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

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2025**



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

ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED JUNE 30, 2025

Issued by:
Business and Finance Department

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2025

INTRODUCTORY SECTION

Letter of Transmittal	5
Organizational Chart	10
List of Principal and Elected Officials	11

FINANCIAL SECTION

Independent Auditors' Report	13
Management's Discussion and Analysis	17
Basic Financial Statements:	
Governmental-wide Financial Statements	
Statement of Net Position	25
Statement of Activities	26
Fund Financial Statements	
Governmental Funds - Balance Sheet	27
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	28
Governmental Funds - Statement of Revenues, Expenditures and Changes in Fund Balances	29
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	30
Notes to the Basic Financial Statements	32

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the Proportionate Share of the Net Pension Liability and Contributions	52
Budgetary Comparison Schedule for the General Fund (Budgetary Basis)	53
Budgetary Comparison Schedule for the Special Projects Fund	54
Notes to Required Supplementary Information	55

OTHER SUPPLEMENTARY INFORMATION

Nonmajor Governmental Fund Descriptions	57
Combining Statements - Nonmajor Governmental Funds:	
Combining Balance Sheet - Nonmajor Governmental Funds	58
Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds	59
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Classroom Site Fund	60
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Instructional Improvement Fund	61
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Other Special Revenue Fund	62
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Food Service Fund	63
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Adjacent Ways Fund	64
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Bond Building Fund	65
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Debt Service Fund	66

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2025

STATISTICAL SECTION

Statistical Section Descriptions	68
Financial Trends:	
Net Position by Component	69
Expense, Program Revenues, and Net Position	70
General Revenues and Total Changes in Net Position	71
Fund Balances - Governmental Funds	72
Revenues - Governmental Funds	73
Expenditures and Debt Service Ratio - Governmental Funds	74
Other Financing Sources and Uses and Net Changes in Fund Balances - Governmental Funds	75
Revenue Capacity:	
Net Limited Assessed Value and Full Cash Value of Taxable Property by Class	76
Property Tax Assessment Ratios	77
Direct and Overlapping Property Tax Rates	78
Principal Property Taxpayers	79
Property Tax Levies and Collections	80
Debt Capacity:	
Outstanding Debt by Type	81
Direct and Overlapping Governmental Activities Debt	82
Legal Debt Margin Information	83
Demographic and Economic Information:	
County-Wide Demographic and Economic Statistics	84
Principal Employers - City of Eloy	85
Full-Time Equivalent District Employees by Type	86
Average Daily Membership	87
Operating Information:	
Operating Statistics	88
Capital Asset Information	89



SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT #840

900 North Main Street

Eloy, AZ 85131

Phone: (520) 466-2220

Website: www.scvuhs.org

February 4, 2026

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, 2025.

This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all 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 Advisent Assurance, LLP, a certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2025, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2025, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent 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 February 4, 2026.

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 it's 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 \$47,542. 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 operations. With the area's poverty levels, a request to increase the 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.

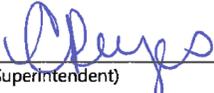
The District continues to focus on the development of contingency funding and increased fund balances to address unanticipated changes in funding that will allow the District to leverage available resources and capture potential efficiencies.

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,

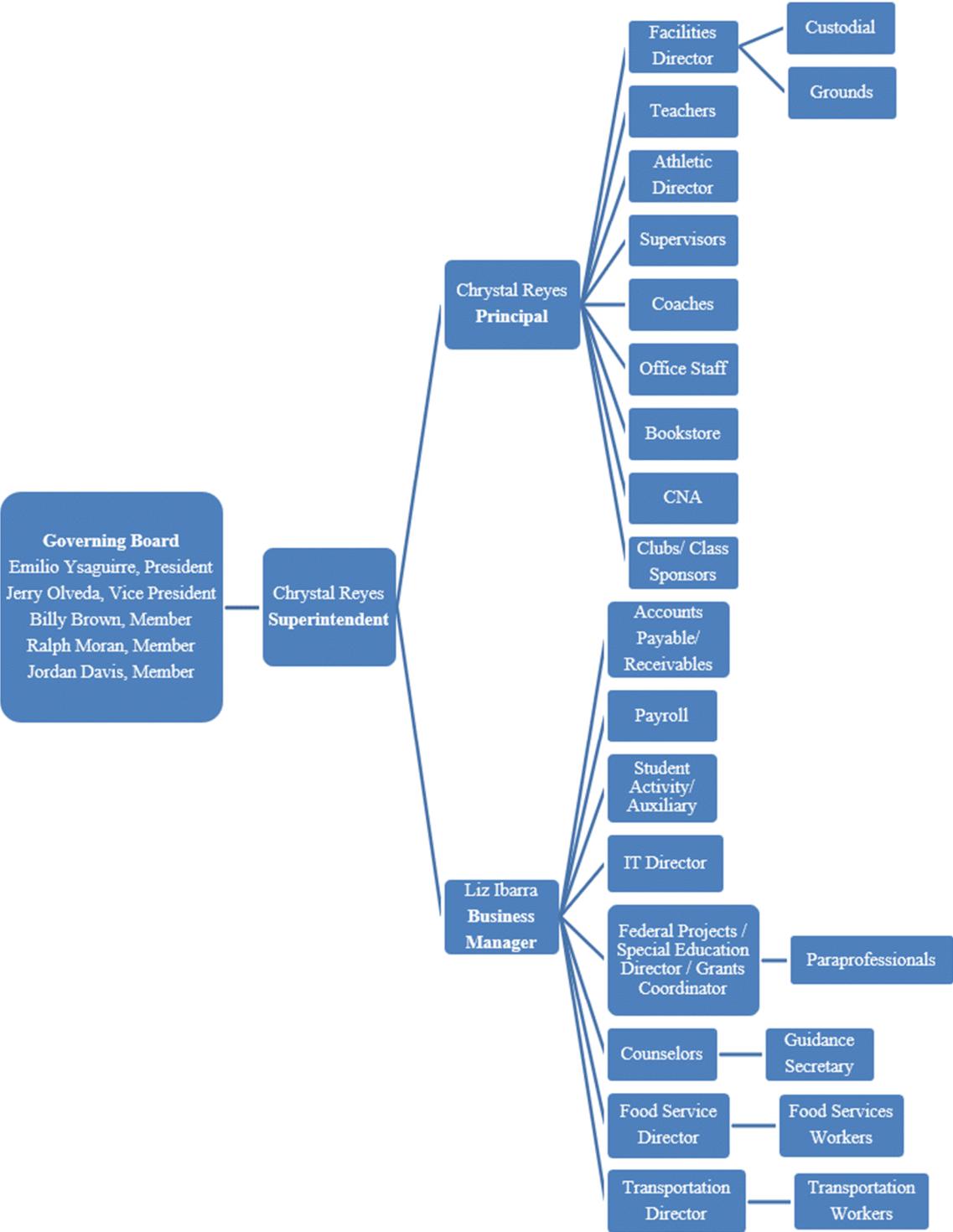


(Superintendent)



(Business Manager)

**SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
 ORGANIZATIONAL CHART
 YEAR ENDED JUNE 30, 2025**



**SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
LIST OF PRINCIPAL AND ELECTED OFFICIALS
YEAR ENDED JUNE 30, 2025**

GOVERNING BOARD

Emilio Ysaguirre
President

Jerry Loveda
Vice-President

Billy Brown
Member

Jordan Davis
Member

Ralph Moran
Member

ADMINISTRATIVE STAFF

Chrystal Reyes, Superintendent

Elizabeth Ibarra, Business Services

Johnny Lopez, Maintenance Director

Michael Jimenez, 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, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the 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, 2025 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.

As discussed in Note 1 and 11 to the basic financial statements, for the year ended June 30, 2025, the District adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

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.



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.

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 February 4, 2026 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.

Advisent Assurance, LLP

Mesa, Arizona
February 4, 2026

REQUIRED SUPPLEMENTARY INFORMATION

**SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

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, 2025.

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 \$13.2 million (net position). The District's total net position increased by \$0.7 million.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$5.0 million, an increase of \$0.6 million in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$3.7 million, or 88% of total General Fund expenditures.
- The District's net capital assets decreased \$0.8 million during the current year. The most significant factor contributing to the decrease in net capital assets was depreciation expense exceeding current year's capital acquisitions.
- The District's long-term liabilities decreased \$0.6 million or 10% due to the scheduled payments on School Improvement Bonds.

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
MANGEMENT’S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

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 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 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 27 - 30 of this report.

Notes to the Basic Financial Statements

The notes to the 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 the basic financial statements can be found on pages 32 - 50 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 52.

**SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
MANGEMENT’S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

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 53 and 54 of this report. Notes to the RSI are presented after the budgetary comparison schedules on page 55.

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 58 - 66 of this report, following the fund descriptions on page 57.

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 68 - 89 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 \$13.2 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		
	2025	(restated) 2024	Net Change
ASSETS			
Current and other assets	\$ 5,418,936	\$ 4,887,861	\$ 531,075
Capital assets	13,082,693	13,866,093	(783,400)
Total Assets	18,501,629	18,753,954	(252,325)
DEFERRED OUTFLOWS	504,408	344,855	159,553
Total Assets and Deferred Outflows	19,006,037	19,098,809	(92,772)
LIABILITIES			
Current liabilities	151,013	151,110	(97)
Long-term liabilities	5,341,678	5,966,647	(624,969)
Total Liabilities	5,492,691	6,117,757	(625,066)
DEFERRED INFLOWS	336,020	456,617	(120,597)
Total Liabilities and Deferred Inflows	5,828,711	6,574,374	(745,663)
NET POSITION			
Net investment in capital assets	10,482,708	10,719,092	(236,384)
Restricted	1,420,065	1,249,079	170,986
Unrestricted	1,274,553	556,264	718,289
Total Net Position	\$ 13,177,326	\$ 12,524,435	\$ 652,891

**SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

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 \$0.7 million or 5%. Key elements of this increase are indicated as follows:

	Governmental Activities		
	2025	2024	Net Change
REVENUES			
Program revenues:			
Charges for services	\$ 255,913	\$ 185,916	\$ 69,997
Operating grants and contributions	1,388,993	1,991,104	(602,111)
Capital grants and contributions	94,624	-	94,624
General revenues:			
Property taxes	3,519,597	3,573,445	(53,848)
State equalization and additional state aid	1,616,891	1,743,751	(126,860)
County equalization	4	18	(14)
Interest and other	177,295	206,705	(29,410)
Total Revenues	7,053,317	7,700,939	(647,622)
EXPENSES			
Instruction	2,437,748	2,196,466	241,282
Support Services:			
Students and instructional staff	545,169	553,568	(8,399)
Administration	749,018	672,426	76,592
Operation and maintenance of plant	1,794,155	1,732,342	61,813
Operation of noninstructional services	454,540	426,857	27,683
Student transportation	370,624	427,425	(56,801)
Interest on long-term debt	49,172	68,637	(19,465)
Total Expenses	6,400,426	6,077,721	322,705
Change in net position	652,891	1,623,218	(970,327)
Net Position - Beginning, as restated	12,524,435	10,901,217	1,623,218
Net Position - Ending	\$ 13,177,326	\$ 12,524,435	\$ 652,891

**SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
MANGEMENT’S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

The District reported an increase in charges for services of \$69,997 (38%) primarily due to increase in revenues from Career Technical Education Districts for vocational education programs.

Operating grants and contributions decreased \$0.6 million (30%) due to decreases in federal funding related to COVID-19 initiatives.

Capital grants and contributions increased \$94,624 due to revenues received in the current year to reimburse expenditures for projects funded by the ADOA’s School Facilities Division.

The District experienced a decrease in property tax revenue of \$53,848 (2%) which was not considered significant.

State and county equalization and additional state aid decreased \$0.1 million (7%) due to the change in the state funding formula.

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

The District incurred a 5% increase 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 increase was mainly due to increases in salaries and related benefit costs, insurance, utilities, 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 \$5.0 million, an increase of \$0.6 million in comparison with the prior year. Approximately 74% of this total amount (\$3.7 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, 2025, and the changes in fund balances from prior year are summarized below:

GOVERNMENTAL FUND	Balance	Increase (Decrease) From 2023-24
General Fund	\$ 3,719,272	\$ 434,370
Special Projects Fund	146,850	16,319
Debt Service Fund	339,676	(16,714)
Nonmajor Governmental Funds	843,207	116,451
Total Governmental Fund Balance	\$ 5,049,005	\$ 550,426

**SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
MANGEMENT’S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

The General Fund continues to experience a positive net change in fund balance. For the fiscal year ended June 30, 2025 the General Fund had an increase in fund balance of \$0.4 million. This increase was mainly due to current year revenues exceeding current year expenditures because of continued conservative spending practices.

The changes in the Special Projects Fund and the Debt Service Fund were not considered significant.

The increase of \$0.1 million in the Nonmajor Governmental Funds was mainly due to the accumulation of classroom site fund and instructional improvement fund resources.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget totaled \$0.3 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 due to an increase in regular education – instruction. Budgetary basis General Fund expenditures were \$1.7 million less than budget during the fiscal year. Budgetary basis expenditures were 31% under budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The District’s investment in capital assets for its governmental activities as of June 30, 2025, amounts to \$13.1 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, vehicles, furniture, and equipment. The net decrease in the District’s investment in capital assets for the current year was due to current year depreciation expense exceeding capital acquisitions during the current fiscal year.

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

- Campus intercom upgrade.
- HVAC replacement.
- Other equipment.
- District vehicles.

Capital asset activity as of June 30, 2025 is summarized below:

	Governmental Activities		
	2025	2024	Net Change
CAPITAL ASSETS			
Land	\$ 240,011	\$ 240,011	\$ -
Land improvements	1,845,005	2,006,315	(161,310)
Buildings & improvements	9,612,089	10,108,987	(496,898)
Vehicles, equipment, and furniture	1,385,588	1,510,780	(125,192)
Total Capital Assets	\$ 13,082,693	\$ 13,866,093	\$ (783,400)

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
MANGEMENT’S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

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 \$8,741 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 increased \$27,485 due to factors as explained in Note 10 of this report. The change within the net OPEB liability was not considered significant.

	Governmental Activities		
	2025	(restated) 2024	Net Change
LONG-TERM LIABILITIES			
General obligation bonds	\$ 2,385,000	\$ 2,945,000	\$ (560,000)
Unamortized premium	214,985	274,489	(59,504)
Financed purchases	-	22,656	(22,656)
Compensated absences	149,047	157,788	(8,741)
Net pension liability	2,592,244	2,564,759	27,485
Net OPEB liability	402	1,955	(1,553)
Total Long-term Liabilities	\$ 5,341,678	\$ 5,966,647	\$ (624,969)

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 \$32.4 million, and the Class B debt limit is \$21.6 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.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

- Economic inflation factors.
- Student population.
- 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 2025-26 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, 2025

	Governmental Activities
ASSETS	
Cash and investments	\$ 4,585,534
Property taxes receivable	142,003
Intergovernmental receivable	564,840
Accounts receivable	31,293
Deposits	4,934
Net OPEB asset	90,332
Capital assets, not depreciated	240,011
Capital assets, net of accumulated depreciation	<u>12,842,682</u>
Total Assets	<u>18,501,629</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	492,129
Deferred outflows related to OPEB - cost sharing	<u>12,279</u>
Total Deferred Outflows of Resources	<u>504,408</u>
LIABILITIES	
Accounts payable	151,013
Long-term liabilities:	
Due within one year	660,393
Due in more than one year	<u>4,681,285</u>
Total Liabilities	<u>5,492,691</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	298,782
Deferred inflows related to OPEB - cost sharing plan	<u>37,238</u>
Total Deferred Inflows of Resources	<u>336,020</u>
NET POSITION	
Net investment in capital assets	10,482,708
Restricted:	
Net OPEB asset	90,332
Teacher compensation and other qualified programs (A.R.S 15-977)	155,216
Instructional improvement programs	261,714
Federal and state instructional programs	146,850
Food service	113,282
Civic center	1,971
Community programs	9,644
Extracurricular activities	29,099
Student activities	58,444
CTED	37,111
Other	522
Capital projects	176,204
Debt service	339,676
Unrestricted	<u>1,274,553</u>
Total Net Position	<u>\$ 13,177,326</u>

See accompanying Notes to the Basic Financial Statements

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

Function/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position in Net Position Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
Governmental Activities:					
Instruction	\$ 2,437,748	\$ 160,453	\$ 833,822	\$ -	\$ (1,443,473)
Support services:					
Students	427,225	2,795	112,705	-	(311,725)
Instructional staff	117,944	2,416	68,101	-	(47,427)
General administration	144,316	1,266	2,314	-	(140,736)
School administration	149,841	1,273	9,100	-	(139,468)
Business and other support services	454,861	3,521	63,883	-	(387,457)
Operation and maintenance of plant	1,794,155	9,817	27,021	94,624	(1,662,693)
Student transportation	370,624	34,843	14,387	-	(321,394)
Operation of noninstructional services	454,540	39,529	257,660	-	(157,351)
Interest on long-term debt	49,172	-	-	-	(49,172)
Total	\$ 6,400,426	\$ 255,913	\$ 1,388,993	\$ 94,624	\$ (4,660,896)
General revenues:					
Property taxes					3,519,597
Grants and contributions not restricted to specific programs:					
State equalization and additional state aid					1,616,891
County equalization					4
Investment earnings					136,992
Other					40,303
Total general revenues					<u>5,313,787</u>
Change in net position					652,891
Net position - July 1, 2024					<u>12,643,439</u>
Aggregate amount of adjustments to and restatements of beginning net position					(119,004)
Net position - July 1, 2024, as restated					<u>12,524,435</u>
Net position - ending					<u>\$ 13,177,326</u>

See accompanying Notes to the Basic Financial Statements

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	General Fund	Special Projects Fund	Debt Service Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 3,424,800	\$ -	\$ 337,248	\$ 823,486	\$ 4,585,534
Receivables:					
Property taxes	112,004	-	29,999	-	142,003
Intergovernmental	58,376	480,866	-	25,598	564,840
Accounts receivable	1,293	30,000	-	-	31,293
Deposits	-	-	-	4,934	4,934
Due from other funds	373,298	-	-	-	373,298
Total Assets	\$ 3,969,771	\$ 510,866	\$ 367,247	\$ 854,018	\$ 5,701,902
LIABILITIES					
Accounts payable	\$ 149,484	\$ 1,256	\$ -	\$ 273	\$ 151,013
Due to other funds	-	362,760	-	10,538	373,298
Total Liabilities	149,484	364,016	-	10,811	524,311
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues					
Property taxes	101,015	-	27,571	-	128,586
Total Deferred inflows of resources	101,015	-	27,571	-	128,586
FUND BALANCES					
Restricted	-	146,850	339,676	843,207	1,329,733
Unassigned	3,719,272	-	-	-	3,719,272
Total Fund Balances	3,719,272	146,850	339,676	843,207	5,049,005
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 3,969,771	\$ 510,866	\$ 367,247	\$ 854,018	\$ 5,701,902

**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, 2025**

Total Fund Balance - Governmental Funds \$ 5,049,005

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	\$ 27,238,433	
Accumulated depreciation	<u>(14,155,740)</u>	13,082,693

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:

128,586

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:

90,332

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	(2,385,000)	
Unamortized premiums	(214,985)	
Net pension liability	(2,592,244)	
Net OPEB liability	(402)	
Compensated absences	<u>(149,047)</u>	(5,341,678)

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:	492,129	
Deferred inflows of resources relating to pensions:	(298,782)	
Deferred outflows of resources relating to cost sharing OPEB:	12,279	
Deferred inflows of resources relating to cost sharing OPEB:	<u>(37,238)</u>	<u>168,388</u>

Total Net Position - Governmental Activities \$ 13,177,326

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, 2025

	General Fund	Special Projects Fund	Debt Service Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	\$ 2,870,484	\$ -	\$ 635,659	\$ 207	\$ 3,506,350
Intergovernmental	1,617,014	692,305	-	839,030	3,148,349
Tuition	-	-	-	67,620	67,620
Food Services Sales	-	-	-	38,086	38,086
Auxiliary operations	35,987	-	-	-	35,987
Student activities	-	-	-	109,841	109,841
Investment earnings	94,749	236	20,537	21,470	136,992
Other	10,303	30,000	-	4,379	44,682
Total Revenues	4,628,537	722,541	656,196	1,080,633	7,087,907
EXPENDITURES					
Current					
Instruction	1,605,987	347,841	-	535,485	2,489,313
Support services:					
Students	330,058	117,770	-	-	447,828
Instructional staff	51,353	71,143	-	1,986	124,482
General administration	149,544	2,414	-	-	151,958
School administration	150,302	9,506	-	-	159,808
Business and other support services	386,629	65,102	-	1,783	453,514
Operations and maintenance of plant	1,132,952	26,713	-	1,616	1,161,281
Student transportation	217,257	14,652	-	33,083	264,992
Operations of noninstructional services	94,465	18,342	-	271,846	384,653
Debt service:					
Principal	18,607	-	560,000	-	578,607
Interest and fiscal charges	475	-	112,910	-	113,385
Capital outlay:					
Facilities acquisition	112,516	-	-	95,144	207,660
Total Expenditures	4,250,145	673,483	672,910	940,943	6,537,481
Excess (Deficiency) of Revenues Over Expenditures	378,392	49,058	(16,714)	139,690	550,426
Other Financing Sources (Uses)					
Transfers in	55,978	-	-	-	55,978
Transfers out	-	(32,739)	-	(23,239)	(55,978)
Net Financing Sources (Uses)	55,978	(32,739)	-	(23,239)	-
NET CHANGE IN FUND BALANCE	434,370	16,319	(16,714)	116,451	550,426
Fund Balance - July 1, 2024	3,284,902	130,531	356,390	726,756	4,498,579
Fund Balance - June 30, 2025	\$ 3,719,272	\$ 146,850	\$ 339,676	\$ 843,207	\$ 5,049,005

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, 2025**

Net Change in Fund Balances - Governmental Funds \$ 550,426

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:	\$ 240,457	
Depreciation expense:	<u>(1,023,857)</u>	(783,400)

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		13,247
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		310,114
Pension expense		(56,904)
OPEB ASRS contributions		5,295
OPEB ASRS expense		11,049

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		59,504
Principal payment on financed purchases		22,656

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		<u>8,741</u>
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Change in Net Position of Governmental Activities		<u>\$ 652,891</u>
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NOTES TO THE BASIC FINANCIAL STATEMENTS

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

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. For the year ended June 30, 2025, the District implemented the provisions of GASB Statement No. 101, *Compensated Absences*, which updates the recognition and measurement guidance for compensated absences. The District's financial statements have been modified to reflect the implementation of this new standard.

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, 2025

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, 2025

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 (\$480,866), state grants (\$73,436), and CTED (\$10,538).

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

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 \$4,934 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, 2025

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 District recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – vacation and sick leave. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Vacation – The District’s policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment at the employee’s current pay rate upon separation from employment.

Sick Leave – The District’s policy permits employees to accumulate earned but unused sick leave to a maximum of one hundred eighty (180) days. All sick leave lapses when employees leave the employ of the District and, upon separation from service, no monetary obligation exists. However, a liability for estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences.

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, 2025, 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.

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

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

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.

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)	\$ -	\$ -	\$ -	\$ 155,216	\$ 155,216
Instructional improvement programs	-	-	-	261,714	261,714
Federal and state instructional programs	-	146,850	-	-	146,850
Food service	-	-	-	113,282	113,282
Civic center	-	-	-	1,971	1,971
Community programs	-	-	-	9,644	9,644
Extracurricular activities	-	-	-	29,099	29,099
Student activities	-	-	-	58,444	58,444
CTED	-	-	-	37,111	37,111
Other	-	-	-	522	522
Capital projects	-	-	-	176,204	176,204
Debt service	-	-	339,676	-	339,676
Total restricted	-	146,850	339,676	843,207	1,329,733
Unassigned	3,719,272	-	-	-	3,719,272
Total	\$ 3,719,272	\$ 146,850	\$ 339,676	\$ 843,207	\$ 5,049,005

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

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. The District over-expended the Nonmajor Governmental Bond Building Fund by \$95,144. The District had cash available within the Bond Building Fund to make the expenditures.

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, 2025 consist of the following:

Deposits:	
Cash in bank	\$ 101,406
Investments:	
Cash on deposit with county treasurer	<u>4,484,128</u>
Total deposits and investments	<u>\$ 4,585,534</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 \$101,406 of cash on deposit with a local financial institution and a bank balance of \$103,093 at June 30, 2025. 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, 2025, 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.

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.

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

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. The District did not report any unearned revenue during the current fiscal year.

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	\$ 101,015
Debt Service Fund	27,571
Total	<u>\$ 128,586</u>

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025 was as follows:

	Balance July 01, 2024	Additions	Deductions	Balance June 30, 2025
Capital assets not being depreciated				
Land	\$ 240,011	\$ -	\$ -	\$ 240,011
Total capital assets not being depreciated	240,011	-	-	240,011
Capital assets being depreciated				
Land improvements	4,018,948	-	-	4,018,948
Buildings and improvements	19,384,505	194,467	-	19,578,972
Vehicles, equipment, and furniture	3,354,512	45,990	-	3,400,502
Total capital assets being depreciated	26,757,965	240,457	-	26,998,422
Less accumulated depreciation				
Land improvements	(2,012,633)	(161,310)	-	(2,173,943)
Buildings and improvements	(9,275,518)	(691,365)	-	(9,966,883)
Vehicles, equipment, and furniture	(1,843,732)	(171,182)	-	(2,014,914)
Total accumulated depreciation	(13,131,883)	(1,023,857)	-	(14,155,740)
Total capital assets, being depreciated, net	13,626,082	(783,400)	-	12,842,682
Governmental activities capital assets, net	<u>\$ 13,866,093</u>	<u>\$ (783,400)</u>	<u>\$ -</u>	<u>\$ 13,082,693</u>

Depreciation expenses was charged to governmental functions as follows:

Governmental Activities:	
Instruction	\$ 117,830
Support Services:	
Students	1,741
School Administration	1,092
Business and Other Support Services	28,426
Operations and Maintenance of Plant	660,495
Student Transportation	113,292
Operation of Noninstructional Services	100,981
	<u>\$ 1,023,857</u>

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 6 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

As of June 30, 2025, interfund receivables and payables were as follows:

Due to other funds	Due from other funds		
	Special Projects	Nonmajor	Total
	Fund	Funds	
General Fund	\$ 362,760	\$ 10,538	\$ 373,298

The interfund receivable and payable between the General Fund, Special Projects Fund, and the Nonmajor Governmental Funds are due to cash shortfalls at June 30, 2025. Cash will be received subsequent to June 30, 2025 to repay the short-term borrowings.

Interfund transfers for the year ended June 30, 2025 consisted of the following:

Transfer to	Transfer from		
	Special Projects	Nonmajor	Total
	Fund	Funds	
General fund	\$ 32,739	\$ 23,239	\$ 55,978

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

NOTE 7 – LONG-TERM OBLIGATIONS

Changes in long-term liabilities for the year ended June 30, 2025 are as follows:

	Balance			Balance	Due Within
	July 01, 2024	Additions	Deductions	June 30, 2025	One Year
School improvement bonds	\$ 2,945,000	\$ -	\$ (560,000)	\$ 2,385,000	\$ 585,000
Unamortized premium	274,489	-	(59,504)	214,985	-
Financed purchases	22,656	-	(22,656)	-	-
Compensated absences*	157,788	-	(8,741)	149,047	75,393
Net pension liability	2,564,759	27,485	-	2,592,244	-
Net OPEB liability	1,955	-	(1,553)	402	-
Total	\$ 5,966,647	\$ 27,485	\$ (652,454)	\$ 5,341,678	\$ 660,393

* - The change in compensated absences above is a net change of the year.

Generally, for governmental activities, the net pension/OPEB liabilities are liquidated by the General Fund.

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

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 \$32.4 million, and the available margin is \$30.0 million.

As of June 30, 2025, 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%	7/1/26 - 27	\$ 4,145,000	\$ 825,000
School Improvement Bonds Project of 2016, Series B (2021)	3.0-4.0%	7/1/26 - 30	2,445,000	1,560,000
			<u>\$ 6,590,000</u>	<u>\$ 2,385,000</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
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>\$ 2,385,000</u>	<u>\$ 258,450</u>

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

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, 2025

NOTE 10 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Cost Sharing Pension Plan

As of June 30, 2025, 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)	\$ -	\$ 90,332	\$ 90,332
Net pension liability	2,592,244	402	2,592,646
Deferred outflows of resources	492,129	12,279	504,408
Deferred inflows of resources	298,782	37,238	336,020
Pension expense	56,904	(11,049)	45,855

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	Sum of years and age equals	
	80	30 years, age 55
age required to	10 years, age 62	25 years, age 60
receive benefit	5 years, age 50*	10 years, age 62
	Any years, age 65	5 years, age 50*
		Any years, age 65
Final average salary	Highest 36 consecutive	Highest 60 consecutive
is based on	months of last 120 months	months of last 120 months
Benefit percent per	2.1% to 2.3%	2.1% to 2.3%
year of service		

*With actuarially reduced benefits.

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

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, 2025, active ASRS members were required by statute to contribute at the actuarially determined rate of 12.27% (12.12% 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 12.27% (12.05% for retirement, 0.07% 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 10.19% (10.14% 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, 2025, were \$310,114 \$1,801, and \$3,494, respectively.

During the fiscal year ended June 30, 2025, the District paid for ASRS pension as follows: 69% from the General Fund, 15% from the Special Projects Fund, and 16% from Nonmajor Governmental Funds.

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 10 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Arizona State Retirement System (Continued)

Pension Liability

As of June 30, 2025, 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	\$ 2,592,244
Health insurance premium benefit	(90,332)
Long-term disability	402
Total Pension/OPEB Liability (asset):	<u>\$ 2,502,314</u>

The net assets and net liabilities were measured as of June 30, 2024. 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, 2023, to the measurement date of June 30, 2024.

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, 2024, and the change from its proportions measured as of June 30, 2023, were:

	District % Proportion June 30, 2024	Increase (Decrease) from June 30, 2023
Pension	0.01620%	0.00035%
Health insurance premium benefit	0.01495%	0.00106%
Long-term disability	0.01544%	0.00052%

Pension Expense

For the year ended June 30, 2025, the District recognized the following pension and OPEB expense.

	Pension/OPEB Expense
Pension	\$ 56,904
Health insurance premium benefit	(12,548)
Long-term disability	1,499
Total Pension/OPEB Expense:	<u>\$ 45,855</u>

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 10 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Arizona State Retirement System (Continued)

Deferred Outflows/Inflows of Resources

As of June 30, 2025, 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	\$ 144,697	\$ 2,614	\$ 1,480
Changes of assumptions or other inputs	-	-	291
Changes in proportion and differences between contributions and proportionate share of contributions	37,318	2,484	115
Contributions subsequent to the measurement date	310,114	1,801	3,494
Total	\$ 492,129	\$ 6,899	\$ 5,380

	Deferred Inflows of Resources		
	Pension	Health Insurance Premium Benefit	Long-Term Disability
Differences between expected and actual experience	\$ -	\$ 21,812	\$ 1,072
Changes of assumptions or other inputs	-	937	2,410
Net difference between projected and actual earnings on pension plan investments	165,543	6,209	440
Changes in proportion and differences between contributions and proportionate share of contributions	133,239	2,825	1,533
Total	\$ 298,782	\$ 31,783	\$ 5,455

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, 2026. 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
2026	\$ (188,966)	\$ (16,424)	\$ (1,021)
2027	144,482	(3,630)	(392)
2028	(41,904)	(3,869)	(927)
2029	(30,379)	(2,198)	(861)
2030	-	(564)	(415)
Thereafter	-	-	47
Total	\$ (116,767)	\$ (26,685)	\$ (3,569)

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

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, 2023	June 30, 2023	June 30, 2023
Actuarial roll forward date	June 30, 2024	June 30, 2024	June 30, 2024
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, 2023, 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%	4.48%
Credit	23%	4.40%
Real estate	17%	6.06%
Private equity	10%	6.11%
Interest rate sensitive	6%	-0.45%
Total	100%	

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 10 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Arizona State Retirement System (Continued)

Discount Rate

On June 30, 2024, 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.

	<u>Proportionate share of the net liability (asset)</u>		
	Current		
	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
Pension	\$ 3,969,255	\$ 2,592,244	\$ 1,444,625
Health insurance premium benefit	(65,671)	(90,332)	(111,299)
Long-term disability	1,385	402	(564)

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, 2025

NOTE 11 – RESTATEMENTS

Compensated Absence - During the current year, the District implemented GASB Statement No. 101, *Compensated Absences*. In addition to the value of unused vacation time and sick leave for employees with seven or more years of consecutive services owed to employees upon separation of employment, the District now recognizes an estimated amount of sick leave earned as of year-end that will be used by employees as time off in future years as part of the liability for compensated absences. The effects of the change in accounting principle are summarized below in the “Restatement - GASB 101 implementation” column in the table below.

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

	Net position June 30, 2024 as previously reported	Restatement - GASB 101 Implementation	Net position July 1, 2024 as restated
Government-Wide			
Governmental Activities	\$ 12,643,439	\$ (119,004)	\$ 12,524,435

**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, 2025

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

	Reporting Fiscal Year (Measurement Date)									
	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
Proportion of the net pension liability	0.01620%	0.01585%	0.01880%	0.01937%	0.02164%	0.02218%	0.02152%	0.02227%	0.02196%	0.02134%
Proportionate share of the net pension liability	\$ 2,592,244	\$ 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
Covered payroll	\$ 2,502,526	\$ 1,770,042	\$ 1,721,882	\$ 1,804,326	\$ 1,933,930	\$ 1,905,358	\$ 1,794,752	\$ 2,178,636	\$ 1,949,207	\$ 1,875,221
Proportionate share of the net pension liability as a percentage of its covered payroll	103.59%	144.90%	178.21%	141.06%	193.90%	169.39%	167.23%	159.24%	181.85%	177.26%
Plan fiduciary net position as a percentage of the total pension liability	76.93%	75.47%	74.26%	78.58%	69.33%	73.24%	73.40%	69.92%	67.06%	68.35%

SCHEDULE OF CONTRIBUTIONS

	Reporting Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 310,114	\$ 270,643	\$ 210,989	\$ 206,798	\$ 210,204	\$ 221,435	\$ 213,019	\$ 195,628	\$ 234,857	\$ 211,489
Contributions in relation to the actuarially determined contribution	310,114	270,643	246,819	266,883	260,297	269,353	262,353	233,310	234,857	211,489
Contribution deficiency (excess)	\$ -	\$ -	\$ (35,830)	\$ (60,085)	\$ (50,093)	\$ (47,918)	\$ (49,334)	\$ (37,682)	\$ -	\$ -
District's covered payroll	\$ 2,726,097	\$ 2,502,526	\$ 1,770,042	\$ 1,721,882	\$ 1,804,326	\$ 1,933,930	\$ 1,905,358	\$ 1,794,752	\$ 2,178,636	\$ 1,949,207
Contributions as a percentage of covered payroll	11.38%	10.81%	11.92%	12.01%	11.65%	11.45%	11.18%	10.90%	10.78%	10.85%

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, 2025

	Budgeted Amounts		Actual -	Variances -
	Original	Final	Budgetary Basis	Final to Actual
REVENUES				
Property taxes	\$ -	\$ -	\$ 2,652,805	\$ 2,652,805
Intergovernmental	-	-	1,481,727	1,481,727
Investment earnings	-	-	70,956	70,956
Other	-	-	3,875	3,875
Total Revenues	-	-	4,209,363	4,209,363
EXPENDITURES				
Regular education:				
Instruction	1,474,889	1,786,852	1,001,254	785,598
Support services - students	301,702	301,702	239,262	62,440
Support services - instructional staff	10,279	10,279	42,840	(32,561)
Support services - general administration	242,216	242,216	142,090	100,126
Support services - school administration	179,368	179,368	122,512	56,856
Support services - central services	437,768	437,768	306,187	131,581
Operations and maintenance of plant	1,450,641	1,450,641	1,120,051	330,590
Operation of noninstructional services	129,247	129,247	94,465	34,782
School sponsored cocurricular activities	14,848	14,848	11,352	3,496
School sponsored athletics	202,414	202,414	131,896	70,518
Total regular education	4,443,372	4,755,335	3,211,909	1,543,426
Special education:				
Instruction	296,532	296,532	314,909	(18,377)
Support services - students	63,075	63,075	40,830	22,245
Support services - instructional staff	63,350	63,350	3,599	59,751
Support services - central services	100	100	49,120	(49,020)
Total special education	423,057	423,057	408,458	14,599
Pupil transportation:				
Student transportation services	390,986	390,986	217,257	173,729
Total Expenditures	5,257,415	5,569,378	3,837,624	1,731,754
Excess (Deficiency) of Revenues Over Expenditures	(5,257,415)	(5,569,378)	371,739	5,941,117
Other Financing Sources (Uses):				
Transfers out	-	-	(23,583)	(23,583)
NET CHANGE IN FUND BALANCE	(5,257,415)	(5,569,378)	348,156	5,917,534
Fund Balance - Beginning	-	-	2,370,188	2,370,188
Fund Balance - Ending	\$ (5,257,415)	\$ (5,569,378)	\$ 2,718,344	\$ 8,287,722

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, 2025**

	Budgeted Amounts		Actual	Variances -
	Original	Final		Final to Actual
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 692,305	\$ 692,305
Other	-	-	30,000	30,000
Total Revenues	-	-	722,541	722,541
EXPENDITURES				
Regular education:				
Instruction	278,777	317,010	259,169	57,841
Support services - students	86,478	98,339	80,396	17,943
Support services - instructional staff	21,498	24,446	19,986	4,460
Support services - general administration	2,597	2,953	2,414	539
Support services - school administration	5,032	5,722	4,678	1,044
Support services - central services	67,433	76,681	62,690	13,991
Operations and maintenance of plant	28,734	32,675	26,713	5,962
Operation of noninstructional services	19,730	22,436	18,342	4,094
School sponsored athletics	5,193	5,905	4,828	1,077
Total regular education	515,472	586,166	479,216	106,950
Special education:				
Instruction	95,381	108,462	88,672	19,790
Support services - students	40,202	45,715	37,374	8,341
Support services - instructional staff	55,027	62,574	51,157	11,417
Support services - central services	2,594	2,950	2,412	538
Total special education	193,204	219,701	179,615	40,086
Pupil transportation:				
Student transportation services	15,761	17,922	14,652	3,270
Total Expenditures	724,436	823,789	673,483	150,306
Excess (Deficiency) of Revenues Over Expenditures	(724,436)	(823,789)	49,058	872,847
Other Financing Sources (Uses):				
Transfers out	-	-	(32,739)	(32,739)
NET CHANGE IN FUND BALANCE	(724,436)	(823,789)	16,319	840,108
Fund Balance - Beginning	-	-	130,531	130,531
Fund Balance - Ending	\$ (724,436)	\$ (823,789)	\$ 146,850	\$ 970,639

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, 2025

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 Revenues	Total Expenditures	Other Financing Sources and Uses	Fund balance beginning of year	Fund balance end of year
Statement of revenues, expenditures and changes in fund balance	\$ 4,628,537	\$ 4,250,145	\$ 55,978	\$ 3,284,902	\$ 3,719,272
Non-maintenance and operation activity included in the General Fund	(419,174)	(412,521)	(79,561)	(914,714)	(1,000,928)
Schedule of revenues, expenditures, and changes in fund balance - budget to actual	<u>\$ 4,209,363</u>	<u>\$ 3,837,624</u>	<u>\$ (23,583)</u>	<u>\$ 2,370,188</u>	<u>\$ 2,718,344</u>

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NONMAJOR GOVERNMENTAL FUNDS
FUND DESCRIPTIONS
JUNE 30, 2025

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, 2025**

	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	\$ 155,216	\$ 246,654	\$ 136,791	\$ 108,621	\$ 174,759	\$ -	\$ 1,445	\$ 823,486
Receivables:								
Intergovernmental	-	15,060	10,538	-	-	-	-	25,598
Deposits	-	-	-	4,934	-	-	-	4,934
Total Assets	\$ 155,216	\$ 261,714	\$ 147,329	\$ 113,555	\$ 174,759	\$ -	\$ 1,445	\$ 854,018
LIABILITIES								
Accounts payable	\$ -	\$ -	\$ -	\$ 273	\$ -	\$ -	\$ -	\$ 273
Due to other funds	-	-	10,538	-	-	-	-	10,538
Total Liabilities	-	-	10,538	273	-	-	-	10,811
FUND BALANCES								
Restricted	155,216	261,714	136,791	113,282	174,759	-	-	841,762
Unassigned	-	-	-	-	-	-	1,445	1,445
Total Fund Balances	155,216	261,714	136,791	113,282	174,759	-	1,445	843,207
Total Liabilities and Fund Balances	\$ 155,216	\$ 261,714	\$ 147,329	\$ 113,555	\$ 174,759	\$ -	\$ 1,445	\$ 854,018

**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, 2025**

	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	
REVENUES								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 207	\$ -	\$ -	\$ 207
Intergovernmental	467,721	31,595	1,986	243,104	-	-	94,624	839,030
Tuition	-	-	67,620	-	-	-	-	67,620
Food Services Sales	-	-	-	38,086	-	-	-	38,086
Student Activities	-	-	109,841	-	-	-	-	109,841
Investment earnings	5,856	6,660	312	3,659	4,979	-	4	21,470
Other	-	-	4,379	-	-	-	-	4,379
Total Revenues	473,577	38,255	184,138	284,849	5,186	-	94,628	1,080,633
EXPENDITURES								
Current								
Instruction	388,273	-	147,212	-	-	-	-	535,485
Support services:								
Instructional staff	-	-	1,986	-	-	-	-	1,986
Business and other support services	-	-	-	1,783	-	-	-	1,783
Operations and maintenance of plant	-	-	-	1,616	-	-	-	1,616
Student transportation	-	-	33,083	-	-	-	-	33,083
Operations of noninstructional services	-	-	-	271,846	-	-	-	271,846
Capital outlay:								
Facilities acquisition	-	-	-	-	-	95,144	-	95,144
Total Expenditures	388,273	-	182,281	275,245	-	95,144	-	940,943
Excess (Deficiency) of Revenues Over Expenditures	85,304	38,255	1,857	9,604	5,186	(95,144)	94,628	139,690
Other Financing Sources (Uses)								
Transfers out	-	-	-	(23,239)	-	-	-	(23,239)
NET CHANGE IN FUND BALANCE	85,304	38,255	1,857	(13,635)	5,186	(95,144)	94,628	116,451
Fund Balance - Beginning	69,912	223,459	134,934	126,917	169,573	95,144	(93,183)	726,756
Fund Balance - Ending	\$ 155,216	\$ 261,714	\$ 136,791	\$ 113,282	\$ 174,759	\$ -	\$ 1,445	\$ 843,207

**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, 2025**

	Budgeted Amounts		Actual	Variances - Final to Actual
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 467,721	\$ 467,721
Investment earnings	-	-	5,856	5,856
Total Revenues	-	-	473,577	473,577
EXPENDITURES				
Regular education:				
Instruction	470,215	468,867	320,491	148,376
Special education:				
Instruction	99,448	99,163	67,782	31,381
Total Expenditures	569,663	568,030	388,273	179,757
Excess (Deficiency) of Revenues Over Expenditures	(569,663)	(568,030)	85,304	653,334
Fund Balance - Beginning	-	-	69,912	69,912
Fund Balance - Ending	\$ (569,663)	\$ (568,030)	\$ 155,216	\$ 723,246

**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, 2025**

	Budgeted Amounts		Actual	Variances - Final to Actual
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 31,595	\$ 31,595
Investment earnings	-	-	6,660	6,660
Total Revenues	-	-	38,255	38,255
EXPENDITURES				
Regular education:				
Instruction	209,004	285,000	-	285,000
Total Expenditures	209,004	285,000	-	285,000
Excess (Deficiency) of Revenues Over Expenditures	(209,004)	(285,000)	38,255	323,255
Fund Balance - Beginning	-	-	223,459	223,459
Fund Balance - Ending	\$ (209,004)	\$ (285,000)	\$ 261,714	\$ 546,714

**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, 2025**

	Budgeted Amounts		Actual	Variances - Final to Actual
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 1,986	\$ 1,986
Tuition	-	-	67,620	67,620
Student Activities	-	-	109,841	109,841
Investment earnings	-	-	312	312
Other	-	-	4,379	4,379
Total Revenues	-	-	184,138	184,138
EXPENDITURES				
Regular education:				
Instruction	159,650	269,589	142,026	127,563
Support services - instructional staff	614	1,036	546	490
School sponsored cocurricular activities	2,924	4,937	2,601	2,336
School sponsored athletics	1,220	2,060	1,085	975
Total regular education	164,407	277,622	146,258	131,364
Special education:				
Instruction	1,686	2,847	1,500	1,347
Support services - instructional staff	1,619	2,733	1,440	1,293
Total special education	3,305	5,581	2,940	2,641
Pupil transportation:				
Student transportation services	37,188	62,797	33,083	29,714
Total Expenditures	204,900	346,000	182,281	163,719
Excess (Deficiency) of Revenues				
Over Expenditures	(204,900)	(346,000)	1,857	347,857
Fund Balance - Beginning	-	-	134,934	134,934
Fund Balance - Ending	\$ (204,900)	\$ (346,000)	\$ 136,791	\$ 482,791

**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, 2025**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances - Final to Actual</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 243,104	\$ 243,104
Food service sales	-	-	38,086	38,086
Investment earnings	-	-	3,659	3,659
Total Revenues	-	-	284,849	284,849
EXPENDITURES				
Regular education:				
Support services - central services	2,267	2,591	1,783	808
Operations and maintenance of plant	2,055	2,348	1,616	732
Operation of noninstructional services	345,678	395,060	271,846	123,214
Total Expenditures	350,000	400,000	275,245	124,755
Excess (Deficiency) of Revenues Over Expenditures	(350,000)	(400,000)	9,604	409,604
Other Financing Sources (Uses):				
Transfers out	-	-	(23,239)	(23,239)
NET CHANGE IN FUND BALANCE	(350,000)	(400,000)	(13,635)	386,365
Fund Balance - Beginning	-	-	126,917	126,917
Fund Balance - Ending	\$ (350,000)	\$ (400,000)	\$ 113,282	\$ 513,282

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, 2025

	Budgeted Amounts		Actual	Variances - Final to Actual
	Original	Final		
REVENUES				
Property taxes	\$ -	\$ -	\$ 207	\$ 207
Investment earnings	-	-	4,979	4,979
Total Revenues	-	-	5,186	5,186
EXPENDITURES				
Capital outlay:				
Facilities acquisition	170,000	180,000	-	180,000
Total Expenditures	170,000	180,000	-	180,000
Excess (Deficiency) of Revenues Over Expenditures	(170,000)	(180,000)	5,186	185,186
Fund Balance - Beginning	-	-	169,573	169,573
Fund Balance - Ending	\$ (170,000)	\$ (180,000)	\$ 174,759	\$ 354,759

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, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances - Final to Actual</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
Pupil transportation:				
Facilities acquisition	\$ 100,000	\$ -	\$ 95,144	\$ (95,144)
Total Expenditures	<u>100,000</u>	<u>-</u>	<u>95,144</u>	<u>(95,144)</u>
Excess (Deficiency) of Revenues Over Expenditures	(100,000)	-	(95,144)	95,144
Fund Balance - Beginning	-	-	95,144	95,144
Fund Balance - Ending	<u>\$ (100,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 190,288</u>

**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, 2025**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances - Final to Actual</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ -	\$ -	635,659	\$ 635,659
Investment earnings	-	-	20,537	20,537
Total Revenues	<u>-</u>	<u>-</u>	<u>656,196</u>	<u>656,196</u>
EXPENDITURES				
Debt service:				
Principal retirement	582,544	624,155	560,000	64,155
Interest and fiscal charges	117,456	125,845	112,910	12,935
Total debt service	<u>700,000</u>	<u>750,000</u>	<u>672,910</u>	<u>77,090</u>
Total Expenditures	<u>700,000</u>	<u>750,000</u>	<u>672,910</u>	<u>77,090</u>
Excess (Deficiency) of Revenues Over Expenditures	(700,000)	(750,000)	(16,714)	733,286
Fund Balance - Beginning	-	-	356,390	356,390
Fund Balance - Ending	<u>\$ (700,000)</u>	<u>\$ (750,000)</u>	<u>\$ 339,676</u>	<u>\$ 1,089,676</u>

**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									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Net investment in capital assets	\$ 10,482,708	\$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
Restricted	1,420,065	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
Unrestricted	1,274,553	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)
Total	\$ 13,177,326	\$ 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

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									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Expenses:										
Instruction	\$ 2,437,748	\$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
Support Services - students and staff	545,169	553,568	637,066	702,097	707,127	607,512	606,906	641,831	592,578	568,304
Support Services - administration	749,018	672,426	293,186	753,870	703,545	812,302	693,354	783,368	703,547	641,038
Operation and Maintenance of plant services	1,794,155	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
Student transportation services	370,624	427,425	331,763	330,410	343,013	325,736	309,281	419,389	307,074	297,575
Operation of non-instructional services	454,540	426,857	884,689	709,799	872,327	406,386	372,532	378,149	345,947	355,757
Interest on long-term debt	49,172	68,637	116,593	116,467	136,100	154,367	116,991	166,162	43,476	117,899
Loss on sale of capital assets	-	-	-	-	-	98,073	-	-	-	-
Total expenses	6,400,426	6,077,721	6,400,697	6,375,872	6,290,544	5,945,052	5,498,169	5,741,071	5,260,765	5,039,969
Program revenues:										
Charges for services:										
Instruction	160,453	109,537	201	10,623	8,110	3,550	4,844	60,494	50,070	38,199
Operation of non-instructional services	39,529	42,536	39,081	24,203	6,839	33,030	41,700	34,554	37,425	40,395
Other Activities	55,931	33,843	151,976	81,425	85,224	57,000	71,859	56,028	43,723	79,828
Operating grants and contributions	1,388,993	1,991,104	566,067	580,829	648,973	548,549	574,687	568,733	633,979	631,137
Capital grants and contributions	94,624	-	148,917	-	16,265	236,265	19,685	31,243	100,206	45,790
Total program revenues	1,739,530	2,177,020	906,242	697,080	765,411	878,394	712,775	751,052	865,403	835,349
Net expense	\$ (4,660,896)	\$ (3,900,701)	\$ (5,494,455)	\$ (5,678,792)	\$ (5,525,133)	\$ (5,066,658)	\$ (4,785,394)	\$ (4,990,019)	\$ (4,395,362)	\$ (4,204,620)

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									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Net Expense	\$ (4,660,896)	\$ (3,900,701)	\$ (5,494,455)	\$ (5,678,792)	\$ (5,525,133)	\$ (5,066,658)	\$ (4,785,394)	\$ (4,990,019)	\$ (4,395,362)	\$ (4,204,620)
General revenues:										
Property taxes:										
Property taxes, levied for general purposes	2,883,731	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
Property taxes, levied for debt services	233,377	243,657	654,953	538,856	684,273	706,867	685,467	702,081	986,834	1,610,621
Property taxes, levied for capital outlay	402,489	432,794	170,199	67,445	119,465	39,874	155,288	118,943	229,735	180,736
Investment Income and Other	177,299	206,723	54,460	48,301	45,831	72,659	92,326	113,089	21,717	71,640
Unrestricted State Aid	1,616,891	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
Miscellaneous	-	-	493,486	503,481	477,243	3,809	-	-	64,786	-
Total general revenues	5,313,787	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
Changes in net position	\$ 652,891	\$ 1,623,218	\$ 1,243,896	\$ 358,766	\$ (54,682)	\$ 752,720	\$ 364,988	\$ (34,189)	\$ 875,929	\$ 1,140,174

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									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$42,365
Unassigned	3,719,272	3,284,902	1,838,163	976,206	1,069,480	1,155,684	890,434	867,832	877,063	607,387
Total General Fund	3,719,272	3,284,902	1,838,163	976,206	1,069,480	1,155,684	890,434	867,832	877,063	649,752
All other governmental funds:										
Restricted	1,329,733	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
Unassigned	-	(93,183)	(48,779)	(424,331)	(49,048)	(8,704)	(1,149)	(15,558)	-	-
Total all other governmental funds	1,329,733	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
Total all governmental funds	\$ 5,049,005	\$ 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

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									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Federal sources:										
Federal aid and grants	\$ 686,372	\$ 1,266,316	\$ 769,822	\$ 746,561	\$ 761,908	\$ 394,851	\$ 410,817	\$ 403,573	\$ 380,565	\$ 420,918
National school lunch program	243,104	234,390	163,735	213,734	247,028	154,486	167,121	168,587	182,295	201,736
Total federal sources:	929,476	1,500,706	933,557	960,295	1,008,936	549,337	577,938	572,160	562,860	622,654
States sources:										
State equalization	1,543,747	1,743,751	1,028,305	830,032	414,204	763,778	853,238	1,150,176	1,285,748	1,090,224
State grants	675,122	441,560	1,582,059	637,859	524,936	1,265,400	337,164	12,219	107,858	40,316
Total state sources	2,218,869	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
Local sources										
Property taxes	3,506,350	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
Food service sales	38,086	40,850	60,751	21,399	348	25,297	36,889	35,532	37,756	40,399
Investment income	136,992	110,362	54,460	18,815	25,537	43,286	54,084	113,089	21,717	17,402
Other revenues	258,134	242,428	724,844	589,387	610,415	121,301	134,381	131,873	205,425	186,218
Total local sources	3,939,562	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
Total revenues	\$ 7,087,907	\$ 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

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									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Expenditures:										
Current:										
Instruction	\$ 2,489,313	\$ 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
Support services - students and staff	572,310	584,058	641,443	680,992	651,876	596,836	608,104	610,213	568,949	551,577
Support services - administration	765,280	824,056	308,612	1,172,426	1,131,596	764,765	704,719	647,179	649,913	588,778
Operation and maintenance of plant services	1,161,281	1,107,300	1,387,615	1,276,909	921,056	809,570	926,099	858,462	754,899	881,924
Student transportation services	264,992	323,634	226,467	423,847	344,759	359,286	259,006	268,499	246,186	240,894
Operation of non-instructional services	384,653	375,848	1,081,886	291,582	310,393	309,873	295,874	265,263	252,025	254,720
Capital outlay	207,660	186,918	1,234,552	1,069,363	949,803	984,682	1,362,933	2,751,104	823,723	511,811
Debt Service:										
Principal retirement	578,607	606,228	550,680	576,483	502,845	599,637	582,689	636,272	1,266,764	1,737,394
Interest, premium and fiscal charges	113,385	118,798	173,596	172,770	191,724	123,554	142,002	191,173	70,887	120,299
Bond Issuance Costs	-	-	-	-	-	55,713	-	-	122,325	-
Total expenditures	\$ 6,537,481	\$ 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
Expenditures for Capitalized Assets	240,457	354,555	1,234,552	1,069,363	949,803	984,682	1,362,933	2,276,699	679,699	511,811
Debt service as a percentage of noncapital expenditures	11.0%	12.0%	11.3%	11.0%	11.7%	13.6%	12.9%	14.4%	24.6%	30.2%

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									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Excess (deficiency) of revenues over expenditures	\$ 550,426	\$ 1,283,557	\$ 347,645	\$ (1,457,458)	\$ (645,335)	\$ (81,735)	\$ (1,103,683)	\$ (2,304,041)	\$ (490,319)	\$ (455,473)
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
Transfers in	55,978	102,831	102,521	72,447	40,734	33,704	44,254	79,631	43,246	14,586
Transfers out	(55,978)	(102,831)	(102,521)	(72,447)	(40,734)	(33,704)	(44,254)	(79,631)	(43,246)	(14,586)
Total other financing sources (uses)	-	-	-	-	-	2,764,921	-	-	4,420,122	162,077
Changes in fund balances	\$ 550,426	\$ 1,283,557	\$ 347,645	\$ (1,457,458)	\$ (645,335)	\$ 2,683,186	\$ (1,103,683)	\$ (2,304,041)	\$ 3,929,803	\$ (293,396)

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	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Commercial, Industrial, Utilities and Mining	\$ 123,854,774	\$ 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
Agricultural and Vacant	30,516,375	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
Residential (Owner Occupied)	41,945,823	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
Residential (Rental)	16,161,099	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
Railroad, Private Cars and Airlines	3,471,785	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
Historical Property	-	1,765,544	-	-	-	-	-	-	-	-
Totals	\$ 215,949,856	\$ 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
Ratio of net full cash assessed values to Gross Total Value	\$1,654,238,559	\$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
Ratio of Net Limited Assessed Value to Gross Full Cash Value	13.05%	12.95%	13.71%	13.87%	13.82%	14.04%	14.04%	13.43%	13.14%	13.95%
Total Direct Rate	3.13%	2.51%	2.50%	2.50%	3.01%	3.20%	3.31%	3.43%	4.07%	4.30%
Net Limited Assessed Value										
Class	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Commercial, Industrial, Utilities and Mining	\$ 109,535,119	\$ 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
Agricultural and Vacant	20,476,783	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
Residential (Owner Occupied)	23,978,957	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
Residential (Rental)	8,883,404	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
Railroad, Private Cars and Airlines	2,477,965	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
Historical Property	-	1,382,525	-	-	-	-	-	-	-	-
Totals	\$ 165,352,227	\$ 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
Ratio of net full cash assessed values to Gross Total Value	\$1,230,203,436	\$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
Ratio of Net Limited Assessed Value to Gross Limited Value	13.44%	13.35%	13.94%	14.09%	14.06%	14.22%	14.19%	13.56%	13.30%	13.94%
Total Direct Rate	3.13%	2.51%	2.50%	2.50%	3.01%	3.20%	3.31%	3.43%	4.07%	4.30%

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)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Commercial, Industrial, Utilities and Mining	17%	17%	18%	18%	18%	18%	18%	18%	18%	19%
Agricultural and Vacant	15%	15%	15%	15%	15%	15%	15%	15%	15%	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%	14%	15%	15%	15%	15%	14%	15%	14%	15%

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
2025	1.88	1.25	3.13	0.00	3.45	1.01	5.06	1.72	1.81
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

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, 2025, AND 2016
 (UNAUDITED)**

Taxpayer	2025		2016	
	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	22.91%	\$ 33,449,561	31.82%
Arizona Public Service Company (EPF)	27,611,286	12.79%	16,410,579	15.61%
Unisource Energy Corporatio (EPF)	10,285,016	4.76%	6,118,842	5.82%
Store Master Funding XII LLC	11,616,478	5.38%		
Central Line Solar, LLC	3,400,485	1.57%		
Union Pacific Railroad	3,471,785	1.61%	3,569,941	3.40%
Southwest Gas Corporation	1,966,849	0.91%		
East Line Solar, LLC	1,917,210	0.89%		
EL Paso Natural Gas Co	1,302,432	0.60%	1,058,117	1.01%
Marana Aerospace Solutions, Inc	1,216,919	0.56%		
Bayer Southern Production Co LLC			1,386,528	1.32%
Pulte Home Corporation			685,874	0.65%
Corecivic			647,664	0.62%
Anderson Clayton Corp			546,149	0.52%
SSATravel Centers LLC			483,228	0.46%
Totals	\$ 112,270,539	51.99%	\$ 64,356,483	61.23%

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			Current Collections		
	Taxes Levied for the Fiscal Year	Amount	Percentage of Levy	Collections in Subsequent Fiscal Years	Amount	Percentage of the Levy
2025	\$ 3,543,128	\$ 3,473,858	98.04%	\$ -	\$ 3,473,858	98.04%
2024	3,582,125	3,531,370	98.58%	38,618	3,569,988	99.66%
2023	3,402,561	3,189,787	93.75%	207,481	3,397,268	99.84%
2022	3,550,978	3,359,657	94.61%	188,392	3,548,049	99.92%
2021	3,655,092	3,595,577	98.37%	54,368	3,649,945	99.86%
2020	3,807,431	3,729,570	97.96%	71,179	3,800,749	99.82%
2019	3,861,321	3,799,002	98.39%	56,897	3,855,899	99.86%
2018	3,684,152	3,601,125	97.75%	78,802	3,679,927	99.89%
2017	3,961,563	3,828,325	96.64%	117,587	3,945,912	99.60%
2016	4,201,995	4,103,980	97.67%	90,099	4,194,079	99.81%

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 Principal	Total	As Percentage of Estimated Actual Value of Property	Per Capita	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Percentage of Personal Income	
2025	\$ 2,599,985	\$ 337,248	\$ 2,262,737	0.18%	\$ 111	\$ 2,599,985	0.16%	\$ 127	0.01%	
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%	

Source: The District's financial records.

**SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2025
(UNAUDITED)**

<u>Fiscal Year Ended June 30</u>	<u>Net Assessed Limited Property Value</u>	<u>Net Outstanding Bonded Debt</u>	<u>Approx. Percent</u>	<u>Net Amount</u>
Overlapping				
Pinal County	3,772,917,917	\$ 144,001,180	4.38%	\$ 6,311,008
Pinal County Community College District	3,772,917,917	47,810,000	4.38%	2,095,325
City of Eloy	145,216,841	8,705,000	100.00%	8,705,000
Avra Valley Fire District	30,329,263	3,579,000	100.00%	3,579,000
Eloy Elementary School District No. 11	30,069,008	686,500	100.00%	686,500
Subtotal, Overlapping Debt				<u>\$ 6,360,825</u>
Direct:				
Santa Cruz Valley Union High School District No. 840	\$ 165,352,227	\$ 2,599,985	100.00%	<u>2,599,985</u>
Total direct and overlapping debt				<u>\$ 8,960,810</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	1.57%
Net direct and overlapping general bonded debt per capita	\$188
as a percentage of net assessed property value for secondary tax purposes	5.42%
as a percentage of Gross Full Cash value	0.54%

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	\$ 215,949,856
	15%
Debt limit (15% of assessed value)	32,392,478
Less: Net debt applicable to limit	2,599,985
Legal debt margin	\$ 29,792,493

Class B Bond Legal Debt Margin Calculation:

Net full cash assessed value	\$ 215,949,856
	10%
Debt limit (10% of assessed value)	21,594,986
Less: Net debt applicable to limit	2,599,985
Legal debt margin	\$ 18,995,001

Fiscal Year Ended June 30

	2025	2024	2023	2022	2021
Debt Limit	\$ 32,392,478	\$ 25,652,535	\$ 23,092,644	\$ 21,388,043	\$ 20,461,995
Less: Net debt applicable to limit	2,599,985	3,219,489	3,828,990	4,395,993	4,962,996
Legal debt margin	\$ 29,792,493	\$ 22,433,046	\$ 19,263,654	\$ 16,992,050	\$ 15,498,999
 Total debt applicable to the limit as percentage of debt limit	 8.0%	 12.6%	 16.6%	 20.6%	 24.3%

Fiscal Year Ended June 30

	2020	2019	2018	2017	2016
Debt Limit	\$ 19,710,416	\$ 18,656,794	\$ 17,786,965	\$ 15,853,871	\$ 15,766,743
Less: Net debt applicable to limit	5,484,999	3,310,089	3,885,100	4,145,000	1,019,345
Legal debt margin	\$ 14,225,417	\$ 15,346,705	\$ 13,901,865	\$ 11,708,871	\$ 14,747,398
 Total debt applicable to the limit as percentage of debt limit	 27.8%	 17.7%	 21.8%	 26.1%	 6.5%

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 (in thousands)	Per Capita	Unemployment Rate	
2025	513,862	\$ 24,430,027	47,542	4.6%	20,428
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

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, 2025, AND NINE YEARS PRIOR
 (UNAUDITED)**

Employer	2025	
	Approximate Number of Employees	Percentage of Total Employment
Corporation Corrections of America	1,654	43.53%
City of Eloy	121	3.18%
Eloy Elementary School District	120	3.16%
Republic Plastics	118	3.11%
Schuff Steel	118	3.11%
Santa Cruz Valley Union High School District	95	2.50%
Gold Bond	90	2.37%
Otto Plastics Arizona, LLC	67	1.76%
Travel Center of America	57	1.50%
Skydive Arizona	55	1.45%
	2,495	65.67%

Employer	2016	
	Approximate Number of Employees	Percentage of Total Employment
Corporation Corrections of America	1,556	46.34%
City of Eloy	118	3.51%
Eloy Elementary School District	150	4.47%
Republic Plastics	125	3.72%
Schuff Steel	58	1.73%
Santa Cruz Valley Union High School District	71	2.11%
Otto Plastics Arizona, LLC	81	2.41%
Travel Center of America	100	2.98%
	2,259	67.27%

Source: City of Eloy 2025 ACFR

**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									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Supervisory										
Superintendent	1	1	1	1	1	1	1	1	1	1
Principals	1	1	-	1	1	1	1	1	1	1
Directors - other	3	3	4	4	5	4	2	2	2	2
Total supervisory	5	5	5	6	7	6	4	4	4	4
Instruction										
Teachers	17	18	16	18	18	17	16	15	19	19
Instructional Aides	2	2	3	2	1	3	4	4	3	2
Total Instruction	19	20	19	20	19	20	20	19	22	21
Student Services										
Guidance Counselor	1	1	1	1	1	1	1	1	1	1
Other	-	1	1	1	-	-	4	3	1	1
Total Student services	1	2	2	2	1	1	5	4	2	2
Support and Administration										
Clerical workers	4	4	5	6	5	5	5	5	5	5
Maintenance workers	3	3	3	4	5	5	5	4	4	6
Bus Drivers	3	3	4	3	3	4	4	4	4	3
Food Service workers	3	3	4	3	3	4	4	4	4	3
Other classified	6	5	1	3	5	3	8	8	5	6
Total support and administration	19	18	17	19	21	21	26	25	22	23
Total full-time equivalent employees	44	45	43	47	48	48	55	52	50	50

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>
2024-25	420	2%
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%

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
2025	420	5,637,829	\$13,423	-2.96%	6,537,481	\$15,565	-0.20%	17	24.7	87.0%
2024	411	5,685,379	13,833	-26.13%	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%

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									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Schools:										
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	420	411	369	312	319	374	409	408	444	446
Administrative:										
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
Athletics:										
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.



SANTA CRUZ VALLEY UNION
HIGH SCHOOL DISTRICT NO. 840

SINGLE AUDIT REPORT

Fiscal Year Ended June 30, 2025

**SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
SINGLE AUDIT REPORT
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2025**

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>	3
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	5
Schedule of Expenditures of Federal Awards	9
Notes to the Schedule of Expenditures of Federal Awards	10

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditors' Results	11
Section II - Financial Statement Findings	12
Section III - Federal Award Findings and Questioned Costs	13



**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, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 4, 2026.

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, and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001 that we consider to be a significant deficiency.



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*.

District's response to findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's responses to the findings identified in our audit that are presented in its corrective action plan, issued within a separate document. The District is responsible for preparing a corrective action plan to address each finding. The District's responses and corrective action plan were not subjected to the other auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

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.

Advisent Assurance, LLP

Mesa, Arizona
February 4, 2026



**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 Valley 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, 2025. 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, 2025.

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.

Management’s Responsibilities 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.

Other matters

The results of our auditing procedures disclosed an instance of noncompliance that is required to be reported in accordance with the *Uniform Guidance* and that is described in the accompanying schedule of findings and questioned costs as item 2025-002. Our opinion on each major federal program is not modified with respect to these matters.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the auditors' responsibilities for the audit of compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance, 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. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

Report on Internal Control Over Compliance (Continued)

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 a 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 that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-002 to be a significant deficiency.

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.

District's response to findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's responses to the noncompliance and internal control over compliance findings that are presented in its corrective action plan, presented within the separate document. The District is responsible for preparing a corrective action plan to address each finding. The District's responses and corrective action plan were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on them.

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, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated February 4, 2026, 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.

Advisent Assurance, LLP

Mesa, Arizona
February 4, 2026

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025

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	\$ 40,984	\$ -
National School Lunch Program	10.555		ADE ED09-0001	174,204	-
Commodities - Food Distribution Noncash	10.555		ADE ED09-0001	27,916	-
Subtotal Child Nutrition Cluster				<u>243,104</u>	<u>-</u>
Total U. S. Department of Agriculture				<u>243,104</u>	<u>-</u>
U.S. Department of Education:					
<i>Passed through the Arizona Department of Education:</i>					
Title I - LEAs	84.010		25FT1TTI-511487-01A	268,013	-
Special Education Cluster (IDEA):					
IDEA Basic Grant Entitlement	84.027		25ICSGBA-511487-01A	104,100	-
Subtotal Special Education Cluster (IDEA)				<u>104,100</u>	<u>-</u>
Career and Technical Education - Vocational Education	84.048		25FCTDBG-511487-08A	49,818	-
Student Support & Academic Enrichment	84.424		25FT4TIV-511487-01A	27,159	-
Rural and Low-Income Schools	84.358		N/A		-
English Language Acquisition State Grants	84.365		N/A	2,768	-
Title II - Improving Teacher Quality	84.367		25FT1TII-511487-03A	14,827	-
Education Stabilization Fund (ESSER III)	84.425U	COVID-19	21FESIII-111487-01A	171,740	-
Total U. S. Department of Education				<u>638,425</u>	<u>-</u>
Total Federal Expenditures				<u>\$ 881,529</u>	<u>\$ -</u>

**SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025**

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, 2025. 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 2025 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, 2025. Commodities are valued at fair value at the time of donation.

NOTE 5 - INDIRECT COST RATE

The District did not elect to use the 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, 2025**

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>Yes</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>Yes</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>Yes</u>

Identification of major programs:

<u>Federal Assistance Numbers</u>	<u>Name of Federal Program of Cluster</u>
<u>10.553 and 10.555</u>	<u>Child Nutrition Cluster</u>
<u>84.010</u>	<u>Title I - LEAs</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, 2025**

SECTION II - FINANCIAL STATEMENT FINDINGS

2025-001 Payroll Reporting

Finding Type: Significant Deficiency in Internal Control Over Financial Reporting

Repeat Finding: No.

Condition/Context: The District did not establish internal control procedures over the payroll process to ensure compliance with regulatory requirements and segregation of duties. For one of 5 pay periods selected, specifically for the transportation department, timesheets were not documented as being reviewed and approved by an appropriate District administrator before payroll was processed.

Criteria: The Uniform System of Financial Records (USFR) and internal control procedures.

Effect: Noncompliance with the USFR, an internal control deficiency, and the potential for unapproved payroll disbursements to be processed where employees are compensated in excess of time worked.

Cause: Management oversight. The pay period that was unapproved was for a pay period subsequent to the transportation director being put on administrative leave.

Recommendation: To strengthen internal controls, the District should evaluate its procedures regarding payroll processing to ensure that all timesheets are reviewed and approved by an appropriate supervisor before being processed. The District should frequently monitor the supervisor's process to ensure they can adequately determine if the hours worked are valid.

Views of Responsible Officials: There is no disagreement with this finding.

**SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025**

SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

2025-002 Reporting

Federal Assistance Listing Number: 10.553, 10.555

Program Title: Child Nutrition Cluster

Federal Agency: U.S. Department of Agriculture

Passthrough Entity: Arizona Department of Education

Passthrough Number: ADE ED09-0001

Compliance Requirement: L. Reporting

Award Period: July 1, 2024 – June 30, 2025

Finding Type: Noncompliance, Significant Deficiency in Internal Control

Questioned Costs: N/A

Repeat Finding: No.

Condition/Context: During our review of meals claims submitted for reimbursement, we noted variances between the District's meal counts and what was submitted to the Arizona Department of Education. For four months tested, meals claims were under-reported by 20 lunch meals, which calculated to \$90.80.

Criteria: Child Nutrition Cluster claim forms should be supported by documentation showing the number of meals for which reimbursement was requested. This documentation should be maintained to support what was requested for reimbursement by ADE.

Effect: Without proper controls over applications and the filing of claims, the District could over or under claim their reimbursements from the Child Nutrition Program without detecting the error.

Cause: Management oversight.

Recommendation: We recommend the District have a second employee verify and approve all NSLP Claim forms to ensure the claims submitted are accurate and complete prior to submission.

Views of Responsible Officials: There is no disagreement with this finding.



SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT #840

900 North Main Street

Eloy, AZ 85131

Phone: (520) 466-2220

Website: www.scvuhs.org

CORRECTIVE ACTION PLAN

U.S. Department of Education

Santa Cruz Valley Union High School District No. 840 respectfully submits the following corrective action plan for the year ended June 30, 2025.

Audit period: July 1, 2024 – June 30, 2025

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS—FINANCIAL STATEMENT FINDING

2025-001 Payroll Reporting

Finding Type: Significant Deficiency in Internal Control Over Financial Reporting

Repeat Finding: No.

Condition/Context: The District did not establish internal control procedures over the payroll process to ensure compliance with regulatory requirements and segregation of duties. For one of 5 pay periods selected, specifically for the transportation department, timesheets were not documented as being reviewed and approved by an appropriate District administrator before payroll was processed.

Criteria: The Uniform System of Financial Records (USFR) and internal control procedures.

Effect: Noncompliance with the USFR, an internal control deficiency, and the potential for unapproved payroll disbursements to be processed where employees are compensated in excess of time worked.

Corrective Action Plan: Management will ensure timesheets are reviewed for all departments and personnel before payroll is processed. The District will review monitoring procedures to ensure this process is occurring and that supervisors are trained to review timesheets accordingly to ensure time is only paid for hours worked.

Planned completion date for corrective action plan: For the period ending June 30, 2026.

Name of the contact person responsible for corrective action: Elizabeth Ibarra, Business Manager

FINDINGS— FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

2025-002 Reporting

Federal Assistance Listing Number: 10.553, 10.555

Program Title: Child Nutrition Cluster

Federal Agency: U.S. Department of Agriculture

Passthrough Entity: Arizona Department of Education

Passthrough Number: ADE ED09-0001

Compliance Requirement: L. Reporting

Award Period: July 1, 2024 – June 30, 2025

Finding Type: Noncompliance, Significant Deficiency in Internal Control

Questioned Costs: N/A

Repeat Finding: No.

Condition/Context: During our review of meals claims submitted for reimbursement, we noted variances between the District's meal counts and what was submitted to the Arizona Department of Education. For four months tested, meals claims were under-reported by 20 lunch meals, which calculated to \$90.80.

Criteria: Child Nutrition Cluster claim forms should be supported by documentation showing the number of meals for which reimbursement was requested. This documentation should be maintained to support what was requested for reimbursement by ADE.

Effect: Without proper controls over applications and the filing of claims, the District could over or under claim their reimbursements from the Child Nutrition Program without detecting the error.

Corrective Action Plan: Management will ensure meals claims are reviewed, approved, and tie to supporting meals served before claims are submitted.

Planned completion date for corrective action plan: For the period ending June 30, 2026.

Name of the contact person responsible for corrective action: Elizabeth Ibarra, Business Manager