
SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
ELOY, ARIZONA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2024



**SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
ELOY, ARIZONA**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED JUNE 30, 2024

Issued by:
Business and Finance Department

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2024

INTRODUCTORY SECTION

Letter of Transmittal	i
Organizational Chart	v
List of Principal and Elected Officials	vi

FINANCIAL SECTION

Independent Auditors' Report	1
Management's Discussion and Analysis	4
Basic Financial Statements:	
Governmental-wide Financial Statements	
Statement of Net Position	12
Statement of Activities	13
Fund Financial Statements	
Governmental Funds - Balance Sheet	14
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	15
Governmental Funds - Statement of Revenues, Expenditures and Changes in Fund Balances	16
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	17
Notes to the Basic Financial Statements	18

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the Proportionate Share of the Net Pension Liability and Contributions	37
Budgetary Comparison Schedule for the General Fund (Budgetary Basis)	38
Budgetary Comparison Schedule for the Special Projects Fund	39
Notes to Required Supplementary Information	40

OTHER SUPPLEMENTARY INFORMATION

Nonmajor Governmental Fund Descriptions	41
Combining Statements - Nonmajor Governmental Funds:	
Combining Balance Sheet - Nonmajor Governmental Funds	42
Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds	43
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Classroom Site Fund	44
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Instructional Improvement Fund	45
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Other Special Revenue Fund	46
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Food Service Fund	47
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Adjacent Ways Fund	48
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Bond Building Fund	49
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Debt Service Fund	50

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2024

STATISTICAL SECTION

Statistical Section Descriptions	51
Financial Trends:	
Net Position by Component	52
Expense, Program Revenues, and Net Position	53
General Revenues and Total Changes in Net Position	54
Fund Balances - Governmental Funds	55
Revenues - Governmental Funds	56
Expenditures and Debt Service Ratio - Governmental Funds	57
Other Financing Sources and Uses and Net Changes in Fund Balances - Governmental Funds	58
Revenue Capacity:	
Net Limited Assessed Value and Full Cash Value of Taxable Property by Class	59
Property Tax Assessment Ratios	60
Direct and Overlapping Property Tax Rates	61
Principal Property Taxpayers	62
Property Tax Levies and Collections	63
Debt Capacity:	
Outstanding Debt by Type	64
Direct and Overlapping Governmental Activities Debt	65
Legal Debt Margin Information	66
Demographic and Economic Information:	
County-Wide Demographic and Economic Statistics	67
Principal Employers - City of Eloy	68
Full-Time Equivalent District Employees by Type	69
Average Daily Membership	70
Operating Information:	
Operating Statistics	71
Capital Asset Information	72



Santa Cruz Valley Union High School District #840
900 N. Main Street
Eloy, AZ 85131

January 13, 2025
Citizens and Governing Board
Santa Cruz Valley Union High School District #840
900 N Main Street
Eloy, Arizona 85131

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 Santa Cruz Valley Union High School District #840 for the fiscal year ended June 30, 2024.

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 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 CWDL, Certified Public Accountants, 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, 2024, 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, 2024, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the District was part of a broader, federally mandated Single Audit as required by the provisions of the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The standards governing Single Audit engagements require the independent auditor to not only report on the fair presentation of the financial statements, but also on the District's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in a separately issued Single Audit Reporting Package, dated January 13, 2025.

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 21 public school districts located in Pinal County, Arizona with an enrollment of more than 400 students from 9th to 12th grade and the employment of 55 teachers and staff. Santa Cruz Valley Union High School District is a small rural school district that makes up the towns of Eloy, Picacho and Red Rock.

Vision – Think, Learn, Succeed

Mission

The Mission Statement of Santa Cruz Valley Union High School, in partnership with parents and community, is committed to offering ongoing academic excellence through:

Shaping students' futures by helping them to be

Academically successful

Nurturing students, yet

Teaching them to be

Accountable for their decisions

Creating a safe environment of

Respect for self and others

United in our commitment to help students develop a

Zeal for lifelong learning

Values

The Values of the Santa Cruz Valley Union High School District are grounded in our focus on people; students, staff, parents, and community members. These Values shape behavior and drive us to achieve our shared Vision and Mission.

- Strong Relationships: Our consistent and uncompromising adherence to strong relationships with our families and community drives us to communicate efficiently
- High Expectations: Our commitment to a higher level of expectations encourages our students to reach their goals and become more productive
- Engaged Families: Our drive to collaborate with our parents and community in the decisions we make provide transparency to help us reach our mission

The District empowers every student to fulfill their potential while adhering to effective policies, practices and accountability for District resources, maintaining safe, inviting, nurturing and respectful environments for students, staff and community and creating a culture of active engagement that encourages and strengthens parent and community partnerships.

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 and 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 purposes and the District is not included in any other governmental 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, athletic functions and community education.

Santa Cruz Valley Union High School has a rich tradition of excellence, serving the community since 1950. With ongoing open enrollment and exceptional educational opportunities, the Santa Cruz Valley Union High School District continues to provide strong rural academic performance. The District prides itself with strong academics, hardworking teachers, a terrific musical program and excellent athletic teams. The District has low dropout rates and an excellent career and technical educational program that provides many opportunities for our students.

FACTORS AFFECTING FINANCIAL CONDITION

Santa Cruz Valley Union High School is located 60 miles southeast of Phoenix with 2 schools and 430 students. NCES indicates the locale as town-fringe. Median household income is below the state and national average at \$62,527, and the per capita income \$17,773. A small portion of the district boundary is the only area not in a Census Tract of Persistent Poverty or Historically Disadvantaged. About 50% of the District is a Federal Opportunity Zone. The US Energy Justice map indicates 90% of the District is Disadvantaged Communities. Poverty in Pinal County has ranged between 15-23% since 1990.

We have high expenditures for building life safety maintenance costs and recent increasing enrollments. Per pupil spending is \$4,914.00, with NCES indicating a -\$7,974 spending gap, 16% of school families are below the poverty level, 20% have Food Stamp/SNAP benefits, and 11% of students have disabilities. District records indicate 100% of students receive free/reduced lunch.

Our budget is limited, costs continue to increase, and State provided capital dollars are not supporting building upkeep from many years these funds were frozen. Our operating fund money manages to keep up with the increasing cost of salaries, benefits, supplies, and daily operating. With the area's poverty levels, a request to increase local tax levy at the last 3 elections were unsuccessful.

FINANCIAL CONTROLS

Budgetary Controls. The annual expenditure budget serves as the foundation for the District's financial planning and control. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual expenditure budget approved by the District's Governing Board.

The expenditure budget is prepared by fund for all Governmental Funds and includes function and object code detail for the General Fund and some Special Revenue and Capital Projects Funds. The legal level of budgetary control (that is, the level at which expenditures cannot exceed the appropriated amount) is established at the individual fund level for all funds. Funds that are not required to legally adopt a budget may have over-expenditures of budgeted funds. The budget for these funds is simply an estimate and does not prevent the District from exceeding the budget if the necessary revenue is earned.

Long-term Financial Planning. The District continues to focus on changing demographics and utilizes data driven decision making to support the annual budget allocation process to ensure that its mission and core values are in congruence with the allocation of all available funds.

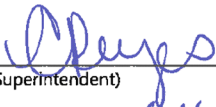
The District continues to focus on the development of contingency funding and increased fund balances to address unanticipated changes in funding that will allow the District to leverage available resources and capture potential efficiencies.

AWARDS AND ACKNOWLEDGMENTS

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 department.

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

Sincerely,

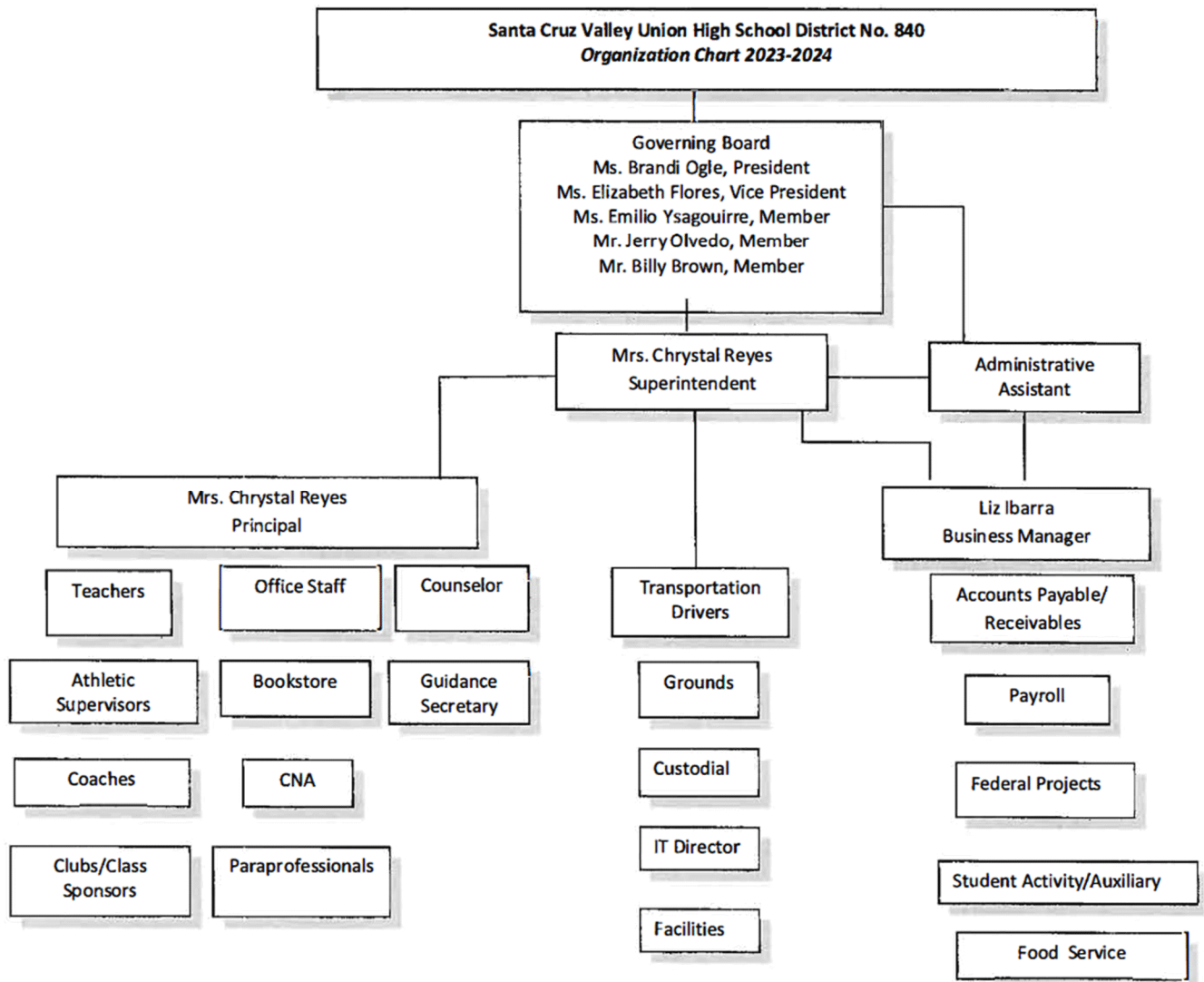
A handwritten signature in blue ink, appearing to read "Meyers", written over a horizontal line.

(Superintendent)

A handwritten signature in blue ink, appearing to read "J. Bauer", written over a horizontal line.

(Business Manager)

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
ORGANIZATIONAL CHART
YEAR ENDED JUNE 30, 2024



GOVERNING BOARD

Elizabeth Flores
President

Brandi Ogle
Vice-President

Emilio Ysaguirre
Member

Billy Brown
Member

Jerry Loveda
Member

ADMINISTRATIVE STAFF

Chrystal Reyes, Superintendent

Elizabeth Ibarra, Business Services

Johnny Lopez, Maintenance Director

Liza Rodriguez, Transportation Director

Aaron Bates, Technology Director

Ricardo Cazarez, Food Service Director

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Governing Board
Santa Cruz Valley Union High School District No. 840
Eloy, Arizona

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Santa Cruz Valley Union High School District No. 840 (the "District"), as of and for the year ended June 30, 2024, 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 accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Santa Cruz Valley Union High School District No. 840, as of June 30, 2024, and the respective changes in financial position 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 (GAAS) 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 the District 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.

Emphasis of a Matter – Restatement of Fund Balances and Net Position

As discussed in Note 11, beginning fund balances within the governmental funds and beginning net position within the statement of activities were restated to correct errors from a prior period. Our opinion is not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

The District's 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.

Responsibilities of Management for the Financial Statements (Continued)

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 twelve months 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 GAAS 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 GAAS 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension schedules, and budgetary comparison information, as listed within 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.

Required Supplementary Information (Continued)

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 nonmajor fund financial statements are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate 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 nonmajor fund financial statements and schedules are 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 comprehensive financial report. The other information includes the statistical sections but does not include the financial statements and our auditor's report thereon. Our opinions on the 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the 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 January 13, 2025 on our consideration of the District'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 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 the District's internal control over financial reporting and compliance.



Mesa, Arizona
January 13, 2025

REQUIRED SUPPLEMENTARY INFORMATION

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024

As management of the Santa Cruz Valley Union High School District No. 840 (District), we offer the 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, 2024.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$12.6 million (net position). The District's total net position increased by \$1.6 million.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$4.5 million, an increase of \$1.3 million in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$3.3 million, or 85% of total General Fund expenditures.
- The District's net capital assets decreased \$0.6 million during the current year. The most significant factor contributing to the decrease in net capital assets was depreciation expense exceeding current year capital acquisitions.
- The District's long-term liabilities decreased \$1.2 million or 17% due to the scheduled payments on School Improvement Bonds and the decrease in the net pension liability from changes within the actuarial valuation.

OVERVIEW OF THE 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 are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to basic 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 statement of net position presents information on all the District's assets, deferred outflows of resources, liabilities, and deferred inflows 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 to 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 vacation leave).

The government-wide financial statements distinguish functions of the District that are principally supported by property taxes and intergovernmental revenues (governmental activities). The governmental activities of the District are for public education.

The government-wide financial statements can be found immediately following this MD&A.

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024

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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the District are classified as governmental funds.

Governmental Funds – Governmental funds are used to account for essentially the same functions as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as the balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government'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 government'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.

The District maintains ten individual governmental funds. 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 Fund, Special Projects Fund, and Debt Service Fund, the three of which are considered to be major funds. Data from the other seven governmental funds are combined into a single aggregated presentation.

An operating budget for expenditures is prepared and adopted by the District each fiscal year for the General, Special Revenue, Debt Service, and Capital Projects Funds. Budgetary control is ultimately exercised at the fund level. Budgetary control is maintained through the use of periodic reports that compare actual expenditures against budgeted amounts. The expenditure budget can be revised annually, per Arizona Revised Statutes. During the current year, the District did not budget for the Building Renewal Grant Fund. The District also maintains an encumbrance accounting system as one technique of maintaining budgetary control. Encumbered amounts lapse at year-end. An annual budget of revenue from all sources is not prepared.

As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

The basic governmental fund financial statements can be found on pages 14 - 17 of this report.

Notes to Basic Financial Statements

The notes to basic financial statements 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 basic financial statements can be found on pages 18 - 36 of this report.

Required Supplementary Information Other than MD&A

The District reports a multi-year schedule of the District's proportionate share of net pension liability and contributions to its cost-sharing pension plan on page 37.

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024

Required Supplementary Information Other than MD&A (Continued)

Governments have the option of presenting the General Fund and major special revenue budgetary statements as part of the basic financial statements or as required supplementary information (RSI) other than the MD&A. The District has elected to present the General Fund and Special Projects Fund budgetary comparison schedules as RSI other than the MD&A which can be found on pages 38 and 39 of this report. Notes to the RSI are presented after the budgetary comparison schedules on page 40.

Supplementary information

The combining statements in connection with nonmajor governmental funds are presented immediately following the required supplementary information other than the MD&A. Combining and individual fund statements and schedules can be found on pages 42 - 50 of this report, following the fund descriptions on page 41.

Other Information

The statistical section includes selected financial, revenue, debt, and demographic information, generally presented on a multi-year basis. The statistical section can be found on pages 51 - 72 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as useful indicators of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$12.6 million at the close of the most recent fiscal year.

A summary of the District's statement of net position is presented below:

	Governmental Activities		
	2024	2023 (restated)	Net Change
ASSETS			
Current and other assets	\$ 4,887,861	\$ 4,004,009	\$ 883,852
Capital assets	13,866,093	14,504,117	(638,024)
Total Assets	18,753,954	18,508,126	245,828
DEFERRED OUTFLOWS	344,855	434,823	(89,968)
Total Assets and Deferred Outflows	19,098,809	18,942,949	155,860
LIABILITIES			
Current liabilities	151,110	1,152,663	(1,001,553)
Long-term liabilities	5,847,643	6,468,022	(620,379)
Total Liabilities	5,998,753	7,620,685	(1,621,932)
DEFERRED INFLOWS	456,617	302,043	154,574
Total Liabilities and Deferred Inflows	6,455,370	7,922,728	(1,467,358)
NET POSITION			
Net investment in capital assets	10,719,092	10,817,597	(98,505)
Restricted	1,249,079	1,138,576	110,503
Unrestricted	675,268	(935,952)	1,611,220
Total Net Position	\$ 12,643,439	\$ 11,020,221	\$ 1,623,218

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024

Government-Wide Financial Analysis (Continued)

By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land, buildings, improvements, vehicles, equipment and furniture), less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to 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. An additional portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the District's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the District was able to report positive balances in all three categories of net position.

Overall, net position increased \$1.6 million or 15%. Key elements of this increase are indicated as follows:

	Governmental Activities		
	2024	2023	Net Change
REVENUES			
Program revenues:			
Charges for services	\$ 185,916	\$ 191,258	\$ (5,342)
Operating grants and contributions	1,991,104	2,356,236	(365,132)
Capital grants and contributions	-	148,917	(148,917)
General revenues:			
Property taxes	3,573,445	3,371,931	201,514
State equalization and additional state aid	1,743,751	1,028,305	715,446
County equalization	18	-	18
Interest and other	206,705	547,946	(341,241)
Total Revenues	7,700,939	7,644,593	56,346
EXPENSES			
Instruction	2,196,466	2,168,356	28,110
Support Services:			
Students and instructional staff	553,568	637,066	(83,498)
Administration	672,426	293,186	379,240
Operation and maintenance of plant	1,732,342	1,969,044	(236,702)
Operation of noninstructional services	426,857	884,689	(457,832)
Student transportation	427,425	331,763	95,662
Interest on long-term debt	68,637	116,593	(47,956)
Total Expenses	6,077,721	6,400,697	(322,976)
Change in net position	1,623,218	1,243,896	379,322
Net Position - Beginning (as restated)	11,020,221	9,776,325	1,243,896
Net Position - Ending	\$ 12,643,439	\$ 11,020,221	\$ 1,623,218

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024

The District reported a decrease in charges for services of \$5,342 (3%) which was not considered significant.

Operating grants and contributions decreased \$0.4 million (15%) due to decreases in federal funding related to COVID-19 initiatives.

Capital grants and contributions decreased \$148,917 due to projects funded by the ADOA's Division of School Facilities that were completed in the prior year.

The District experienced an increase in property tax revenue of \$0.2 million (6%) as a result of increases in property tax rates and assessed values.

State and county equalization and additional state aid increased \$0.7 million (70%) due to increases in the state funding formula and average daily membership.

The decrease in interest and other income was not considered significant.

The District incurred a 5% decrease in expenses in the current year. The District's mission is to provide an appropriate and outstanding educational experience for every student served within budget constraints. The decrease was mainly due to decreases in professional services, technical Services, and tuition.

FINANCIAL ANALYSIS OF THE GOVERNMENTAL 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 a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$4.5 million, an increase of \$1.3 million in comparison with the prior year. Approximately 71% of this total amount (\$3.2 million) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remaining fund balance is restricted to indicate that it is not available for new spending.

Fund balances as of June 30, 2024, and the changes in fund balances from prior year are summarized below:

		Increase (Decrease)
	Balance	From 2022-23
GOVERNMENTAL FUND		
General Fund	\$ 3,284,902	\$ 1,050,883
Special Projects Fund	130,531	372,512
Debt Service Fund	356,390	20,422
Nonmajor Governmental Funds	726,756	(160,260)
Total Governmental Fund Balance	\$ 4,498,579	\$ 1,283,557

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024

The General Fund continues to experience a positive net change in fund balance. For the fiscal year ended June 30, 2024 the General Fund had an increase in fund balance of \$1.1 million. This increase was mainly due to an increase in property tax revenue and state funding. More information on what individual funds are grouped into the General Fund can be found in Note 1.

The \$0.4 million increase in the Special Projects Fund was due to an increase in federal revenues.

The \$20,422 increase in the Debt Service Fund was not considered significant.

The decrease of \$0.2 million in the Nonmajor Governmental Funds was mainly due to the spending down of bond proceeds received in the prior fiscal years.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget totaled \$0.5 million. In Arizona, school districts build their original "adopted" budget based on a projection of the coming fiscal year's 100th day average daily attendance. In May, the District is allowed to increase or decrease its budget for differences between expected and actual student growth. The increase was allocated among various line items, mostly out of special education – instruction and into regular education – instruction. There were also increases to support services – central services and operations and maintenance of plant. Budgetary basis General Fund expenditures were \$1.5 million less than budget during the fiscal year. Budgetary basis expenditures were 30% under budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2024, amounts to \$13.9 million (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, vehicles, furniture, and equipment. The net decrease in the District's investment in capital assets for the current year is due to depreciation expense exceeding current year capital acquisitions during the year.

Major capital asset events during the current fiscal year included the following projects:

- HVAC replacements.
- Technology upgrades.
- Kitchen equipment.

Additional information on the District's capital assets can be found in Note 5 of this report.

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024

Capital asset activity as of June 30, 2024 is summarized below:

	Governmental Activities		
	2024	2023	Net Change
CAPITAL ASSETS			
Land	\$ 240,011	\$ 240,011	\$ -
Construction in progress	-	321,133	(321,133)
Land improvements	2,006,315	2,167,625	(161,310)
Buildings & improvements	10,108,987	10,281,585	(172,598)
Vehicles, equipment, and furniture	1,510,780	1,493,763	17,017
Total Capital Assets	\$ 13,866,093	\$ 14,504,117	\$ (638,024)

Long-Term Debt

At end of the current fiscal year, the District's debt included bonds payable, compensated absences, and the net pension/OPEB liabilities. Compensated absences decreased \$63,795 during the current year as more employees used their accumulated leave balances. Bonds payable decreased \$0.6 million due to regularly scheduled principal payments. The net pension liability decreased \$0.5 million due to factors as explained in Note 10 of this report.

	Governmental Activities		
	2024	2023	Net Change
LONG-TERM LIABILITIES			
General obligation bonds	\$ 2,945,000	\$ 3,505,000	\$ (560,000)
Unamortized premium	274,489	323,990	(49,501)
Financed purchases	22,656	68,884	(46,228)
Compensated absences	38,784	102,579	(63,795)
Net pension liability	2,564,759	3,068,578	(503,819)
Net OPEB liability	1,955	1,576	379
Total Long-term Liabilities	\$ 5,847,643	\$ 7,070,607	\$ (1,222,964)

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% of the total net full cash assessed valuation) and the statutory debt limit on Class B bonds (the greater of 10% of the net full cash assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$25.7 million and the Class B debt limit is \$17.1 million, which are more than the District's total outstanding general obligation and Class B debt, respectively. Further information on the District's outstanding bonds can be found in Note 7.

**SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Economic inflation factors.
- The ESSER grants (Specifically ESSER III) have played a significant role in retaining maintenance and operations services.
- Teacher retention/recruitment stipends, sign-in bonuses and salary increases continue to be a factor in retaining, recruiting, and attracting existing and new teachers.

The above factors were considered in preparing the District's budget for the 2024-25 fiscal year.

REQUEST FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, 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, Santa Cruz Valley Union High School District No. 840, 900 N. Main Street, Eloy, Arizona 85131. More information on the District can be found at scvuhs.org.

BASIC FINANCIAL STATEMENTS

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities
ASSETS	
Cash and investments	\$ 3,702,496
Property taxes receivable	126,472
Intergovernmental receivable	978,974
Deposits	4,923
Net OPEB asset	74,996
Capital assets, not depreciated	240,011
Capital assets, net of accumulated depreciation	13,626,082
Total Assets	18,753,954
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	328,596
Deferred outflows related to OPEB - cost sharing	16,259
Total Deferred Outflows of Resources	344,855
LIABILITIES	
Accounts payable	151,110
Long-term liabilities:	
Due within one year	582,656
Due in more than one year	5,264,987
Total Liabilities	5,998,753
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	417,871
Deferred inflows related to OPEB - cost sharing plan	38,746
Total Deferred Inflows of Resources	456,617
NET POSITION	
Net investment in capital assets	10,719,092
Restricted:	
Net OPEB asset	74,996
Teacher compensation and other qualified programs (A.R.S 15-977)	69,912
Instructional improvement programs	223,459
Federal and state instructional programs	130,531
Food service	126,917
Civic center	1,254
Community programs	9,369
Extracurricular activities	30,586
Student activities	56,092
Capital projects	169,573
Debt service	356,390
Unrestricted	675,268
Total Net Position	\$ 12,643,439

See accompanying Notes to the Basic Financial Statements

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

Function/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
Primary Government:				Governmental Activities
Governmental Activities:				
Instruction	\$ 2,196,466	\$ 109,537	\$ 944,570	\$ (1,142,359)
Support services:				
Students	332,235	1,998	211,368	(118,869)
Instructional staff	221,333	640	255,809	35,116
General administration	163,610	1,664	1,709	(160,237)
School administration	151,656	1,477	14,590	(135,589)
Business and other support services	357,160	3,587	201,096	(152,477)
Operation and maintenance of plant	1,732,342	10,156	117,595	(1,604,591)
Student transportation	427,425	14,321	9,307	(403,797)
Operation of noninstructional services	426,857	42,536	235,060	(149,261)
Interest on long-term debt	68,637	-	-	(68,637)
Total	\$ 6,077,721	\$ 185,916	\$ 1,991,104	\$ (3,900,701)
General revenues:				
Property taxes				3,573,445
Grants and contributions not restricted to specific programs:				
State equalization and additional state aid				1,743,751
County equalization				18
Investment earnings				110,362
Other				96,343
Total general revenues				5,523,919
Change in net position				1,623,218
Net position - July 1, 2023				10,839,665
Aggregate amount of adjustments to and restatements of beginning net position				180,556
Net position - July 1, 2023, as restated				11,020,221
Net position - ending				\$ 12,643,439

See accompanying Notes to the Basic Financial Statements

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	General Fund	Special Projects Fund	Debt Service Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 2,554,222	\$ -	\$ 354,312	\$ 793,962	\$ 3,702,496
Receivables:					
Property taxes	97,294	-	29,178	-	126,472
Intergovernmental	-	957,522	-	21,452	978,974
Deposits	-	-	-	4,923	4,923
Due from other funds	858,724	-	-	-	858,724
Total Assets	\$ 3,510,240	\$ 957,522	\$ 383,490	\$ 820,337	\$ 5,671,589
LIABILITIES					
Accounts payable	\$ 137,099	\$ 13,613	\$ -	\$ 398	\$ 151,110
Due to other funds	-	765,541	-	93,183	858,724
Total Liabilities	137,099	779,154	-	93,581	1,009,834
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues					
Property taxes	88,239	-	27,100	-	115,339
Intergovernmental	-	47,837	-	-	47,837
Total Dederred inflows of resources	88,239	47,837	27,100	-	163,176
FUND BALANCES					
Restricted	-	130,531	356,390	819,939	1,306,860
Unassigned	3,284,902	-	-	(93,183)	3,191,719
Total Fund Balances	3,284,902	130,531	356,390	726,756	4,498,579
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 3,510,240	\$ 957,522	\$ 383,490	\$ 820,337	\$ 5,671,589

See accompanying Notes to the Basic Financial Statements

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2024

Total Fund Balance - Governmental Funds \$ 4,498,579

Amounts reported for assets and liabilities for governmental activities in the statement of net position are different from amounts reported in governmental funds because:

Capital assets:

In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation:

Capital assets	\$ 26,997,976	
Accumulated depreciation	(13,131,883)	13,866,093

Property tax and other intergovernmental revenue not collected within 60 days subsequent to fiscal year end are reported as deferred inflows of resources in the governmental funds:

163,176

Net OPEB asset:

In governmental funds, postretirement benefits costs are recognized as expenditures in the period they are paid. In the government-wide statements, they are recognized in the period they are incurred. The net OPEB asset at the end of the period was:

74,996

Long-term liabilities:

In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:

General obligation bonds	(2,945,000)	
Unamortized premiums	(274,489)	
Financed purchase liability	(22,656)	
Net pension liability	(2,564,759)	
Net OPEB liability	(1,955)	
Compensated absences	(38,784)	(5,847,643)

Deferred outflows and inflows of resources relating to pensions:

In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported:

Deferred outflows of resources relating to pensions:	328,596	
Deferred inflows of resources relating to pensions:	(417,871)	
Deferred outflows of resources relating to cost sharing OPEB:	16,259	
Deferred inflows of resources relating to cost sharing OPEB:	(38,746)	(111,762)

Total Net Position - Governmental Activities \$ 12,643,439

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

	General Fund	Special Projects Fund	Debt Service Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	\$ 2,937,854	\$ -	\$ 676,349	\$ 102	\$ 3,614,305
Intergovernmental	1,743,769	1,268,086	-	674,180	3,686,035
Tuition	-	-	-	13,659	13,659
Food Services Sales	-	-	-	40,850	40,850
Auxiliary operations	37,010	-	-	-	37,010
Student activities	-	-	-	90,599	90,599
Contributions and donations	1,000	-	-	-	1,000
Investment earnings	64,923	-	21,933	23,506	110,362
Other	25,123	71,220	-	3,799	100,142
Total Revenues	4,809,679	1,339,306	698,282	846,695	7,693,962
EXPENDITURES					
Current					
Instruction	1,323,046	355,541	-	604,978	2,283,565
Support services:					
Students	205,908	140,680	-	-	346,588
Instructional staff	65,985	171,485	-	-	237,470
General administration	171,545	-	-	-	171,545
School administration	152,259	8,786	-	-	161,045
Business and other support services	358,363	132,331	-	772	491,466
Operations and maintenance of plant	1,034,830	71,658	-	812	1,107,300
Student transportation	305,460	3,941	-	14,233	323,634
Operations of noninstructional services	90,622	-	-	285,226	375,848
Debt service:					
Principal	46,228	-	560,000	-	606,228
Interest and fiscal charges	938	-	117,860	-	118,798
Capital outlay:					
Facilities acquisition	106,443	-	-	80,475	186,918
Total Expenditures	3,861,627	884,422	677,860	986,496	6,410,405
Excess (Deficiency) of Revenues Over Expenditures	948,052	454,884	20,422	(139,801)	1,283,557
Other Financing Sources (Uses)					
Transfers in	102,831	-	-	-	102,831
Transfers out	-	(82,372)	-	(20,459)	(102,831)
Net Financing Sources (Uses)	102,831	(82,372)	-	(20,459)	-
NET CHANGE IN FUND BALANCE	1,050,883	372,512	20,422	(160,260)	1,283,557
Fund Balance - July 1, 2023	2,053,463	(241,981)	335,968	887,016	3,034,466
Aggregate amount of adjustments to and restatements of beginning fund balances	180,556	-	-	-	180,556
Fund Balance - July 1, 2023, as restated	2,234,019	(241,981)	335,968	887,016	3,215,022
Fund Balance - June 30, 2024	\$ 3,284,902	\$ 130,531	\$ 356,390	\$ 726,756	\$ 4,498,579

See accompanying Notes to the Basic Financial Statements

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

Net Change in Fund Balances - Governmental Funds \$ 1,283,557

Amounts reported for governmental activities in the statement of activities are different from amounts reported in governmental funds because:

In governmental funds, the costs of capital assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets are allocated over their estimated useful lives as depreciation expense.

Expenditures for capital outlay:	\$ 354,555	
Depreciation expense:	(992,579)	(638,024)

Some revenues reported in the governmental funds that did not provide current financial resources in prior years have been recognized previously in the statement of activities and therefore are not reported as revenues in the statement of activities.

Property taxes	(40,860)
Intergovernmental revenues	47,837

Governmental funds report pension contributions as expenditures when made. However, in the statement of activities, pension expense is the cost of benefits earned, adjusted for member contributions, the recognition of changes in deferred outflows and inflows of resources related to pensions.

Pension contributions	270,643
Pension expense	(33,307)
OPEB ASRS contributions	7,361
OPEB ASRS expense	6,487

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The issuance of long-term debt increases long-term liabilities on the statement of net position and the repayment of principal on long-term debt reduces long-term debt on the statement of net position.

Principal payment on school improvement bonds	560,000
Amortization of deferred bond items	49,501
Principal payment on financed purchases	46,228

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 the governmental funds.

Net decrease (increase) in compensated absences	63,795
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Change in Net Position of Governmental Activities	<u>\$ 1,623,218</u>
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NOTES TO BASIC FINANCIAL STATEMENTS

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Santa Cruz Valley Union High School District No. 840 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America applicable to governmental units adopted by the Governmental Accounting Standards Board (GASB). A summary of the District's more significant accounting policies follows.

Reporting Entity

The District is a special-purpose government that a separately elected governing body governs. It is legally separate from and fiscally independent of other state and local governments. Furthermore, there are no component units combined with the District for financial statement presentation purposes, and it is not included in any other governmental reporting entity. Consequently, the District's financial statements present only the funds of those organizational entities for which its elected governing board is financially accountable.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. The effect of interfund activity has been removed from these statements. *Governmental activities*, which are normally supported by taxes and intergovernmental revenues are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The District had no business-type activities during the fiscal year.

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. *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 and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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 provider have been met.

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

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, except expenditures related to compensated absences and claims and judgments, which are recorded only when payment is due. However, since debt service resources are provided during the current year for payment of long-term principal and interest due early in the following year (within one month), the expenditures and related liabilities have been recognized in the Debt Service Fund.

Property taxes, intergovernmental grants and aid, tuition, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The District reports the following major governmental funds:

Major Governmental Funds

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. For budget purposes, it is described as the Maintenance and Operation Fund by Arizona Revised Statutes (A.R.S.) and is budgeted within four subsections titled regular education programs, special education programs, and pupil transportation.

Within the governmental fund financial statements, the General Fund includes the following individual funds: Maintenance and Operations (001), Medicaid (290), Taylor Grazing (353) School Plant (500), Auxiliary Operations (525), Gifts and Donations (530), Insurance Proceeds (550), Litigation Recovery (565), Indirect Cost (570), Unrestricted Capital Outlay (610), Energy and Water Savings (665), and Employee Insurance Program Withholdings (855).

The *Special Projects Fund* accounts for the revenues and expenditures of state and federally funded projects.

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

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity

Deposits and Investments

Arizona Revised Statutes (A.R.S.) requires the District to deposit certain cash with the County Treasurer. That cash is pooled for investment purposes, except for cash in the Debt Service and Bond Building Funds, which are invested separately. As required by statute, interest earned by the Bond Building Fund is recorded in the Debt Service Fund.

A.R.S. authorize the District to invest public monies in the State and County Treasurer's investment pools; U.S. Treasury obligations; specified state and local government bonds; and interest-earning investment contracts such as savings accounts, certificates of deposit, and repurchase agreements in eligible depositories. Statute authorizes the District to deposit monies of Auxiliary Operations and Student Activities 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 withholding accounts for taxes, employee insurance programs, and federal savings bonds. 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. Statute requires collateral for deposits of monies at 102% of all deposits not covered by federal depository insurance.

The State Board of Investments provides oversight for the State Treasurer's pools, and the Local Government Investment Pool Advisory Committee provides consultation and advice to the Treasurer. The fair value of a participant's position in the pool approximates the value of that participant's pool shares. No comparable oversight is provided for the County Treasurer's investment pool, and that pool's structure does not provide for shares.

Property Taxes Receivables

The Pinal 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. A lien assessed against real and personal property attaches on the first day of January preceding assessment and levy.

The District does not report a reserve for uncollectible property taxes as they are considered 100 percent collectible due to the County attaching a lien against all amounts past due as noted above.

Intergovernmental Receivable

Intergovernmental receivables are comprised of federal grants (\$966,303) and state grants (\$12,671).

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, liabilities, Deferred Inflows of Resources and Net Position or Equity (Continued)

Inventories

Inventories consist of expendable supplies held for consumption. Inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when purchased rather than when consumed and inventories of governmental activities are recorded as expense when consumed. The District did not report any inventories during the current fiscal year.

Short-Term Interfund Receivables and Payables

During the course of operations, individual funds within the District's pooled cash accounts may borrow money from other funds within the pool on a short-term basis. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet of the fund financial statements and are eliminated in the preparation of the government-wide financial statements.

Deposits

Deposits in the amount of \$4,923 represents cash deposits with Mohave Educational Services in the food service cooperative.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

Property, plant and equipment purchased or acquired is carried at historical cost or estimated historical cost. Contributed assets are recorded at acquisition value. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on all assets is provided on a straight-line basis over the following estimated useful lives:

Asset Class	Years
Land improvements	10-75 years
Building and improvements	10-50 years
Vehicles, equipment, furniture	5-20 years

Deferred Outflows of Resources

The deferred outflows of resources reported in the government-wide financial statements represent the reacquisition costs related to the refunding of bonded debt. The reacquisition costs are amortized and expensed over the lesser of the maturity of the refunded bonds or the refunding bonds. Deferred outflows related to the pension and OPEB represent a consumption of net assets that applies to future periods.

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, liabilities, Deferred Inflows of Resources and Net Position or Equity (Continued)

Compensated Absences

The liability for compensated absences reported in the government-wide financial statements consists of unpaid, accumulated leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

Pensions Plans and Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB (asset) liability, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the Arizona State Retirement System (ASRS) and additions to/deductions from ASRS's fiduciary net position have been determined on the same basis as they are reported by ASRS or by actuaries for the District single employer OPEB 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.

Deferred Inflows of Resources

The deferred inflows of resources reported in the governmental fund financial statements represent resources that are not available to the District as of June 30, 2024 or within 60 days of fiscal year end. The deferred inflows of resources represent a reconciling item between the governmental fund and the government-wide financial statements. Deferred inflows related to the pension and OPEB represent an acquisition of net assets that applies to future periods.

Net Position

In the government-wide financial statements, net position is reported in three categories: investment in capital assets; restricted net position; and unrestricted net position. The investment in capital assets is separately reported because the District's capital assets make up a significant portion of total net position. Restricted net position account for the portion of net position restricted by parties outside the District. Unrestricted net position is the remaining net position not included in the previous two categories.

Fund Balance

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, committed, assigned, and unassigned fund balance classifications.

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

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, liabilities, Deferred Inflows of Resources and Net Position or Equity (Continued)

Fund Balance (Continued)

Restricted fund balances are those that have externally imposed restrictions on their usage by creditors (such as through debt covenants), grantors, contributors, or laws and regulations. The committed fund balances are self-imposed limitations approved by the District's Governing Board, which is the highest level of decision-making authority within the District. Only the District Governing Board can remove or change the constraints placed on committed fund balances through formal board action at a public meeting. Fund balances must be committed prior to fiscal year-end. Assigned fund balances are resources constrained by the District's intent to be used for specific purposes but are neither restricted nor committed. The District's Governing Board has not authorized any management officials to make assignments of resources for a specific purpose.

The unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not reported in the other classifications. Also, deficits in fund balances of the other governmental funds are reported as unassigned.

The District has not adopted a spending priority policy. When an expenditure is incurred that can be paid from either restricted or unrestricted fund balances, in accordance with GASB 54, the District uses restricted fund balance first. For the disbursement of unrestricted fund balances, the District follows the spending policy described in GASB 54 to use committed amounts first, followed by assigned amounts, and lastly unassigned amounts.

The District has classified its fund balances as follows:

	General Fund	Special Projects Fund	Debt Service Fund	Non-Major Governmental Funds	Total Governmental Activities
Restricted					
Teacher compensation and other qualified programs (A.R.S. 15-977)	\$ -	\$ -	\$ -	\$ 69,912	\$ 69,912
Instructional improvement programs	-	-	-	223,459	223,459
Federal and state instructional programs	-	130,531	-	-	130,531
Food service	-	-	-	126,917	126,917
Civic center	-	-	-	1,254	1,254
Community programs	-	-	-	9,369	9,369
Extracurricular activities	-	-	-	30,586	30,586
Student activities	-	-	-	56,092	56,092
Capital projects	-	-	-	264,717	264,717
Debt service	-	-	356,390	-	356,390
Total restricted	-	130,531	356,390	782,306	1,269,227
Unassigned	3,284,902	-	-	(55,550)	3,229,352
Total	\$ 3,284,902	\$ 130,531	\$ 356,390	\$ 726,756	\$ 4,498,579

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The District adopts an annual operating budget for expenditures for all governmental fund types on essentially the same modified accrual basis of accounting used to record actual expenditures (See Notes to Required Supplementary Information for exceptions). The Governing Board presents a proposed budget to the Superintendent of Public Instruction and County School Superintendent on or by July 5. The Governing Board legally adopts the final budget by July 15, after a public hearing has been held. Once adopted the budget can be increased or decreased only for specific reasons set forth in the A.R.S. All appropriations lapse at year-end.

Budgetary control over expenditures is exercised at the fund level. However, the General Fund is budgeted within four subsections (see preceding description of General Fund), any of which may be over-expended with the prior approval of the Governing Board at a public meeting, providing the expenditures for all subsections do not exceed the General Fund’s total budget.

The District did not have any over-expenditures within the General Fund or major special revenue funds. The District did not budget for the Building Renewal Grant Nonmajor Governmental Fund.

An annual budget of revenue from all sources for the fiscal year is not prepared.

NOTE 3 – DEPOSITS AND INVESTMENTS

Deposits and investments at June 30, 2024 consist of the following:

Deposits:	
Cash in bank	\$ 89,830
Investments:	
Cash on deposit with county treasurer	3,612,666
Total deposits and investments	<u>\$ 3,702,496</u>

Deposits

Custodial Credit Risk – This is the risk that, in the event of a failure by a counterparty, the District will not be able to recover its deposits or collateralized securities that are in the possession of an outside party. The District had a carrying value of \$89,830 of cash on deposit with a local financial institution and a bank balance of \$106,371 at June 30, 2024. The District does not have a formal policy regarding custodial credit risk. However, the entire bank balance was insured by federal depository insurance.

Investments

At June 30, 2024, the District’s investments were reported at fair value. The District’s investments consisted of only cash on deposit with the County Treasurer.

Custodial Credit Risk – The District’s investment in the County Treasurer’s investment pools represents a proportionate interest in those pools’ portfolios; however, the District’s portion is not identified with any specific investment and is not subject to custodial credit risk.

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

Interest Rate Risk – The District does not have a formal investment policy regarding interest rate risk; however, the District manages its exposure to declines in fair values by limiting the average maturity of its investment portfolio to one year or less.

Credit Risk – The District does not have a formal investment policy regarding credit risk. However, the District is prohibited by state law from investing in investments other than State and County Treasurer’s investment pools, U.S. Treasury obligations, specified state and local government bonds and interest-earning investment contracts such as savings accounts, certificates of deposit, and repurchase agreements. The District’s investment in the County Treasurer’s investment pool did not receive a credit quality rating from a national rating agency.

NOTE 4 – UNAVAILABLE REVENUES

Property taxes are recognized as revenues in the fiscal year levied in the government-wide financial statements and represent a reconciling item between the government-wide and fund financial statements. In the fund financial statements property taxes are recognized as revenues in the fiscal year they are levied and collected or if they are collected within 60 days subsequent to fiscal year-end. Property taxes not collected within 60 days subsequent to fiscal year-end or collected in advance of the fiscal year for which they are levied are reported as deferred inflows of resources.

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also record unearned revenue in connection with resources that have been received, but not yet earned.

At the end of the current fiscal year, the various components of deferred inflows of resources reported in the governmental funds were as follows:

	<u>Unavailable</u>
Delinquent property taxes receivable:	
General Fund	\$ 88,239
Debt Service Fund	27,100
Unavailable grant revenue:	
Special Projects Fund	47,837
Total	<u>\$ 163,176</u>

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024 was as follows:

	Balance July 01, 2023	Additions	Deductions	Balance June 30, 2024
Capital assets not being depreciated				
Land	\$ 240,011	\$ -	\$ -	\$ 240,011
Construction in progress	321,133	-	(321,133)	-
Total capital assets not being depreciated	561,144	-	(321,133)	240,011
Capital assets being depreciated				
Land improvements	4,018,948	-	-	4,018,948
Buildings and improvements	18,884,954	499,551	-	19,384,505
Vehicles, equipment, and furniture	3,178,375	176,137	-	3,354,512
Total capital assets being depreciated	26,082,277	675,688	-	26,757,965
Less accumulated depreciation				
Land improvements	(1,851,323)	(161,310)	-	(2,012,633)
Buildings and improvements	(8,603,369)	(672,149)	-	(9,275,518)
Vehicles, equipment, and furniture	(1,684,612)	(159,120)	-	(1,843,732)
Total accumulated depreciation	(12,139,304)	(992,579)	-	(13,131,883)
Total capital assets, being depreciated, net	13,942,973	(316,891)	-	13,626,082
Governmental activities capital assets, net	\$ 14,504,117	\$ (316,891)	\$ (321,133)	\$ 13,866,093

Depreciation expenses was charged to governmental functions as follows:

Governmental Activities:	
Instruction	\$ 115,740
Support Services:	
Students	3,315
School Administration	1,092
Business and Other Support Services	9,147
Operations and Maintenance of Plant	650,392
Student Transportation	113,292
Operation of Noninstructional Services	99,601
	<u>\$ 992,579</u>

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 6 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

As of June 30, 2024, interfund receivables and payables were as follows:

	Due from other funds		
	Nonmajor		Total
	Special Projects	Governmental	
Due to other funds	Fund	Funds	
General Fund	\$ 765,541	\$ 93,183	\$ 858,724

The interfund receivable and payable between the General Fund and the Nonmajor Governmental Funds are due to cash shortfalls at June 30, 2024. Cash will be received subsequent to June 30, 2024 to repay the short-term borrowings. The interfund receivable and payable between the General Fund and Nonmajor Governmental Funds (Bond Building Fund) is related to settlement revenue that will be recorded when the monies are received to offset the current year deficit and interfund payable.

Interfund transfers for the year ended June 30, 2024 consisted of the following:

	Transfer from		
	Nonmajor		Total
	Special Projects	Governmental	
Transfer to	Fund	Funds	
General fund	\$ 82,372	\$ 20,459	\$ 102,831

Transfers were made to record indirect costs transferred to the indirect cost pool for various federal grants.

NOTE 7 – LONG-TERM OBLIGATIONS

Changes in long-term liabilities for the year ended June 30, 2024 are as follows:

	Balance July 01, 2023	Additions	Deductions	Balance June 30, 2024	Due Within One Year
School improvement bonds	\$ 3,505,000	\$ -	\$ (560,000)	\$ 2,945,000	\$ 560,000
Unamortized premium	323,990	-	(49,501)	274,489	-
Financed purchases	68,884	-	(46,228)	22,656	22,656
Compensated absences	102,579	30,171	(93,966)	38,784	-
Net pension liability	3,068,578	-	(503,819)	2,564,759	-
Net OPEB liability	1,576	379	-	1,955	-
Total	\$ 7,070,607	\$ 30,550	\$ (1,253,514)	\$ 5,847,643	\$ 582,656

Compensated Absences

Compensated absences are paid from various funds in the same proportion that those funds pay payroll costs. During fiscal year ended June 30, 2024, the District paid for compensated absences from the General Fund.

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 7 – LONG-TERM OBLIGATIONS (CONTINUED)

General Obligation Bonds Payable

Bonds payable at fiscal year-end consisted of the following outstanding general obligation bonds. The bonds are 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 \$25.7 million, and the available margin is \$22.4 million.

As of June 30, 2024, the current outstanding bonds are as follows:

Purpose	Interest Rate	Maturity	Original Issue	Balance
Governmental Activities:				
School Improvement Bonds Project of 2016, Series A (2017)	2.5-4.0%	7/1/24 - 27	\$ 4,145,000	\$ 1,200,000
School Improvement Bonds Project of 2016, Series B (2021)	3.0-4.0%	7/1/24 - 30	2,445,000	1,745,000
			<u>\$ 6,590,000</u>	<u>\$ 2,945,000</u>

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

Year ended, June 30,	General Obligation Bonds	
	Principal	Interest
2025	\$ 560,000	\$ 112,250
2026	585,000	91,700
2027	610,000	70,150
2028	380,000	47,600
2029	395,000	32,400
2030	415,000	16,600
Total	<u>\$ 2,945,000</u>	<u>\$ 370,700</u>

Financed Purchases

The District acquired utility management equipment under the provisions of financed purchase agreements at a total purchase price of \$481,670. The following schedule shows debt service requirements to maturity for the District's financed purchases at June 30, 2024.

Year Ending		
June 30	Principal	Interest
2025	<u>\$ 22,656</u>	<u>\$ 357</u>

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 8 – 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.

The District's employees have health and accident insurance coverage with the Arizona School Board Association Insurance Trust (ASBAIT). ASBAIT 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 ASBAIT for employees' health and accident insurance coverage. The agreement provides that ASBAIT will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of specified amounts.

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

The District continues to carry commercial insurance for other risks of loss, including employee dental and life insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 9 – 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.

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 10 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Cost Sharing Pension Plan

As of June 30, 2024, the District reported the following liabilities/assets related to its cost-sharing pension/OPEB plan to which it contributes:

	Cost-sharing pension plan	Cost-sharing OPEB plan	Total
Net (assets)	\$ -	\$ 74,996	\$ 74,996
Net pension liability	2,564,759	1,955	2,566,714
Deferred outflows of resources	328,596	16,259	344,855
Deferred inflows of resources	417,871	38,746	456,617
Pension expense	33,307	(6,487)	26,820

Arizona State Retirement System

Plan Description

District employees participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost sharing, multiple-employer defined benefit pension plan; a cost-sharing, multiple-employer defined benefit health insurance premium benefit (OPEB); 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. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on its website at www.azasrs.gov.

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	30 years, age 55
	10 years, age 62	25 years, age 60
	5 years, age 50*	10 years, age 62
	Any years, age 65	5 years, age 50*
		Any years, age 65
Final average salary is based on	Highest 36 consecutive months of last 120 months	Highest 60 consecutive 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.

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 10 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Arizona State Retirement System (Continued)

Benefits Provided (Continued)

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 earning. 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 retirement benefit option chosen determines the survivor benefit. 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.

Health insurance premium benefits are available to retired or disabled members with 5 years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. For members with 10 or more years of service, benefits range from \$100 per month to \$260 per month depending on the age of the member and dependents. For members with 5 to 9 years of service, the benefits are the same dollar amounts as above multiplied by a vesting fraction based on completed years of service.

Active members are eligible for a monthly long-term disability benefit equal to two-thirds of monthly earnings. Members receiving benefits continue to earn service credit up to their normal retirement dates. Members with long-term disability commencement dates after June 30, 1999, are limited to 30 years of service or the service on record as of the effective disability date if their service is greater than 30 years.

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 year ended June 30, 2024, active ASRS members were required by statute to contribute at the actuarially determined rate of 12.29% (12.14% for retirement and 0.15% 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 12.29% (12.03% for retirement, 0.11% for health insurance premium benefit, and 0.15% for long-term disability) of the active members' annual covered payroll. In addition, the District was required by statute to contribute at the actuarially determined rate of 9.99% (9.94% for retirement and 0.05% for long-term disability) of annual covered payroll of retired members who worked for the District in positions that an employee who contributes to the ASRS would typically fill. The District's contributions to the pension, health insurance premium benefit, and long-term disability plans for the year ended June 30, 2024, were \$270,643, \$2,475, and \$4,886, respectively.

During the fiscal year ended June 30, 2024, the District paid for ASRS pension as follows: 65% from the General Fund, 17% from the Special Projects Fund, and 18% from Nonmajor Governmental Funds.

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 10 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Arizona State Retirement System (Continued)

Pension Liability

As of June 30, 2024, the District reported the following asset and liabilities for its proportionate share of the ASRS' net pension/OPEB asset or liability.

	Net pension/OPEB (asset)/liability
Pension	\$ 2,564,759
Health insurance premium benefit	(74,996)
Long-term disability	1,955
Total Pension/OPEB Liability (asset):	<u>\$ 2,491,718</u>

The net assets and net liabilities were measured as of June 30, 2023. The total liability used to calculate the net asset or net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2022, to the measurement date of June 30, 2023.

The District's proportion of the net asset or net liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2023, and the change from its proportions measured as of June 30, 2022, were:

	District % Proportion June 30, 2023	Increase (Decrease) from June 30, 2022
Pension	0.01585%	-0.00052%
Health insurance premium benefit	0.01389%	-0.00054%
Long-term disability	0.01492%	0.00032%

Pension Expense

For the year ended June 30, 2024, the District recognized the following pension and OPEB expense.

	Pension/OPEB Expense
Pension	\$ 33,307
Health insurance premium benefit	(8,008)
Long-term disability	1,521
Total Pension/OPEB Expense:	<u>\$ 26,820</u>

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 10 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Arizona State Retirement System (Continued)

Deferred Outflows/Inflows of Resources

As of June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		
	Pension	Health Insurance Premium Benefit	Long-Term Disability
Differences between expected and actual experience	\$ 57,953	\$ 3,165	\$ 1,765
Changes of assumptions or other inputs	-	-	516
Changes in proportion and differences between contributions and proportionate share of contributions	-	3,452	-
Contributions subsequent to the measurement date	270,643	2,475	4,886
Total	\$ 328,596	\$ 9,092	\$ 7,167

	Deferred Inflows of Resources		
	Pension	Health Insurance Premium Benefit	Long-Term Disability
Differences between expected and actual experience	\$ -	\$ 27,968	\$ 1,100
Changes of assumptions or other inputs	-	1,492	2,846
Net difference between projected and actual earnings on pension plan investments	90,743	3,294	156
Changes in proportion and differences between contributions and proportionate share of contributions	327,128	-	1,890
Total	\$ 417,871	\$ 32,754	\$ 5,992

The amounts reported as deferred outflows of resources related to ASRS pensions and OPEB resulting from District contributions subsequent to the measurement date will be recognized as an increase of the net asset or a reduction of the net liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions and OPEB will be recognized in expenses as noted below.

Year Ending June 30:	Deferred Outflows (Inflows) of Resources		
	Pension	Health Insurance Premium Benefit	Long-Term Disability
2025	\$ (206,964)	\$ (11,564)	\$ (584)
2026	(239,473)	(12,811)	(906)
2027	97,795	(934)	(299)
2028	(11,276)	(1,175)	(814)
2029	-	347	(749)
Thereafter	-	-	(359)
Total	\$ (359,918)	\$ (26,137)	\$ (3,711)

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 10 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Arizona State Retirement System (Continued)

Actuarial Assumptions

The significant actuarial assumptions used to measure the total pension/OPEB liabilities and assets are as follows:

	Pensions	Health Insurance Premium Benefit	Long-Term Disability
Actuarial valuation date	June 30, 2022	June 30, 2022	June 30, 2022
Actuarial roll forward date	June 30, 2023	June 30, 2023	June 30, 2023
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal
Investment rate of return	7.0%	7.0%	7.0%
Projected salary increases	2.9-8.4%	Not applicable	Not applicable
Inflation rate	2.3%	2.3%	2.3%
Permanent base increases	Included	Not applicable	Not applicable
Mortality rates	2017 SRA Scale U-MP	2017 SRA Scale U-MP	Not applicable
Recovery rates	Not applicable	Not applicable	2012 GLDT

Actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial study for the 5-year period ended June 30, 2020.

The long-term expected rate of return on ASRS plan investments was determined to be 7.00% using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan 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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the table on the next page.

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
Public equity	44%	3.50%
Credit	23%	5.90%
Real estate	17%	5.90%
Private equity	10%	6.70%
Interest rate sensitive	6%	1.50%
Total	100%	

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 10 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Arizona State Retirement System (Continued)

Discount Rate

On June 30, 2023, the discount rate used to measure the ASRS total pension/OPEB liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension/OPEB liability.

Sensitivity of the District's Proportionate Share of the ASRS Net Pension Liability to Changes in the Discount Rate

The following table presents the District's proportionate share of the net pension/OPEB (asset) liability calculated using the discount rate of 7.00%, as well as what the District's proportionate share of the net pension/OPEB (asset)/liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate.

	Proportionate share of the net liability (asset)		
	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Pension	\$ 3,841,632	\$ 2,564,759	\$ 1,500,073
Health insurance premium benefit	(52,419)	(74,996)	(94,181)
Long-term disability	2,859	1,955	1,066

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued ASRS financial report.

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 11 – RESTATEMENTS

At June 30, 2024, the District recorded a restatement of fund balance to better align its fund balance classifications with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* and the Uniform System of Financial Records (USFR). In the previous year, the Unrestricted Capital Outlay Fund was recorded as a major capital projects fund, whereas it should have been recorded within the General Fund as the monies were not restricted by a third party or committed by the governing board. Within the Statements of Revenues, Expenditures, and Changes in Net Position, the beginning Unrestricted Capital Outlay Fund is recorded within the General Fund.

In addition, the District recorded a restatement of fund balance to correct an error within the fund balance of the Employee Insurance Withholding Fund. The District recorded \$180,556 of the cash balance as liabilities in the prior year report while the liabilities should not have been recorded as those monies were not payable to another entity.

The net effects of the restatements on the Governmental Activities and Governmental Funds are as follows:

Governmental Funds

	Fund balance as previously stated	Fund balance reclassification	Change in Accounting Principle	Fund balance as restated
General Fund	\$ 1,838,163	\$ 215,300	\$ 180,556	\$ 2,234,019
Unrestricted Capital Outlay Fund	215,300	(215,300)	-	-
Special Projects Fund	(241,981)	-	-	(241,981)
Debt Service Fund	335,968	-	-	335,968
Non-Major Governmental Funds	887,016	-	-	887,016
Total governmental funds	<u>\$ 3,034,466</u>	<u>\$ -</u>	<u>\$ 180,556</u>	<u>\$ 3,215,022</u>

Governmental Activities

	Net position as previously stated	Change in Accounting Principle	Net position as restated
Governmental Activities	<u>\$ 10,839,665</u>	<u>\$ 180,556</u>	<u>\$ 11,020,221</u>

NOTE 12 – DEFICIT FUND BALANCE

During the current year, the District reported deficit fund balances in the Nonmajor Governmental Funds (Building Renewal Grant Fund) of (\$93,183). The deficit will be eliminated in future periods as monies become available within the Building Renewal Grant Fund.

**REQUIRED SUPPLEMENTARY INFORMATION OTHER
THAN MD&A**

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY AND CONTRIBUTIONS
COST SHARING PENSION PLAN
JUNE 30, 2024

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

	Reporting Fiscal Year (Measurement Date)									
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
Proportion of the net pension liability	0.01585%	0.01880%	0.01937%	0.02164%	0.02218%	0.02152%	0.02227%	0.02196%	0.02134%	0.02186%
Proportionate share of the net pension liability	\$ 2,564,759	\$ 3,068,578	\$ 2,545,132	\$ 3,749,930	\$ 3,227,448	\$ 3,001,283	\$ 3,469,232	\$ 3,544,565	\$ 3,324,000	\$ 2,902,552
Covered payroll	\$ 2,347,688	\$ 1,721,882	\$ 1,804,326	\$ 1,933,930	\$ 1,905,358	\$ 1,794,752	\$ 2,178,636	\$ 1,949,207	\$ 1,875,221	\$ 1,718,664
Proportionate share of the net pension liability as a percentage of its covered payroll	109.25%	178.21%	141.06%	193.90%	169.39%	167.23%	159.24%	181.85%	177.26%	168.88%
Plan fiduciary net position as a percentage of the total pension liability	75.47%	74.26%	78.58%	69.33%	73.24%	73.40%	69.92%	67.06%	68.35%	69.49%

SCHEDULE OF CONTRIBUTIONS

	Reporting Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 270,643	\$ 210,989	\$ 206,798	\$ 210,204	\$ 221,435	\$ 213,019	\$ 195,628	\$ 234,857	\$ 211,489	\$ 204,024
Contributions in relation to the actuarially determined contribution	270,643	246,819	266,883	260,297	269,353	262,353	233,310	234,857	211,489	204,024
Contribution deficiency (excess)	\$ -	\$ (35,830)	\$ (60,085)	\$ (50,093)	\$ (47,918)	\$ (49,334)	\$ (37,682)	\$ -	\$ -	\$ -
District's covered payroll	\$ 2,502,526	\$ 2,347,688	\$ 1,721,882	\$ 1,804,326	\$ 1,933,930	\$ 1,905,358	\$ 1,794,752	\$ 2,178,636	\$ 1,949,207	\$ 1,875,221
Contributions as a percentage of covered payroll	10.81%	8.99%	12.01%	11.65%	11.45%	11.18%	10.90%	10.78%	10.85%	10.88%

See accompanying Notes to Required Supplementary Information

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
BUDGETARY COMPARISON SCHEDULE FOR THE GENERAL FUND – BUDGETARY BASIS
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variances -
	Original	Final	Budgetary Basis	Final to Actual
REVENUES				
Property taxes	\$ -	\$ -	\$ 2,732,053	\$ 2,732,053
Intergovernmental	-	-	1,606,928	1,606,928
Investment earnings	-	-	46,188	46,188
Other	-	-	6,123	6,123
Total Revenues	-	-	4,391,292	4,391,292
EXPENDITURES				
Regular education:				
Instruction	1,265,000	1,738,150	919,038	819,112
Support services - students	214,000	239,000	140,758	98,242
Support services - instructional staff	-	32,000	8,543	23,457
Support services - general administration	170,000	196,000	168,295	27,705
Support services - school administration	191,476	231,476	127,319	104,157
Support services - central services	273,067	378,067	308,136	69,931
Operations and maintenance of plant	1,203,270	1,303,270	1,018,159	285,111
Operation of noninstructional services	117,217	117,217	90,622	26,595
School sponsored cocurricular activities	14,178	14,178	12,054	2,124
School sponsored athletics	137,456	137,456	148,703	(11,247)
Total regular education	3,585,664	4,386,814	2,941,627	1,445,187
Special education:				
Instruction	553,443	175,289	192,766	(17,477)
Support services - students	22,000	71,000	33,984	37,016
Support services - instructional staff	42,978	59,000	51,342	7,658
Support services - central services	-	-	960	(960)
Total special education	618,421	305,289	279,052	26,237
Pupil transportation:				
Student transportation services	314,234	296,000	287,996	8,004
Total Expenditures	4,518,319	4,988,103	3,508,675	1,479,428
Excess (Deficiency) of Revenues				
Over Expenditures	(4,518,319)	(4,988,103)	882,617	5,870,720
Other Financing Sources (Uses):				
Transfers out	-	-	(47,166)	(47,166)
NET CHANGE IN FUND BALANCE	(4,518,319)	(4,988,103)	835,451	5,823,554
Fund Balance - Beginning	-	-	1,534,127	1,534,127
Fund Balance - Ending	\$ (4,518,319)	\$ (4,988,103)	\$ 2,369,578	\$ 7,357,681

See accompanying Notes to Required Supplementary Information

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
BUDGETARY COMPARISON SCHEDULE FOR THE SPECIAL PROJECTS FUND
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variances - Final to Actual
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 1,268,086	\$ 1,268,086
Other	-	-	71,220	71,220
Total Revenues	-	-	1,339,306	1,339,306
EXPENDITURES				
Regular education:				
Instruction	498,412	392,771	310,183	82,588
Support services - students	164,482	129,619	102,364	27,255
Support services - instructional staff	206,950	163,086	128,794	34,292
Support services - school administration	14,118	11,125	8,786	2,339
Support services - central services	201,799	159,026	125,588	33,438
Operations and maintenance of plant	115,142	90,737	71,658	19,079
Total regular education	1,200,903	946,364	747,373	198,991
Special education:				
Instruction	72,883	57,435	45,358	12,077
Support services - students	61,567	48,518	38,316	10,202
Support services - instructional staff	68,597	54,058	42,691	11,367
Support services - central services	10,835	8,538	6,743	1,795
Total special education	213,882	168,549	133,108	35,441
Pupil transportation:				
Student transportation services	6,333	4,990	3,941	1,049
Total Expenditures	1,421,118	1,119,903	884,422	235,481
Excess (Deficiency) of Revenues Over Expenditures	(1,421,118)	(1,119,903)	454,884	1,574,787
Other Financing Sources (Uses):				
Transfers out	-	-	(82,372)	(82,372)
NET CHANGE IN FUND BALANCE	(1,421,118)	(1,119,903)	372,512	1,492,415
Fund Balance - Beginning	-	-	(241,981)	(241,981)
Fund Balance - Ending	\$ (1,421,118)	\$ (1,119,903)	\$ 130,531	\$ 1,250,434

See accompanying Notes to Required Supplementary Information

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO THE REQUIRED
SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2024

NOTE 1 – AVAILABILITY OF PRIOR YEAR OPEB INFORMATION

Information related to the OPEB liability and assets were not presented within the RSI as the amounts were not significant to the financial statements.

NOTE 2 – BUDGETARY BASIS OF ACCOUNTING

The District's adopted budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America, with the following exception:

- 1) The General Fund as reported in the Statement of Revenues, Expenditures, and Changes in Fund Balances includes the District's Maintenance and Operation Fund in addition to several other District funds as required by GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*; however, for budgetary purposes, the District prepares a separate Maintenance and Operation Fund budget.

The following adjustments are necessary to present actual revenues, expenditures, other financing sources and uses, beginning fund balance and ending fund balance on a budgetary basis in order to present only the activity of the District's Maintenance and Operation Fund for budgetary purposes.

	General Fund				
	Total	Total	Other	Fund balance	Fund balance
	Revenues	Expenditures	Financing	beginning of	end of year
			Sources and	year, restated	
			Uses		
Statement of revenues, expenditures and changes in fund balance	\$ 4,809,679	\$ 3,861,627	\$ 102,831	\$ 2,234,019	\$ 3,284,902
Non-maintenance and operation activity included in the General Fund	(418,387)	(352,952)	(149,997)	(699,892)	(915,324)
Schedule of revenues, expenditures, and changes in fund balance - budget to actual	\$ 4,391,292	\$ 3,508,675	\$ (47,166)	\$ 1,534,127	\$ 2,369,578

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NONMAJOR GOVERNMENTAL FUNDS
FUND DESCRIPTIONS
JUNE 30, 2024

SPECIAL REVENUE FUNDS

Classroom Site Fund – accounts for the revenues and expenditures of State apportioned educational sales tax monies.

Instructional Improvement Fund - accounts for revenues and expenditures for State apportioned Indian Gaming monies.

Other Special Revenue Fund - accounts for the revenues and expenditures of the following activities or objectives: civic center, community school, extracurricular activity fee tax credit, career and technical education projects, textbooks, and student activities.

Food Service Fund - accounts for the financial operations of preparing and serving regular and incidental meals and snacks in connection with school functions.

CAPITAL PROJECTS FUNDS

Adjacent Ways Fund - accounts for monies received to finance such improvements as public streets or alleys adjacent to school property.

Bond Building Fund - accounts for monies received from District bond issues that are used to acquire sites, construct school buildings, supply school buildings with furniture and apparatus, improve schoolgrounds, and purchase pupil transportation vehicles.

Building Renewal Grant Fund – accounts for building renewal grant monies requested from the School Facilities Board that are used for infrastructure or for major upgrades, repairs, or renovations to areas, systems, or buildings that will maintain or extend their useful life.

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

	Special Revenue Funds				Capital Project Funds			Non-Major Governmental Funds
	Classroom Site Fund	Instructional Improvement Fund	Other Special Revenue Fund	Food Service Fund	Adjacent Ways Fund	Bond Building Fund	Building Renewal Grant Fund	
ASSETS								
Cash and investments	\$ 69,912	\$ 210,788	\$ 134,934	\$ 113,611	\$ 169,573	\$ 95,144	\$ -	\$ 793,962
Receivables:								
Intergovernmental	-	12,671	-	8,781	-	-	-	21,452
Deposits	-	-	-	4,923	-	-	-	4,923
Total Assets	\$ 69,912	\$ 223,459	\$ 134,934	\$ 127,315	\$ 169,573	\$ 95,144	\$ -	\$ 820,337
LIABILITIES								
Accounts payable	\$ -	\$ -	\$ -	\$ 398	\$ -	\$ -	\$ -	\$ 398
Due to other funds	-	-	-	-	-	-	93,183	93,183
Total Liabilities	-	-	-	398	-	-	93,183	93,581
FUND BALANCES								
Restricted	69,912	223,459	134,934	126,917	169,573	95,144	-	819,939
Unassigned	-	-	-	-	-	-	(93,183)	(93,183)
Total Fund Balances	69,912	223,459	134,934	126,917	169,573	95,144	(93,183)	726,756
Total Liabilities and Fund Balances	\$ 69,912	\$ 223,459	\$ 134,934	\$ 127,315	\$ 169,573	\$ 95,144	\$ -	\$ 820,337

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FISCAL YEAR ENDED JUNE 30, 2024

	Special Revenue Funds				Capital Project Funds			
	Instructional					Building		Non-Major
	Classroom Site	Improvement	Other Special	Food Service	Adjacent Ways	Bond Building	Renewal Grant	Governmental
	Fund	Fund	Revenue Fund	Fund	Fund	Fund	Fund	Funds
REVENUES								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 102	\$ -	\$ -	\$ 102
Intergovernmental	412,425	27,365	-	234,390	-	-	-	674,180
Tuition	-	-	13,659	-	-	-	-	13,659
Food Services Sales	-	-	-	40,850	-	-	-	40,850
Student Activities	-	-	90,599	-	-	-	-	90,599
Investment earnings	5,265	5,185	278	8,356	4,422	-	-	23,506
Other	-	-	3,799	-	-	-	-	3,799
Total Revenues	417,690	32,550	108,335	283,596	4,524	-	-	846,695
EXPENDITURES								
Current								
Instruction	439,555	-	121,188	-	-	44,235	-	604,978
Support services:								
Business and other support services	-	-	-	772	-	-	-	772
Operations and maintenance of plant	-	-	-	812	-	-	-	812
Student transportation	-	-	14,233	-	-	-	-	14,233
Operations of noninstructional services	-	-	-	285,226	-	-	-	285,226
Capital outlay:								
Facilities acquisition	-	-	-	8,500	-	71,975	-	80,475
Total Expenditures	439,555	-	135,421	295,310	-	116,210	-	986,496
Excess (Deficiency) of Revenues								
Over Expenditures	(21,865)	32,550	(27,086)	(11,714)	4,524	(116,210)	-	(139,801)
Other Financing Sources (Uses)								
Transfers out	-	-	-	(20,459)	-	-	-	(20,459)
NET CHANGE IN FUND BALANCE	(21,865)	32,550	(27,086)	(32,173)	4,524	(116,210)	-	(160,260)
Fund Balance - Beginning	91,777	190,909	162,020	159,090	165,049	211,354	(93,183)	887,016
Fund Balance - Ending	\$ 69,912	\$ 223,459	\$ 134,934	\$ 126,917	\$ 169,573	\$ 95,144	\$ (93,183)	\$ 726,756

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
CLASSROOM SITE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FISCAL YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variances - Final to Actual
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 412,425	\$ 412,425
Investment earnings	-	-	5,265	5,265
Total Revenues	-	-	417,690	417,690
EXPENDITURES				
Regular education:				
Instruction	507,628	479,812	394,509	85,303
Special education:				
Instruction	57,962	54,786	45,046	9,740
Total Expenditures	565,590	534,598	439,555	95,043
Excess (Deficiency) of Revenues				
Over Expenditures	(565,590)	(534,598)	(21,865)	512,733
Fund Balance - Beginning	-	-	91,777	91,777
Fund Balance - Ending	\$ (565,590)	\$ (534,598)	\$ 69,912	\$ 604,510

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
INSTRUCTIONAL IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FISCAL YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variances - Final to Actual
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 27,365	\$ 27,365
Investment earnings	-	-	5,185	5,185
Total Revenues	-	-	32,550	32,550
EXPENDITURES				
Regular education:				
Instruction	-	209,004	-	209,004
Total Expenditures	-	209,004	-	209,004
Excess (Deficiency) of Revenues				
Over Expenditures	-	(209,004)	32,550	241,554
Fund Balance - Beginning	-	-	190,909	190,909
Fund Balance - Ending	\$ -	\$ (209,004)	\$ 223,459	\$ 432,463

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
OTHER SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FISCAL YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variances -
	Original	Final		Final to Actual
REVENUES				
Tuition	\$ -	\$ -	\$ 13,659	\$ 13,659
Student Activities	-	-	90,599	90,599
Investment earnings	-	-	278	278
Other	-	-	3,799	3,799
Total Revenues	-	-	108,335	108,335
EXPENDITURES				
Regular education:				
Instruction	85,397	192,517	116,648	75,869
School sponsored cocurricular activities	2,134	4,811	2,915	1,896
School sponsored athletics	1,190	2,682	1,625	1,057
Total regular education	88,720	200,010	121,188	78,822
Pupil transportation:				
Student transportation services	10,420	23,490	14,233	9,257
Total Expenditures	99,140	223,500	135,421	88,079
Excess (Deficiency) of Revenues				
Over Expenditures	(99,140)	(223,500)	(27,086)	196,414
Fund Balance - Beginning, as restated	-	-	162,020	162,020
Fund Balance - Ending	\$ (99,140)	\$ (223,500)	\$ 134,934	\$ 358,434

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
FOOD SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FISCAL YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variances -
	Original	Final		Final to Actual
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 234,390	\$ 234,390
Food service sales	-	-	40,850	40,850
Investment earnings	-	-	8,356	8,356
Total Revenues	-	-	283,596	283,596
EXPENDITURES				
Regular education:				
Support services - central services	372	1,046	772	274
Operations and maintenance of plant	392	1,100	812	288
Operation of noninstructional services	137,564	386,341	285,226	101,115
Total regular education	138,328	388,487	286,810	101,677
Capital outlay:				
Facilities acquisition	4,100	11,513	8,500	3,013
Total Expenditures	142,428	400,000	295,310	104,690
Excess (Deficiency) of Revenues				
Over Expenditures	(142,428)	(400,000)	(11,714)	388,286
Other Financing Sources (Uses):				
Transfers out	-	-	(20,459)	(20,459)
NET CHANGE IN FUND BALANCE	(142,428)	(400,000)	(32,173)	367,827
Fund Balance - Beginning	-	-	159,090	159,090
Fund Balance - Ending	\$ (142,428)	\$ (400,000)	\$ 126,917	\$ 526,917

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
ADJACENT WAYS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FISCAL YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variances -
	Original	Final		Final to Actual
REVENUES				
Property taxes	\$ -	\$ -	\$ 102	\$ 102
Investment earnings	-	-	4,422	4,422
Total Revenues	-	-	4,524	4,524
EXPENDITURES				
Capital outlay:				
Facilities acquisition	164,688	164,688	-	164,688
Total Expenditures	164,688	164,688	-	164,688
Excess (Deficiency) of Revenues				
Over Expenditures	(164,688)	(164,688)	4,524	169,212
Fund Balance - Beginning	-	-	165,049	165,049
Fund Balance - Ending	\$ (164,688)	\$ (164,688)	\$ 169,573	\$ 334,261

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
BOND BUILDING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FISCAL YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variances -
	Original	Final		Final to Actual
EXPENDITURES				
Regular education:				
Instruction	\$ -	\$ -	\$ 44,235	\$ (44,235)
Total regular education	-	-	44,235	(44,235)
Pupil transportation:				
Facilities acquisition	-	-	71,975	(71,975)
Total Expenditures	-	-	116,210	(116,210)
Excess (Deficiency) of Revenues				
Over Expenditures	-	-	(116,210)	116,210
Fund Balance - Beginning	-	-	211,354	211,354
Fund Balance - Ending	\$ -	\$ -	\$ 95,144	\$ 327,564

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FISCAL YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variances -
	Original	Final		Final to Actual
REVENUES				
Property taxes	\$ -	\$ -	676,349	\$ 676,349
Investment earnings	-	-	21,933	21,933
Total Revenues	-	-	698,282	698,282
EXPENDITURES				
Debt service:				
Principal retirement	549,222	559,496	560,000	(504)
Interest and fiscal charges	115,592	117,754	117,860	(106)
Total debt service	664,814	677,250	677,860	(610)
Total Expenditures	664,814	677,250	677,860	(610)
Excess (Deficiency) of Revenues				
Over Expenditures	(664,814)	(677,250)	20,422	697,672
Fund Balance - Beginning	-	-	335,968	335,968
Fund Balance - Ending	\$ (664,814)	\$ (677,250)	\$ 356,390	\$ 1,033,640

STATISTICAL SECTION
(UNAUDITED)

STATISTICAL SECTION

This section of the Santa Cruz Valley Union High School District No. 840's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Financial Trends: These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity: These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity: These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information: These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information: These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

See the table of contents for page numbers of the schedules that encompass the above sections

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
ACCRUAL BASIS OF ACCOUNTING
(UNAUDITED)

Net Position:	Fiscal Year Ended June 30									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Net investment in capital assets	\$ 10,719,092	\$ 10,817,597	\$ 10,396,329	\$ 10,396,329	\$ 9,667,477	\$ 9,759,137	\$ 9,421,905	\$ 9,452,859	\$ 8,583,968	\$ 7,235,393
Restricted	1,249,079	1,138,576	1,244,899	886,133	1,129,785	1,222,207	1,079,633	1,084,108	1,062,963	1,171,616
Unrestricted	675,268	(1,116,508)	(2,045,459)	(2,045,459)	(1,505,577)	(2,540,452)	(2,327,561)	(2,329,167)	(2,674,306)	(2,574,558)
Total	\$ 12,643,439	\$ 10,839,665	\$ 9,595,769	\$ 9,237,003	\$ 9,291,685	\$ 8,440,892	\$ 8,173,977	\$ 8,207,800	\$ 6,972,625	\$ 5,832,451

Source: The District's financial records.

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
EXPENSES, PROGRAM REVENUES, AND NET POSITION
LAST TEN FISCAL YEARS
ACCRUAL BASIS OF ACCOUNTING
(UNAUDITED)

	Fiscal Year Ended June 30									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Expenses:										
Instruction	\$ 2,196,466	\$ 2,168,356	\$ 2,195,770	\$ 2,052,551	\$ 2,263,392	\$ 2,259,147	\$ 2,124,645	\$ 2,204,739	\$ 1,889,009	\$ 1,775,298
Support Services - students and staff	553,568	637,066	702,097	707,127	607,512	606,906	641,831	592,578	568,304	544,879
Support Services - administration	672,426	293,186	753,870	703,545	812,302	693,354	783,368	703,547	641,038	666,905
Operation and Maintenance of plant services	1,732,342	1,969,044	1,567,459	1,475,881	1,277,284	1,139,958	1,227,527	1,063,404	1,170,387	1,077,864
Student transportation services	427,425	331,763	330,410	343,013	325,736	309,281	419,389	307,074	297,575	266,175
Operation of non-instructional services	426,857	884,689	709,799	872,327	406,386	372,532	378,149	345,947	355,757	309,258
Interest on long-term debt	68,637	116,593	116,467	136,100	154,367	116,991	166,162	43,476	117,899	159,458
Loss on sale of capital assets	-	-	-	-	-	98,073	-	-	-	-
Total expenses	6,077,721	6,400,697	6,375,872	6,290,544	5,846,979	5,596,242	5,741,071	5,260,765	5,039,969	4,799,837
Program revenues:										
Charges for services:										
Instruction	109,537	201	10,623	8,110	3,550	4,844	60,494	50,070	38,199	94,355
Operation of non-instructional services	42,536	39,081	24,203	6,839	33,030	41,700	34,554	37,425	40,395	33,788
Other Activities	33,843	151,976	81,425	85,224	57,000	71,859	56,028	43,723	79,828	5,728
Operating grants and contributions	1,991,104	566,067	580,829	648,973	548,549	574,687	568,733	633,979	631,137	461,564
Capital grants and contributions	-	148,917	-	16,265	236,265	19,685	31,243	100,206	45,790	65,176
Total program revenues	2,177,020	906,242	697,080	765,411	878,394	712,775	751,052	865,403	835,349	660,611
Net expense	\$ (3,900,701)	\$ (5,494,455)	\$ (5,678,792)	\$ (5,525,133)	\$ (4,968,585)	\$ (4,883,467)	\$ (4,990,019)	\$ (4,395,362)	\$ (4,204,620)	\$ (4,139,226)

Source: The District's financial records.

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
ACCRUAL BASIS OF ACCOUNTING
(UNAUDITED)

	Fiscal Year Ended June 30									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Net Expense	\$ (3,900,701)	\$ (5,494,455)	\$ (5,678,792)	\$ (5,525,133)	\$ (4,968,585)	\$ (4,883,467)	\$ (4,990,019)	\$ (4,395,362)	\$ (4,204,620)	\$ (4,139,226)
General revenues:										
Property taxes:										
Property taxes, levied for general purposes	2,896,994	2,546,779	2,958,869	2,844,530	3,188,119	3,048,308	2,871,541	2,682,471	2,391,573	2,776,068
Property taxes, levied for debt services	243,657	654,953	538,856	684,273	706,867	685,467	702,081	986,834	1,610,621	1,667,993
Property taxes, levied for capital outlay	432,794	170,199	67,445	119,465	39,874	155,288	118,943	229,735	180,736	6,129
Investment Income and Other	206,723	54,460	48,301	45,831	72,659	92,326	113,089	21,717	71,640	11,145
Unrestricted State Aid	1,743,751	2,818,474	1,920,606	1,299,109	1,808,050	1,168,993	1,150,176	1,285,748	1,090,224	592,815
Miscellaneous	-	493,486	503,481	477,243	3,809	-	-	64,786	-	22,070
Total general revenues	5,523,919	6,738,351	6,037,558	5,470,451	5,819,378	5,150,382	4,955,830	5,271,291	5,344,794	5,076,220
Changes in net position	\$ 1,623,218	\$ 1,243,896	\$ 358,766	\$ (54,682)	\$ 850,793	\$ 266,915	\$ (34,189)	\$ 875,929	\$ 1,140,174	\$ 936,994

Source: The District's financial records.

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
FUND BALANCES – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
MODIFIED ACCRUAL BASIS OF ACCOUNTING
(UNAUDITED)

	Fiscal Year Ended June 30									
General Fund	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,365	\$ -
Restricted	-	-	-	-	-	-	-	-	-	60,804
Unassigned	3,284,902	1,838,163	976,206	1,069,480	1,155,684	890,434	867,832	877,063	607,387	734,046
Total General Fund	3,284,902	1,838,163	976,206	1,069,480	1,155,684	890,434	867,832	877,063	649,752	794,850
All other governmental funds:										
Restricted	1,306,860	1,245,082	2,134,946	3,123,847	3,642,634	1,217,143	2,357,837	4,637,089	976,962	1,123,765
Unassigned	(93,183)	(48,779)	(424,331)	(49,048)	(8,704)	(1,149)	(15,558)	-	-	(40,870)
Total all other governmental funds	1,213,677	1,196,303	1,710,615	3,074,799	3,633,930	1,215,994	2,342,279	4,637,089	976,962	1,082,895
Total all governmental funds	\$ 4,498,579	\$ 3,034,466	\$ 2,686,821	\$ 4,144,279	\$ 4,789,614	\$ 2,106,428	\$ 3,210,111	\$ 5,514,152	\$ 1,626,714	\$ 1,877,745

Source: The District's financial records.

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
REVENUES – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
MODIFIED ACCRUAL BASIS OF ACCOUNTING
(UNAUDITED)

	Fiscal Year Ended June 30									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Federal sources:										
Federal aid and grants	\$ 1,266,316	\$ 769,822	\$ 746,561	\$ 761,908	\$ 394,851	\$ 410,817	\$ 403,573	\$ 380,565	\$ 420,918	\$ 401,444
National school lunch program	234,390	163,735	213,734	247,028	154,486	167,121	168,587	182,295	201,736	156,644
Total federal sources:	1,500,706	933,557	960,295	1,008,936	549,337	577,938	572,160	562,860	622,654	558,088
States sources:										
State equalization	1,743,751	1,028,305	830,032	414,204	763,778	853,238	1,150,176	1,285,748	1,090,224	592,815
State grants	441,560	1,582,059	637,859	524,936	1,265,400	337,164	12,219	107,858	40,316	122,147
Total state sources	2,185,311	2,610,364	1,467,891	939,140	2,029,178	1,190,402	1,162,395	1,393,606	1,130,540	714,962
Local sources										
Property taxes	3,614,305	3,598,351	3,340,148	3,654,532	3,856,785	3,873,108	3,709,344	3,904,839	4,204,536	4,461,856
Food service sales	40,850	60,751	21,399	348	25,297	36,889	35,532	37,756	40,399	33,788
Investment income	110,362	54,460	18,815	25,537	43,286	54,084	113,089	21,717	17,402	11,145
Other revenues	242,428	724,844	589,387	610,415	121,301	134,381	131,873	205,425	186,218	7,292
Total local sources	4,007,945	4,438,406	3,969,749	4,290,832	4,046,669	4,098,462	3,989,838	4,169,737	4,448,555	4,514,081
Total revenues	\$ 7,693,962	\$ 7,982,327	\$ 6,397,935	\$ 6,238,908	\$ 6,625,184	\$ 5,866,802	\$ 5,724,393	\$ 6,126,203	\$ 6,201,749	\$ 5,787,131

Source: The District's financial records.

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
EXPENDITURES AND DEBT SERVICE RATIO - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
MODIFIED ACCRUAL BASIS OF ACCOUNTING
(UNAUDITED)

	Fiscal Year Ended June 30									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Expenditures:										
Current:										
Instruction	\$ 2,283,565	\$ 2,029,831	\$ 2,191,021	\$ 1,880,191	\$ 2,103,003	\$ 2,089,059	\$ 1,800,269	\$ 1,860,851	\$ 1,769,825	\$ 1,573,413
Support services - students and staff	584,058	641,443	680,992	651,876	596,836	608,104	610,213	568,949	551,577	512,486
Support services - administration	824,056	308,612	1,172,426	1,131,596	764,765	704,719	647,179	649,913	588,778	620,710
Operation and maintenance of plant services	1,107,300	1,387,615	1,276,909	921,056	809,570	926,099	858,462	754,899	881,924	732,132
Student transportation services	323,634	226,467	423,847	344,759	359,286	259,006	268,499	246,186	240,894	211,584
Operation of non-instructional services	375,848	1,081,886	291,582	310,393	309,873	295,874	265,263	252,025	254,720	213,263
Capital outlay	186,918	1,234,552	1,069,363	949,803	984,682	1,362,933	2,751,104	823,723	511,811	423,727
Debt Service:										
Principal retirement	606,228	550,680	576,483	502,845	599,637	582,689	636,272	1,266,764	1,737,394	1,660,324
Interest, premium and fiscal charges	118,798	173,596	172,770	191,724	123,554	142,002	191,173	70,887	120,299	161,858
Bond Issuance Costs	-	-	-	-	55,713	-	-	122,325	-	-
Total expenditures	\$ 6,410,405	\$ 7,634,682	\$ 7,855,393	\$ 6,884,243	\$ 6,706,919	\$ 6,970,485	\$ 8,028,434	\$ 6,616,522	\$ 6,657,222	\$ 6,109,497
Expenditures for Capitalized Assets	354,555	1,234,552	1,069,363	949,803	984,682	1,362,933	2,276,699	679,699	511,811	172,152
Debt service as a percentage of noncapital expenditures	12.0%	11.3%	11.0%	11.7%	13.6%	12.9%	14.4%	24.6%	30.2%	30.7%

Source: The District's financial records.

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
OTHER FINANCING SOURCES AND USES AND NET CHANGE IN FUND BALANCE – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
MODIFIED ACCRUAL BASIS OF ACCOUNTING
(UNAUDITED)

	Fiscal Year Ended June 30									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Excess (deficiency) of revenues over expenditures	\$ 1,283,557	\$ 347,645	\$ (1,457,458)	\$ (645,335)	\$ (81,735)	\$ (1,103,683)	\$ (2,304,041)	\$ (490,319)	\$ (455,473)	\$ (322,366)
Over financing sources (uses):										
General obligation bonds issued	-	-	-	-	2,445,000	-	-	4,145,000	-	-
Premium on Sale of Bond	-	-	-	-	319,921	-	-	275,122	-	-
Finance purchase agreement	-	-	-	-	-	-	-	-	162,077	247,848
Transfers in	102,831	102,521	72,447	40,734	33,704	44,254	79,631	43,246	14,586	22,602
Transfers out	(102,831)	(102,521)	(72,447)	(40,734)	(33,704)	(44,254)	(79,631)	(43,246)	(14,586)	(22,602)
Total other financing sources (uses)	-	-	-	-	2,764,921	-	-	4,420,122	162,077	247,848
Changes in fund balances	\$ 1,283,557	\$ 347,645	\$ (1,457,458)	\$ (645,335)	\$ 2,683,186	\$ (1,103,683)	\$ (2,304,041)	\$ 3,929,803	\$ (293,396)	\$ (74,518)

Source: The District's financial records.

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NET LIMITED ASSESSED VALUE AND FULL CASH VALUE OF TAXABLE PROPERTY BY CLASS
LAST TEN FISCAL YEARS
(UNAUDITED)

Net Full Cash Value										
Class	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Commercial, Industrial, Utilities and Mining	\$ 94,213,412	\$ 92,213,231	\$ 85,816,433	\$ 82,224,697	\$ 81,072,619	\$ 77,023,685	\$ 40,159,024	\$ 32,559,704	\$ 32,984,720	\$ 40,917,951
Agricultural and Vacant	26,478,498	22,263,596	20,926,896	20,916,448	20,392,954	20,484,282	52,454,935	49,240,870	51,957,992	49,264,589
Residential (Owner Occupied)	32,136,814	23,312,439	21,151,613	20,125,905	17,107,141	14,728,331	14,840,332	15,070,944	12,508,922	14,510,196
Residential (Rental)	12,360,914	9,908,051	9,062,561	8,708,876	8,075,893	7,111,689	6,350,912	5,099,800	4,110,130	2,995,365
Railroad, Private Cars and Airlines	4,061,721	6,253,643	5,629,448	4,437,375	4,754,166	5,030,638	4,774,566	3,721,154	3,549,854	3,617,549
Historical Property	1,765,544	-	-	-	-	-	-	-	-	-
Totals	\$ 171,016,903	\$ 153,950,960	\$ 142,586,951	\$ 136,413,301	\$ 131,402,773	\$ 124,378,625	\$ 118,579,769	\$ 105,692,472	\$ 105,111,618	\$ 111,305,650
Ratio of net full cash assessed values to										
Gross Total Value	\$1,320,173,898	\$1,122,805,414	\$1,027,809,851	\$987,007,648	\$936,124,424	\$885,904,522	\$882,906,518	\$804,366,079	\$753,430,383	\$781,061,133
Ratio of Net Limited Assessed Value to Gross Full Cash Value	12.95%	13.71%	13.87%	13.82%	14.04%	14.04%	13.43%	13.14%	13.95%	14.25%
Total Direct Rate	2.51%	2.50%	2.50%	3.01%	3.20%	3.31%	3.43%	4.07%	4.30%	4.15%
Net Limited Assessed Value										
Class	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Commercial, Industrial, Utilities and Mining	\$ 92,548,381	\$ 91,635,065	\$ 85,490,653	\$ 81,836,773	\$ 80,682,827	\$ 76,685,586	\$ 39,688,013	\$ 32,127,224	\$ 32,726,720	\$ 40,694,772
Agricultural and Vacant	20,034,623	18,097,025	17,190,388	16,874,146	16,318,611	16,766,563	48,632,745	46,854,577	49,121,484	48,455,471
Residential (Owner Occupied)	21,172,987	18,737,783	17,528,645	16,439,296	14,755,643	13,383,688	12,932,392	12,901,495	12,042,464	14,456,664
Residential (Rental)	7,955,456	7,539,912	7,173,494	6,784,201	6,584,538	6,132,040	5,266,248	4,053,195	3,870,191	2,983,281
Railroad, Private Cars and Airlines	3,225,758	4,854,610	4,421,701	3,574,773	3,911,183	4,234,244	4,154,681	3,504,477	3,492,750	3,590,072
Historical Property	1,382,525	-	-	-	-	-	-	-	-	-
Totals	\$ 146,319,730	\$ 140,864,395	\$ 131,804,881	\$ 125,509,189	\$ 122,252,802	\$ 117,202,121	\$ 110,674,079	\$ 99,440,968	\$ 101,253,609	\$ 110,180,260
Ratio of net full cash assessed values to										
Gross Total Value	\$1,096,260,282	\$1,010,356,913	\$935,586,093	\$892,401,537	\$859,840,949	\$825,978,843	\$816,173,401	\$747,511,778	\$726,534,972	\$773,875,737
Ratio of Net Limited Assessed Value to Gross Limited Value	13.35%	13.94%	14.09%	14.06%	14.22%	14.19%	13.56%	13.30%	13.94%	14.24%
Total Direct Rate	2.51%	2.50%	2.50%	3.01%	3.20%	3.31%	3.43%	4.07%	4.30%	4.15%

Source: The State and County Abstract of the Assessment Roll from the Arizona Department of Revenue.

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
PROPERTY TAX ASESMENT RATIOS
LAST TEN FISCAL YEARS
(UNAUDITED)

Property Classification (a)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Commercial, Industrial, Utilities and Mining	17%	18%	18%	18%	18%	18%	18%	18%	19%	19%
Agricultural and Vacant	15%	15%	15%	15%	15%	15%	15%	15%	16%	16%
Residential (Owner Occupied)	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Residential (Rental)	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Railroad, Private Cars and Airlines	14%	15%	15%	15%	15%	14%	15%	14%	15%	16%

Source: The State and County Abstract of the Assessment Roll from the Arizona Department of Revenue.

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

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30	District Direct Rates			Overlapping Rates					
	Primary	Secondary	Total	State Equalization	County	City of Eloy	Eloy Elementary School District	Picacho Elementary School District	Red Rock Elementary School District
2024	2.05	0.46	2.51	0.00	3.56	1.06	5.35	1.82	1.93
2023	2.05	0.46	2.51	0.44	3.56	1.06	6.17	2.65	2.76
2022	2.03	0.47	2.50	0.44	3.56	1.09	5.72	2.74	2.85
2021	2.20	0.80	3.00	0.44	3.75	1.06	5.85	2.18	2.15
2020	2.28	0.93	3.21	0.46	3.79	1.09	6.43	2.29	2.24
2019	2.34	0.96	3.30	0.47	3.83	1.12	6.15	2.36	2.28
2018	2.38	1.05	3.43	0.49	3.87	1.20	5.06	2.51	2.32
2017	2.56	1.51	4.07	0.50	3.87	1.23	5.28	2.62	2.60
2016	2.32	1.98	4.30	0.51	4.00	1.17	5.20	2.62	2.60
2015	2.28	1.87	4.15	0.51	3.80	1.15	4.93	2.62	2.60

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

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
PRINCIPAL PROPERTY TAXPAYERS
FISCAL YEAR ENDED JUNE 30, 2024, AND 2015
(UNAUDITED)

Taxpayer	2024		2015	
	Net Assessed Property Value for Secondary Tax Purposes	Percentage of Net Assessed Property Value for Secondary Tax Purposes	Net Assessed Property Value for Secondary Tax Purposes	Percentage of Net Assessed Property Value for Secondary Tax Purposes
Corecivic Western Operations LLC	\$ 49,482,079	28.93%	\$ 33,449,561	30.05%
Arizona Public Service Company (EPF)	27,866,631	16.29%	16,410,579	14.74%
Unisource Energy Corporatio (EPF)	10,285,016	6.01%	6,118,842	5.50%
Store Master Funding XII LLC	11,616,478	6.79%		
Central Line Solar, LLC	3,400,485	1.99%		
Union Pacific Railroad	3,471,785	2.03%	3,569,941	3.21%
Southwest Gas Corporation	1,966,849	1.15%		
East Line Solar, LLC	1,917,210	1.12%		
EL Paso Natural Gas Co	1,302,432	0.76%	1,058,117	0.95%
Marana Aerospace Solutions, Inc	1,216,919	0.71%		
Bayer Southern Production Co LLC			1,386,528	1.25%
Pulte Home Corporation			685,874	0.62%
Corecivic			647,664	0.58%
Anderson Clayton Corp			546,149	0.49%
SSATravel Centers LLC			483,228	0.43%
Totals	\$ 112,525,884	65.80%	\$ 64,356,483	57.82%

Source: Pinal County Assessor's Office.

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30	Current Collections					
	Taxes Levied for the Fiscal Year	Amount	Percentage of Levy	Collections in Subsequent Fiscal Years	Amount	Percentage of the Levy
2024	\$ 3,556,778	\$ 3,531,370	99.29%	\$ -	\$ 3,531,370	99.29%
2023	3,403,857	3,189,787	93.71%	207,408	3,397,195	99.80%
2022	3,551,023	3,359,657	94.61%	188,253	3,547,910	99.91%
2021	3,655,137	3,595,577	98.37%	54,113	3,649,690	99.85%
2020	3,802,553	3,729,570	98.08%	71,059	3,800,629	99.95%
2019	3,873,153	3,799,002	98.09%	56,829	3,855,831	99.55%
2018	3,684,194	3,601,125	97.75%	78,763	3,679,888	99.88%
2017	3,961,588	3,828,325	96.64%	117,544	3,945,869	99.60%
2016	4,202,830	4,103,980	97.65%	90,106	4,194,086	99.79%
2015	4,450,375	4,342,548	97.58%	97,825	4,440,373	99.78%

Source: Pinal County Treasurer's records and District records.

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30	General Obligation Bonds						Total Outstanding Debt			
	General Obligation Bonds	Less: Amount Restricted for		Total	As Percentage of Estimated Actual		Total	Percentage of Estimated Actual		Percentage of Personal Income
		Principal			Value of Property	Per Capita		Value (Full Cash Value)	Per Capita	
2024	\$ 3,219,489	\$ 354,312	\$	2,865,177	0.26%	\$ 155	\$ 3,219,489	0.24%	\$ 174	0.01%
2023	3,828,990	335,968		3,493,022	0.35%	209	3,828,990	0.34%	229	0.02%
2022	4,395,993	296,444		4,099,549	0.44%	265	4,395,993	0.43%	285	0.02%
2021	4,962,996	442,471		4,520,525	0.51%	266	4,962,996	0.50%	292	0.03%
2020	5,484,999	377,080		5,107,919	0.59%	263	5,484,999	0.59%	282	0.03%
2019	3,310,089	346,647		2,963,442	0.36%	158	3,310,089	0.37%	177	0.02%
2018	3,885,100	313,241		3,571,859	0.44%	188	3,885,100	0.44%	205	0.03%
2017	4,145,000	236,246		3,908,754	0.52%	227	4,145,000	0.52%	241	0.03%
2016	1,019,345	228,758		790,587	0.11%	44	1,019,345	0.14%	57	0.01%
2015	2,620,887	266,547		2,354,340	0.30%	142	2,620,887	0.34%	159	0.03%

Source: The District's financial records.

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2024
(UNAUDITED)

Fiscal Year Ended June 30	Net Assessed Limited Property Value	Net Outstanding Bonded Debt	Approx. Percent	Net Amount
Overlapping				
Pinal County	3,390,905,658	\$ 115,004,525	4.32%	\$ 4,962,518
Pinal County Community College District	3,390,905,658	51,445,000	4.32%	2,219,884
City of Eloy	128,918,969	9,085,000	100.00%	9,085,000
Avra Valley Fire District	26,882,263	4,490,000	100.00%	4,490,000
Eloy Elementary School District No. 11	28,704,293	695,000	100.00%	695,000
Subtotal, Overlapping Debt				<u>\$ 7,404,884</u>
Direct:				
Santa Cruz Valley Union High School District No. 840	\$ 146,319,730	\$ 3,219,489	100.00%	<u>3,219,489</u>
Total direct and overlapping debt				<u>\$ 10,624,373</u>

DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIO

Net directed general obligation bonded debt	
as a percentage of net assessed property value for secondary tax purposes	2.20%
Net direct and overlapping general bonded debt	
per capita	\$231
as a percentage of net assessed property value for secondary tax purposes	7.26%
as a percentage of Gross Full Cash value	0.80%

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 a portion of the District's net limited assessed valuation as a percentage of the net limited assessed valuation of the overlapping jurisdiction.

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)

Legal Debt Margin Calculation:

Net full cash assessed value	\$ 171,016,903
	15%
Debt limit (15% of assessed value)	25,652,535
Less: Net debt applicable to limit	3,219,489
Legal debt margin	\$ 22,433,046

Class B Bond Legal Debt Margin Calculation:

Net full cash assessed value	\$ 171,016,903
	10%
Debt limit (10% of assessed value)	17,101,690
Less: Net debt applicable to limit	3,219,489
Legal debt margin	\$ 13,882,201

Fiscal Year Ended June 30

	2024	2023	2022	2021	2020
Debt Limit	\$ 25,652,535	\$ 23,092,644	\$ 21,388,043	\$ 20,461,995	\$ 19,710,416
Less: Net debt applicable to limit	3,219,489	3,828,990	4,395,993	4,962,996	5,484,999
Legal debt margin	\$ 22,433,046	\$ 19,263,654	\$ 16,992,050	\$ 15,498,999	\$ 14,225,417
Total debt applicable to the limit as percentage of debt limit	12.6%	16.6%	20.6%	24.3%	27.8%

Fiscal Year Ended June 30

	2019	2018	2017	2016	2015
Debt Limit	\$ 18,656,794	\$ 17,786,965	\$ 15,853,871	\$ 15,766,743	\$ 16,695,848
Less: Net debt applicable to limit	3,310,089	3,885,100	4,145,000	1,019,345	2,620,887
Legal debt margin	\$ 15,346,705	\$ 13,901,865	\$ 11,708,871	\$ 14,747,398	\$ 14,074,961
Total debt applicable to the limit as percentage of debt limit	17.7%	21.8%	26.1%	6.5%	15.7%

Source: District records and the State and County Abstract of the Assessment Roll from the Arizona Department of Revenue.

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
COUNTY-WIDE DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

Year	Pinal County					Estimated District Population
	Population	Personal Income	Per Capita	Unemployment		
		(in thousands)		Rate		
2024	484,239	\$ 22,250,782	45,950	4.2%	18,528	
2023	453,924	21,705,576	47,818	3.9%	16,748	
2022	449,557	20,671,977	45,983	3.1%	15,450	
2021	445,251	19,687,597	44,217	7.2%	17,002	
2020	467,932	17,603,992	37,621	5.7%	19,438	
2019	462,789	14,893,430	32,182	5.2%	18,742	
2018	427,603	13,864,299	32,423	5.1%	18,993	
2017	413,312	12,907,958	31,231	5.2%	17,198	
2016	406,584	11,255,255	27,682	5.8%	17,787	
2015	401,918	10,387,778	25,846	6.6%	16,531	

Source: The U.S. Bureau of Labor Statistics, the U.S. Census Bureau, and the Arizona Office of Employment and Population Statistics.

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
PRINCIPAL EMPLOYERS – CITY OF ELOY
FISCAL YEAR ENDING JUNE 30, 2023, AND NINE YEARS PRIOR
(UNAUDITED)

Employer	2023	
	Approximate Number of Employees	Percentage of Total Employment
Corporation Corrections of America	1,546	44.45%
Eloy Elementary School District	155	4.46%
Republic Plastics	142	4.08%
City of Eloy	121	3.48%
Schuff Steel	113	3.25%
Otto Plastics Arizona, LLC	80	2.30%
Skydive Arizona	70	2.01%
Travel Center of America	66	1.87%
Santa Cruz Valley Union High School District	55	1.58%
	<u>2,348</u>	<u>67.48%</u>

Employer	2014	
	Approximate Number of Employees	Percentage of Total Employment
Corporation Corrections of America	1,550	45.89%
Eloy Elementary School District	175	5.18%
Republic Plastics	125	3.70%
City of Eloy	109	3.23%
Otto Plastics Arizona, LLC	70	2.07%
Skydive Arizona	68	2.01%
Travel Center of America	100	2.96%
Santa Cruz Valley Union High School District	70	2.07%
	<u>2,267</u>	<u>67.11%</u>

Source: City of Eloy 2023 ACFR

Note: Information for 2024 and 2015 were not available.

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
FULL-TIME EQUIVALENT DISTRICT EMPLOYEE BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)

	Fiscal Year Ended June 30									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Supervisory										
Superintendent	1	1	1	1	1	1	1	1	1	-
Principals	1	-	1	1	1	1	1	1	1	1
Directors - other	3	4	4	5	4	2	2	2	2	2
Total supervisory	5	5	6	7	6	4	4	4	4	3
Instruction										
Teachers	18	16	18	18	17	16	15	19	19	16
Instructional Aides	2	3	2	1	3	4	4	3	2	4
Total Instruction	20	19	20	19	20	20	19	22	21	20
Student Services										
Guidance Counselor	1	1	1	1	1	1	1	1	1	1
Other	1	1	1	-	-	4	3	1	1	1
Total Student services	2	5	2	1	1	5	4	2	2	2
Support and Administration										
Clerical workers	4	5	6	5	5	5	5	5	5	2
Maintenance workers	3	3	4	5	5	5	4	4	6	3
Bus Drivers	3	4	3	3	4	4	4	4	3	3
Food Service workers	3	4	3	3	4	4	4	4	3	2
Other classified	5	1	3	5	3	8	8	5	6	5
Total support and administration	18	17	19	21	21	26	25	22	23	15
Total full-time equivalent employees	45	46	47	48	48	55	52	50	50	40

Source: The District's personnel records.

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
AVERAGE DAILY MEMBERSHIP
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Fiscal Year</u>	<u>Average Daily Membership</u>	<u>Percent Change</u>
2023-24	411	11%
2022-23	369	18%
2021-22	312	-2%
2020-21	319	-15%
2019-20	374	-9%
2018-19	409	0%
2017-18	408	-8%
2016-17	444	0%
2015-16	446	10%
2014-15	407	6%

Source: The Arizona Department of Education.

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30	100 Day Count Average Daily Membership	Governmental Funds Operating Expenditures	Cost per Pupil	% Change Cost per Pupil	District Wide Expenses	Cost per Pupil	% Change	Teaching Staff	Pupil- Teacher Ratio	% of Free & Reduced Students
2024	411	5,498,461	\$13,378	-28.56%	6,410,405	\$15,597	-24.62%	18	22.8	86.8%
2023	369	6,910,406	18,727	-17.78%	7,634,682	20,690	-17.82%	16	23.1	81.9%
2022	312	7,106,140	22,776	17.38%	7,855,393	25,178	16.67%	18	17.3	82.9%
2021	319	6,189,674	19,403	22.42%	6,884,243	21,581	20.34%	18	17.7	82.9%
2020	374	5,928,015	15,850	3.79%	6,706,919	17,933	5.22%	17	22.0	85.5%
2019	409	6,245,794	15,271	-13.48%	6,970,485	17,043	-13.39%	16	25.6	86.5%
2018	408	7,200,989	17,649	51.97%	8,028,434	19,678	32.05%	15	27.2	85.9%
2017	444	5,156,546	11,614	7.92%	6,616,522	14,902	-0.16%	19	23.4	83.9%
2016	446	4,799,529	10,761	2.16%	6,657,222	14,927	-0.56%	19	23.5	86.8%
2015	407	4,287,315	10,534	N/A	6,109,497	15,011	N/A	16	25.4	85.6%

Source: The District's financial records.

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

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
CAPITAL ASSET INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)

	Fiscal Year Ended June 30									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<u>Schools:</u>										
High School:										
Buildings	9	9	9	9	9	9	9	9	9	9
Square feet	113,071	113,071	113,071	113,071	113,071	113,071	113,071	113,071	113,071	113,071
Capacity	875	875	875	875	875	875	875	875	875	875
Enrollment	411	369	312	319	374	409	408	444	446	407
<u>Administrative:</u>										
Buildings	2	2	2	2	2	2	2	2	2	2
Square feet	6,356	6,356	6,356	6,356	6,356	6,356	6,356	6,356	6,356	6,356
<u>Athletics:</u>										
Football fields	1	1	1	1	1	1	1	1	1	1
Running tracks	1	1	1	1	1	1	1	1	1	1
Baseball/softball	2	2	2	2	2	2	2	2	2	2

Source: The District's records and the School Facilities Board.



See what's possible.

SANTA CRUZ VALLEY UNION
HIGH SCHOOL DISTRICT NO. 840

SINGLE AUDIT REPORT

Fiscal Year Ended June 30, 2024

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
SINGLE AUDIT REPORT
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2024

CONTENTS

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1
Independent Auditor's Report on Compliance For Each Major Program on Internal Control Over Compliance and Report on the Schedule of Expenditures of Federal Awards as Required by the Uniform Guidance	3
Schedule of Expenditures of Federal Awards	6
Notes to the Schedule of Expenditures of Federal Awards	7

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditors' Results	8
Section II - Financial Statement Findings	9
Section III - Federal Award Findings and Questioned Costs	10
Summary Schedule of Prior Year Findings and Questioned Costs	11



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Governing Board of
Santa Cruz Union High School District No. 840
Eloy, Arizona

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Santa Cruz Union High School District No. 840 (District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 13, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's basic financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Audit Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Mesa, Arizona
January 13, 2025



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM,
REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

Governing Board of
Santa Cruz Union High School District No. 840
Eloy, Arizona

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Santa Cruz Union High School District No. 840's (District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

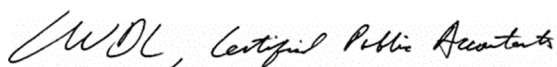
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiencies. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated January 13, 2025, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is 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. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Mesa, Arizona
January 13, 2025

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster	Federal Assistance Listing Number	Additional Award Identification (Optional)	Pass-Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Agriculture:					
<i>Passed through The Arizona Department of Education:</i>					
Child Nutrition Cluster:					
School Breakfast Program	10.553		ADE ED09-0001	\$ 33,083	\$ -
National School Lunch Program	10.555		ADE ED09-0001	145,397	-
Commodities - Food Distribution Noncash	10.555		ADE ED09-0001	31,967	-
Supply Chain Assistance	10.555	COVID-19	ADE ED09-0001	21,863	-
Summer Food Service Program	10.559		ADE ED09-0001	2,080	-
Subtotal Child Nutrition Cluster				234,390	-
Total U. S. Department of Agriculture				234,390	-
U.S. Department of Education:					
<i>Passed through the Arizona Department of Education:</i>					
Title I - LEAs	84.010		24FT1TTI-411487-01A	316,894	-
Special Education Cluster (IDEA):					
IDEA Basic Grant Entitlement	84.027		24ICSGBA-411487-01A	87,770	-
Subtotal Special Education Cluster (IDEA)				87,770	-
Career and Technical Education - Vocational Education	84.048		24FCTDBG-411487-08A	48,209	-
Student Support & Academic Enrichment	84.424		24FT4TIV-411487-01A	32,163	-
Rural and Low-Income Schools	84.358		N/A	2,490	-
English Language Acquisition State Grants	84.365		N/A	6,776	-
Title II - Improving Teacher Quality	84.367		24FT1TII-411487-03A	23,710	-
Education Stabilization Fund (ESSER III)	84.425U	COVID-19	21FESIII-111487-01A	322,567	-
Total U. S. Department of Education				840,579	-
Total Federal Expenditures				\$ 1,074,969	\$ -

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the District's federal grant activity for the year ended June 30, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

NOTE 3 - FEDERAL ASSISTANCE LISTING NUMBERS

The program titles and Federal Assistance Listings numbers were obtained from the federal or passthrough grantor or the 2024 Federal Assistance Listings.

NOTE 4 - NON-CASH ASSISTANCE

Food donations as reported for the Child Nutrition Cluster represents the amount of donated food used during the fiscal year ended June 30, 2024. Commodities are valued at fair value at the time of donation.

NOTE 5 - INDIRECT COST RATE

The District did not elect to use the 10 percent de minimis indirect cost rate as covered in 2 CFR §200.414.

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024

SECTION I - SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued:	<u>Unmodified</u>
Is a going concern emphasis-of-matter paragraph included in the auditors' report?	<u>No</u>
Internal control over financial reporting:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified not considered to be material weaknesses?	<u>None noted</u>
Non-compliance material to financial statements noted?	<u>No</u>

FEDERAL AWARDS

Internal control over major programs:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified not considered to be material weaknesses?	<u>None noted</u>
Type of auditors' report issued on compliance for major programs:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<u>No</u>

Identification of major programs:

<u>Federal Assistance Numbers</u>	<u>Name of Federal Program of Cluster</u>
<u>10.553, 10.555, 10.559</u>	<u>Child Nutrition Cluster</u>
<u>84.425U</u>	<u>Education Stabilization Fund - COVID-19</u>

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 750,000</u>
Auditee qualified as low-risk auditee?	<u>No</u>

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024

SECTION II - FINANCIAL STATEMENT FINDINGS

Our audit did not disclose any financial statement findings to be reported.

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024

SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024

No prior year findings.