u>Transportation</u>										
Garages	1	1	1	1	1	1	1	1	1	1
Buses	90	90	107	102	111	97	90	79	79	75
<u>Athletics</u>										
Football fields	6	6	6	6	5	5	5	5	5	5
Soccer fields	6	6	6	6	5	5	5	5	5	5
Running tracks	6	6	6	6	5	5	5	5	5	5
Baseball/softball	6	6	6	6	5	5	5	5	5	5
Swimming pools					1	1	1	1	1	1

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