This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 11, 2026

NEW ISSUE – BOOK-ENTRY-ONLY **RATING: See "RATING" herein**
INSURANCE: See "BOND INSURANCE AND RELATED RISK FACTORS" herein.

In the opinion of Gust Rosenfeld P.L.C., Phoenix, Arizona, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, and assuming continuing compliance with certain restrictions, conditions and requirements by the District (as defined herein), as mentioned under "TAX EXEMPTION" herein, interest income on the Bonds (as defined herein) is excludable from gross income for federal income tax purposes. Interest income on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended) for the purpose of computing the alternative minimum tax imposed on certain corporations. In the opinion of Bond Counsel, interest income on the Bonds is exempt from Arizona income taxes. See "TAX EXEMPTION," "ORIGINAL ISSUE DISCOUNT" and "BOND PREMIUM" herein.

$25,250,000*
HIGLEY UNIFIED SCHOOL DISTRICT NO. 60
OF MARICOPA COUNTY, ARIZONA
REFUNDING BONDS, SERIES 2026

Dated: Date of Initial Authentication and Delivery *Due:* July 1, as shown on the inside front cover page

The Refunding Bonds, Series 2026 (the "Bonds") of Higley Unified School District No. 60 of Maricopa County, Arizona (the "District"), will be issued in the form of fully-registered bonds, registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). Beneficial ownership interests in the Bonds may be purchased in amounts of $5,000 of principal due on a specific maturity date or integral multiples thereof. The Bonds will mature on the dates and in the principal amounts and will bear interest at the rates as set forth on the inside front cover page. Interest on the Bonds will accrue from the date of delivery and will be payable semiannually on July 1 and January 1 of each year commencing on July 1, 2027*, until maturity.

SEE MATURITY SCHEDULE ON INSIDE FRONT COVER PAGE

The District will initially utilize DTC's "book-entry-only system," although the District and DTC each reserve the right to discontinue the book-entry-only system at any time. Utilization of the book-entry-only system will affect the method and timing of payment of principal of and interest on the Bonds and the method of transfer of the Bonds. So long as the book-entry-only system is in effect, a single fully-registered Bond, for each maturity of the Bonds, will be registered in the name of Cede & Co., as nominee of DTC, on the registration books maintained by U.S. Bank Trust Company, National Association, the initial bond registrar and paying agent for the Bonds. DTC will be responsible for distributing the principal and interest payments to its direct and indirect participants who will, in turn, be responsible for distribution to the beneficial owners of the Bonds (the "Beneficial Owners"). So long as the book-entry-only system is in effect and Cede & Co. is the registered owner of the Bonds, all references herein (except under the headings "TAX EXEMPTION," "ORIGINAL ISSUE DISCOUNT" and "BOND PREMIUM") to owners of the Bonds will refer to Cede & Co. and not the Beneficial Owners. See APPENDIX H – "BOOK-ENTRY-ONLY SYSTEM" herein.

The Bonds will not be subject to redemption prior to their stated maturity dates.

Principal of and interest on the Bonds will be payable from a continuing, direct, annual, *ad valorem* tax levied against all taxable property located within the boundaries of the District, unlimited as to rate, but limited in amount so that the total aggregate of taxes levied to pay principal and interest on the Bonds in the aggregate will not exceed the total aggregate of principal of and interest due on the herein-defined Bonds Being Refunded from the date of issuance of the Bonds to the final date of maturity of the Bonds Being Refunded. The application of such taxes to the payment of the Bonds will be subject to the rights vested in the owners of the Bonds Being Refunded to the payment of the Bonds Being Refunded from the same source in the event of a deficiency in the monies and securities to be purchased with the proceeds of the Bonds and held in trust to pay principal of and premium, if any, and interest on the Bonds Being Refunded. The owners of the Bonds must rely on the sufficiency of the monies and securities held in such trust for payment of the Bonds Being Refunded. See "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS" and "PLAN OF REFUNDING" herein.

The Bonds will be offered when, as and if issued by the District and received by the underwriter identified below (the "Underwriter"), subject to the legal opinion of Gust Rosenfeld P.L.C., Phoenix, Arizona, Bond Counsel, as to validity and tax exemption. In addition, certain legal matters will be passed upon for the Underwriter by its counsel, Greenberg Traurig, LLP, Phoenix, Arizona. It is expected that the Bonds will be available for delivery through the facilities of DTC on or about December 10, 2026*.

This cover page contains certain information with respect to the Bonds for convenience of reference only. It is not a summary of the series of which the Bonds are a part. Investors must read this entire Official Statement to obtain information essential to the making of an informed investment decision with respect to the Bonds.

* *Subject to change.*

STIFEL

$25,250,000*
HIGLEY UNIFIED SCHOOL DISTRICT NO. 60
OF MARICOPA COUNTY, ARIZONA
REFUNDING BONDS, SERIES 2026

MATURITY SCHEDULE*

Payment Date (July 1)	Principal Amount	Interest Rate	Yield	CUSIP®[1] No. 567313
2027	$ 240,000	%	%	
2028	5,100,000			
2029	7,005,000			
2030	6,500,000			
2031	6,405,000			

* *Subject to change.*

[1] *CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services ("CGS") is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright© 2026 CGS. All rights reserved. CUSIP® data herein is provided by CGS. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the District, Bond Counsel, the Underwriter or their agents or counsel assume responsibility for the accuracy of such numbers.*

REGARDING THIS OFFICIAL STATEMENT

No dealer, broker, salesperson or other person has been authorized by Higley Unified School District No. 60 of Maricopa County, Arizona (the "District") or Stifel, Nicolaus & Company, Incorporated (the "Underwriter") to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor will there be any sale of the District's Refunding Bonds, Series 2026 (the "Bonds") by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information set forth in this Official Statement, which includes the cover page, inside front cover page and appendices hereto, has been obtained from the District, the Arizona Department of Revenue, the Assessor and Treasurer of Maricopa County, Arizona, and other sources that are considered to be accurate and reliable and customarily relied upon in the preparation of similar official statements, but such information has not been independently confirmed or verified by the District or the Underwriter, is not guaranteed as to accuracy or completeness, and is not to be construed as the promise or guarantee of the District or the Underwriter.

The Underwriter has provided the following sentence for inclusion in this Official Statement: "The Underwriter has reviewed the information in this Official Statement pursuant to its responsibilities to investors under the federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information."

None of the District, the Underwriter, counsel to the Underwriter or Bond Counsel (as defined herein) are actuaries. None of them have performed any actuarial or other analysis of the District's share of the unfunded liabilities of the Arizona State Retirement System.

The presentation of information, including tables of receipts from taxes and other sources, shows recent historical information and is not intended to indicate future or continuing trends in the financial position or other affairs of the District. All information, estimates and assumptions contained herein are based on past experience and on the latest information available and are believed to be reliable, but no representations are made that such information, estimates and assumptions are correct, will continue, will be realized or will be repeated in the future. To the extent that any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated to be such, they are made as such and not as representations of fact or certainty, and no representation is made that any of these statements have been or will be realized. All forecasts, projections, opinions, assumptions or estimates are "forward looking statements" that must be read with an abundance of caution and that may not be realized or may not occur in the future. Information other than that obtained from official records of the District has been identified by source and has not been independently confirmed or verified by the District or the Underwriter and its accuracy cannot be guaranteed. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made pursuant hereto will, under any circumstances, create any implication that there has been no change in the affairs of the District or any of the other parties or matters described herein since the date hereof.

The Bonds will not be registered under the Securities Act of 1933, as amended, or any state securities law, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state or other governmental entity or agency will have passed upon the accuracy or adequacy of this Official Statement or approved the Bonds for sale.

A wide variety of information, including financial information, concerning the District is available from publications and websites of the District and others. Any such information that is inconsistent with the information set forth in this Official Statement should be disregarded. References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such publications and websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of Rule 15c2-12 of the Securities and Exchange Commission.

The District will undertake to provide continuing disclosure as described in this Official Statement under the heading "CONTINUING DISCLOSURE" and in APPENDIX G – "FORM OF CONTINUING DISCLOSURE CERTIFICATE" all pursuant to Rule 15c2-12 of the Securities and Exchange Commission.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY ALLOW CONCESSIONS OR DISCOUNTS FROM THE INITIAL PUBLIC OFFERING PRICES TO DEALERS.

TABLE OF CONTENTS

Page

INTRODUCTORY STATEMENT 1
THE BONDS 1
Authorization and Purpose 1
Terms of the Bonds – Generally 1
Bond Registrar and Paying Agent 2
No Prior Redemption 2
Registration and Transfer When Book-Entry-Only System Has Been Discontinued 2
PLAN OF REFUNDING 2
Schedule of Bonds Being Refunded 3
VERIFICATION OF MATHEMATICAL COMPUTATIONS 4
SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS 4
General 4
Defeasance 4
Investment of Debt Service Funds 4
STATE CONSTITUTIONAL LIMITATION ON EXPENDITURES 5
SOURCES AND USES OF FUNDS 6
ESTIMATED DEBT SERVICE REQUIREMENTS 7
LITIGATION 7
RATING 8
BOND INSURANCE AND RELATED RISK FACTORS 8
LEGAL MATTERS 8
TAX EXEMPTION 9
ORIGINAL ISSUE DISCOUNT 10
BOND PREMIUM 11
UNDERWRITING 11
RELATIONSHIP AMONG PARTIES 11
CONTINUING DISCLOSURE 12
GENERAL PURPOSE FINANCIAL STATEMENTS 12
CONCLUDING STATEMENT 13

APPENDIX A: THE DISTRICT – DISTRICT INFORMATION
APPENDIX B: THE DISTRICT – FINANCIAL INFORMATION
APPENDIX C: THE DISTRICT – AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025
APPENDIX D: TOWN OF GILBERT, ARIZONA AND TOWN OF QUEEN CREEK, ARIZONA
APPENDIX E: MARICOPA COUNTY, ARIZONA
APPENDIX F: FORM OF APPROVING LEGAL OPINION
APPENDIX G: FORM OF CONTINUING DISCLOSURE CERTIFICATE
APPENDIX H: BOOK-ENTRY-ONLY SYSTEM

OFFICIAL STATEMENT

$25,250,000*
HIGLEY UNIFIED SCHOOL DISTRICT NO. 60
OF MARICOPA COUNTY, ARIZONA
REFUNDING BONDS, SERIES 2026

INTRODUCTORY STATEMENT

This Official Statement, which includes the cover page, inside front cover page and appendices hereto, has been prepared at the direction of Higley Unified School District No. 60 of Maricopa County, Arizona (the "District"), in connection with the issuance of $25,250,000* aggregate principal amount of bonds designated Refunding Bonds, Series 2026 (the "Bonds"). Certain information concerning the authorization, purpose, terms, conditions of sale and sources of payment of and security for the Bonds is stated in this Official Statement. See APPENDIX A – "THE DISTRICT – DISTRICT INFORMATION" and APPENDIX B – "THE DISTRICT – FINANCIAL INFORMATION" for certain information about the District.

Reference to provisions of State of Arizona (the "State" or "Arizona") law, whether codified in the Arizona Revised Statutes, or uncodified, or of the Arizona Constitution, are references to those current provisions. Those provisions may be amended, repealed or supplemented.

Neither this Official Statement nor any statement that may have been made orally or in writing in connection herewith is to be considered as, or as part of, a contract with the original purchasers or subsequent owners or beneficial owners of the Bonds.

THE BONDS

Authorization and Purpose

The Bonds will be issued, executed and delivered pursuant to the Constitution and the laws of the State, including particularly Title 35, Chapter 3, Article 4, Arizona Revised Statutes (the "Act"), and a resolution adopted by the Governing Board of the District (the "Governing Board") on October 27, 2026 (the "Bond Resolution"). Proceeds from the sale of the Bonds will be used to establish an irrevocable depository trust (the "Trust") containing monies and certain obligations that will, together with certain reinvestment income thereon, be sufficient to pay when due principal of and interest on $25,835,000* aggregate principal amount of certain of the District's outstanding bonds as described herein under "PLAN OF REFUNDING" (the "Bonds Being Refunded") and to pay costs incurred in connection with the issuance of the Bonds.

Terms of the Bonds – Generally

The Bonds will be dated the date of delivery and will be registered only in the name of Cede & Co., as nominee of The Depository Trust Company, under the book-entry-only system described herein (the "Book-Entry-Only System"). See APPENDIX H – "BOOK-ENTRY-ONLY SYSTEM." The Bonds will mature on the dates and in the principal amounts and will bear interest from their dated date at the rates set forth on the inside front cover page of this Official Statement. Beneficial ownership interests in the Bonds may be purchased in amounts of $5,000 of principal due on a specific maturity date or integral multiples thereof. Interest on the Bonds will be payable semiannually on each July 1 and January 1, commencing July 1, 2027* (each an "Interest Payment Date"), until maturity. The District has chosen the fifteenth day of the month preceding each Interest Payment Date as the "Record Date" for the Bonds.

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* *Subject to change.*

See "TAX EXEMPTION," "ORIGINAL ISSUE DISCOUNT" and "BOND PREMIUM" herein for a discussion of the treatment of interest income on the Bonds for federal and State income tax purposes.

Bond Registrar and Paying Agent

U.S. Bank Trust Company, National Association, will serve as the initial bond registrar, transfer agent and paying agent (the "Bond Registrar and Paying Agent") for the Bonds. The District may change the Bond Registrar and Paying Agent without notice to or consent of the owners of the Bonds.

No Prior Redemption

The Bonds will not be subject to redemption prior to their stated maturity dates.

Registration and Transfer When Book-Entry-Only System Has Been Discontinued

If the Book-Entry-Only System is discontinued, the Bonds will be transferred only upon the bond register maintained by the Bond Registrar and Paying Agent and one or more new Bonds, registered in the name of the transferee, of the same principal amount, maturity and rate of interest as the surrendered Bond or Bonds will be authenticated, upon surrender to the Bond Registrar and Paying Agent of the Bond or Bonds to be transferred, together with an appropriate instrument of transfer executed by the transferor if the Bond Registrar and Paying Agent's requirements for transfer are met. The Bond Registrar and Paying Agent may, but is not required to, transfer or exchange any Bonds during the period from the Record Date to and including the respective Interest Payment Date. The transferor will be responsible for all transfer fees, taxes, fees and any other costs relating to the transfer of ownership of individual Bonds.

PLAN OF REFUNDING

The proceeds of the sale of the Bonds remaining after payment of certain costs of issuance will be placed in the Trust with U.S. Bank Trust Company, National Association, the depository trustee (the "Depository Trustee"), pursuant to a depository trust agreement, to be dated as of December 1, 2026* (the "Depository Trust Agreement"), by and among the District, the Treasurer (the "Treasurer") of Maricopa County, Arizona (the "County") and the Depository Trustee, to be applied to the payment of the Bonds Being Refunded as identified below. Such funds will be used to acquire securities issued by or guaranteed by the United States of America (the "Government Obligations"), the maturing principal of and interest income with respect to which are calculated to be sufficient, along with certain cash held pursuant to the Depository Trust Agreement or contributed by the District, to pay debt service on the Bonds Being Refunded until the redemption date specified in the following table, and to redeem the Bonds Being Refunded on such redemption date, without premium. See "VERIFICATION OF MATHEMATICAL COMPUTATIONS" herein.

* *Subject to change.*

Schedule of Bonds Being Refunded*

Issue Series	Maturity Date (July 1)	Coupon	Principal Amount Outstanding	Bonds Being Refunded*	Redemption Date	Redemption Price (as a Percentage of Principal)	CUSIP®[(1)] No. 567313
2014	2029	5.000%	$ 1,650,000	$ 1,650,000	3/10/2027	100.00%	EM9
	2030	5.000	1,730,000	1,730,000	3/10/2027	100.00	EN7
	2031	3.250	1,815,000	1,815,000	3/10/2027	100.00	EP2
	2032	3.375	1,875,000	1,875,000	3/10/2027	100.00	EQ0
	2033	3.500	1,940,000	1,940,000	3/10/2027	100.00	ER8
2015	2030	3.250%	$ 1,370,000	$ 1,370,000	3/10/2027	100.00%	FH9
	2031	3.250	1,415,000	1,415,000	3/10/2027	100.00	FJ5
	2032	3.250	1,460,000	1,460,000	3/10/2027	100.00	FK2
	2033	3.375	1,505,000	1,505,000	3/10/2027	100.00	FL0
	2034	3.500	1,560,000	1,560,000	3/10/2027	100.00	FM8
2016	2030	3.500%	$ 1,445,000	$ 1,445,000	3/10/2027	100.00%	GE5
	2031	3.500	1,500,000	1,500,000	3/10/2027	100.00	GF2
	2032	3.750	1,550,000	1,550,000	3/10/2027	100.00	GG0
	2033	4.000	1,610,000	1,610,000	3/10/2027	100.00	GH8
	2034	4.000	1,670,000	1,670,000	3/10/2027	100.00	GJ4
	2035	3.000	1,740,000	1,740,000	3/10/2027	100.00	GK1
			$ 25,835,000	$ 25,835,000			

* *Subject to change.*

[(1)] See footnote [(1)] on the inside front cover page.

The *ad valorem* property tax to be levied for the payment of the Bonds will be unlimited as to rate, but limited in amount so that the total aggregate of taxes levied to pay principal and interest on the Bonds in the aggregate will not exceed the total aggregate of principal and interest due on the Bonds Being Refunded from the date of issuance of the Bonds to the final date of maturity of the Bonds Being Refunded. The Act provides that the issuance of the Bonds will in no way infringe upon the rights of holders of the Bonds Being Refunded to rely upon a tax levy for the payment of principal of and interest on the Bonds Being Refunded if the monies and the Government Obligations held in the Trust prove insufficient. The Act further provides that owners of the Bonds must rely upon the sufficiency of such monies and the Government Obligations held in the Trust for the payment of the Bonds Being Refunded. See "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS."

VERIFICATION OF MATHEMATICAL COMPUTATIONS

Public Finance Partners LLC, (the "Verification Agent"), will deliver to the District, before or on the date of issuance of the Bonds, its verification report indicating, among other things, that it has verified, in accordance with standards for attestation engagements established by the American Institute of Certified Public Accountants, the mathematical accuracy of the sufficiency of the anticipated receipts from the Government Obligations, together with the initial cash deposit, to pay, when due, the principal of, interest and applicable premiums, if any, on the Bonds Being Refunded. The verification performed by the Verification Agent will be solely based upon data, information and documents provided to the Verification Agent by Stifel, Nicolaus & Company, Incorporated (the "Underwriter").

SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS

General

For the purpose of paying the principal of and interest on the Bonds and costs of administration of the Bonds, the District will be required by law to cause to be levied on all the taxable property in the District a continuing, direct, annual, *ad valorem* property tax sufficient to pay all such principal, interest, and costs of administration of the Bonds as the same become due, unlimited as to rate but limited in amount so that the total aggregate of taxes levied to pay principal and interest on the Bonds in the aggregate will not exceed the total aggregate of principal of and interest due on the Bonds Being Refunded from the date of issuance of the Bonds to the final date of maturity of the Bonds Being Refunded. (The District has other bonds payable from such source outstanding and may issue additional bonds payable from such source in the future with or without such limit. See APPENDIX B – "THE DISTRICT – FINANCIAL INFORMATION"). Subject to such limitation, such taxes will be levied, assessed and collected at the same time and in the same manner as other similar taxes are levied, assessed and collected. The proceeds of the taxes will be kept in a separate fund of the District (the "Debt Service Fund") held by the Treasurer and will be used only for the payment of principal, interest, and administration costs as above-stated. For the *ad valorem* property tax levy and collection procedures, see APPENDIX B – "THE DISTRICT – FINANCIAL INFORMATION."

As described above, under "PLAN OF REFUNDING," the net proceeds of the sale of the Bonds will be invested in the Government Obligations and held in the Trust for the payment of the Bonds Being Refunded and interest to come due thereon to and including their redemption prior to their stated maturity dates. The owners of the Bonds must rely upon the sufficiency of the monies and the Government Obligations held in the Trust for the payment of the Bonds Being Refunded. The issuance of the Bonds will in no way infringe upon the rights of the holders of the Bonds Being Refunded to rely upon a tax levy for the payment of principal of and interest on the Bonds Being Refunded if the monies and the Government Obligations in the Trust prove insufficient.

Defeasance

Pursuant to the Bond Resolution, payment of all or any part of the Bonds may be provided for by the irrevocable deposit, in trust, of monies or obligations issued or guaranteed by the United States of America ("Defeasance Obligations") or both, which, with the maturing principal of and interest on such Defeasance Obligations, if any, will be sufficient, as evidenced by a certificate or report of an accountant, to pay when due the principal or redemption price of and interest on such Bonds. Any Bonds so provided for will no longer be outstanding under the Bond Resolution or payable from *ad valorem* taxes on taxable property in the District, and the owners of such Bonds shall thereafter be entitled to payment only from the monies and Defeasance Obligations deposited in trust.

Investment of Debt Service Funds

Following collection and deposit of the proceeds of the taxes into the Debt Service Fund, the District will instruct the Treasurer, as ex officio Treasurer of the District, to invest the monies credited to the Debt Service Fund in accordance with Title 15, Chapter 9, Article 7, Arizona Revised Statutes. The District is statutorily permitted to invest monies in the Debt Service Fund only in the investments set forth in Section 15-1025, Arizona Revised Statutes which include, with certain restrictions, bonds issued or guaranteed by the United States of America (the "United States") or any of its agencies or instrumentalities when such obligations are guaranteed as to principal and interest by the United States or by any agency or instrumentality thereof, bonds of the State or any Arizona county, city, town, or school district, certain bonds of any Arizona county, municipality or municipal district utility, certain bonds of any Arizona municipal

improvement district, federally insured savings accounts or certificates of deposit, and bonds issued by federal land banks, federal intermediate credit banks, or banks for cooperatives and certain certificates of deposit (pursuant to Section 35-323.01, Arizona Revised Statutes). All earnings derived from such investments are credited to the Debt Service Fund. The statutes governing investment of monies in the Debt Service Fund are subject to change. The District does not monitor the manner in which the Treasurer invests monies in the Debt Service Fund.

Except to the extent any Bond proceeds are deposited to the Debt Service Fund and except as otherwise described above, neither the proceeds of the sale of the Bonds nor any school property of the District (including that refinanced with the proceeds of the sale of the Bonds) are security for, or a source of payment of principal of or interest on the Bonds.

STATE CONSTITUTIONAL LIMITATION ON EXPENDITURES

Pursuant to Article 9, Section 21, Arizona Constitution (the "AEL Provision"), Arizona public school districts are subject to an aggregate expenditure limitation (the "Aggregate Expenditure Limitation"), determined annually by the State Economic Estimates Commission. The aggregate expenditure of revenues described in the AEL Provision for all public school districts, determined by November 1 of each year by the Arizona Department of Education ("ADE"), may only exceed the Aggregate Expenditure Limitation if authorized by the State legislature (the "Legislature"), by concurrent resolution, upon affirmative vote of two-thirds of the membership of each house of the Legislature (the "Override") by March 1 of the fiscal year. Certain public school district revenues, including federal grants and budget overrides, are not subject to the Aggregate Expenditure Limitation. In prior fiscal years, public school districts have either not exceeded the Aggregate Expenditure Limitation or have exceeded the Aggregate Expenditure Limitation with Override authorization from the Legislature.

If the Legislature does not pass the Override (if needed) in a fiscal year, public school districts, including the District, would be required to reduce fiscal year budgeted expenditures by April 1 of such year. Each public school district is responsible for the manner in which it would deal with a required pro-rata reduction of relevant aggregate expenditures. Actions like furloughs, a hiring freeze, salary reductions, shifting from in-person to remote instruction and using available fund balances are various options considered by school districts in Arizona. There is a range of outcomes in future fiscal years that could be achieved by the District by taking some or all of the actions described in the immediately preceding sentence (or other, similar actions). Certain actions would allow the District to continue regular operations while other actions could result in significantly reduced operations of the District.

Based on a report of ADE, the Aggregate Expenditure Limitation would have been exceeded by approximately $1.164 billion (13.83%) in fiscal year 2025/26. On June 27, 2025, the Legislature passed the Override providing public school districts with the authority to spend amounts as budgeted for fiscal year 2025/26 and for the current fiscal year (2026/27) and to continue operations as normal.

Even with the approval of the Override by the Legislature through the current fiscal year, it is expected that school districts will continue to exceed the Aggregate Expenditure Limitation in future fiscal years. The Legislature will need to pass separate Overrides in and for such future fiscal years unless, by State voter approval at a General Election to be held in November 2028 or thereafter, the AEL Provision is repealed or amended to permit a more permanent increase in the Aggregate Expenditure Limitation.

As stated elsewhere herein, the Bonds will be payable from a continuing, direct, annual *ad valorem* tax levied against all taxable property within the District, unlimited as to rate but limited in amount so that the total aggregate of taxes levied to pay principal and interest on the Bonds in the aggregate will not exceed the total aggregate of principal of and interest due on the Bonds Being Refunded from the date of issuance of the Bonds to the final date of maturity of the Bonds Being Refunded. The application of such taxes to the payment of the Bonds will be subject to the rights vested in the owners of the Bonds Being Refunded to the payment of the Bonds Being Refunded from the same source in the event of a deficiency in the monies and Government Obligations held in the Trust to pay principal of and premium, if any, and interest on the Bonds Being Refunded. The owners of the Bonds must rely on the sufficiency of the monies and Government Obligations held in the Trust for payment of the Bonds Being Refunded. See "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS." Although the Legislature's failure to pass an Override in future fiscal years (if needed) could have the budgetary consequences described above, it would not

directly affect the levy and collection of property taxes in the District, the security and source of payment for the Bonds. In addition, the Aggregate Expenditure Limitation does not apply to payment of debt service on long-term obligations of the District, including the Bonds. An investment in the Bonds should be made only after due consideration of the foregoing.

SOURCES AND USES OF FUNDS

Sources of Funds

Principal Amount	$25,250,000.00*
[Net] Original Issue Premium *(a)*	
Total Sources of Funds	

Uses of Funds

Deposit to the Trust	
Payment of Costs of Issuance *(b)*	
Total Uses of Funds	

(a) *Net original issue premium consists of original issue premium on the Bonds, less original issue discount on the Bonds.*

(b) *Will include bond insurance premium, if any, and compensation and costs of the Underwriter with respect to the Bonds.*

* *Subject to change.*

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ESTIMATED DEBT SERVICE REQUIREMENTS

The following table illustrates the (i) estimated annual debt service on the outstanding bonds of the District, net of debt service on the Bonds Being Refunded, (ii) estimated annual debt service on the Bonds and (iii) total estimated annual debt service on all bonds of the District outstanding after the issuance of the Bonds.

TABLE 1

Schedule of Estimated Annual Debt Service Requirements *(a)*
Higley Unified School District No. 60

Fiscal Year	Bonds Outstanding* *(b)*		The Bonds*		Total Estimated Annual Payment Requirements*
	Principal	Interest	Principal	Interest *(c)*	
2026/27	$ 9,875,000	$ 525,663	$ 240,000	$ 704,896 *(d)*	$ 11,345,558
2027/28	4,260,000	204,613	5,100,000	1,250,500	10,815,113
2028/29	2,740,000	76,813	7,005,000	995,500	10,817,313
2029/30	-	-	6,500,000	645,250	7,145,250
2030/31	-	-	6,405,000	320,250	6,725,250
	$ 16,875,000		$ 25,250,000		$ 46,848,483

(a) Prepared by the Underwriter.

(b) Net of the Bonds Being Refunded.

(c) Interest on the Bonds is estimated.

(d) The first interest payment on the Bonds will be due on July 1, 2027. Thereafter, interest payments will be made semiannually on each January 1 and July 1 until maturity.*

* *Subject to change.*

LITIGATION

No litigation or administrative action or proceeding is pending to restrain or enjoin, or seeking to restrain or enjoin, the issuance and delivery of the Bonds, the refunding of the Bonds Being Refunded, or the levy and collection of taxes to pay the debt service on the Bonds, to contest or question the proceedings and authority under which the Bonds have been authorized and are to be issued, sold, executed or delivered, or the validity of the Bonds. Representatives of the District will deliver a certificate to the same effect at the time of the initial delivery of the Bonds.

RATING

Moody's Ratings ("Moody's") assigned a rating of "Aa2" to the Bonds. Such rating reflects only the view of Moody's. An explanation of the significance of a rating assigned by Moody's may be obtained at 400 Howard Street, Suite 400, San Francisco, California 94105. Such rating may be revised or withdrawn entirely at any time by Moody's if, in its judgment, circumstances so warrant. Any downward revision or withdrawal of such rating may have an adverse effect on the market price or marketability of the Bonds. The District will covenant in its continuing disclosure certificate with respect to the Bonds that it will file notice of any formal change in any rating relating to the Bonds. See "CONTINUING DISCLOSURE" and APPENDIX G – "FORM OF CONTINUING DISCLOSURE CERTIFICATE" herein.

BOND INSURANCE AND RELATED RISK FACTORS

The District intends to apply, or has applied, to bond insurance companies (each, a "Bond Insurer") for a municipal bond insurance policy (the "Policy") for the Bonds to guarantee the scheduled payments of principal of and interest on the Bonds. A commitment to provide the Policy has not been issued, and representatives of the District have yet to determine whether, if such commitment is issued, the Policy will be purchased. If the Policy is purchased, the following are risk factors relating to bond insurance generally.

If the District ultimately determines to obtain the Policy for the Bonds, in the event of default of the payment of principal or interest with respect to any of the Bonds when all or some become due, any owner of the Bonds on which such principal or interest was not paid will have a claim under the Policy for such payments. In the event the Bond Insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Bonds will remain payable solely from *ad valorem* property taxes as described under "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS." In the event the Bond Insurer becomes obligated to make payments with respect to the Bonds, no assurance will be given that such event will not adversely affect the market price of the Bonds and the marketability (liquidity) of the Bonds.

The long-term ratings on the Bonds will be dependent in part on the financial strength of the Bond Insurer and its claims paying ability. The Bond Insurer's financial strength and claims paying ability will be predicated upon a number of factors which could change over time. No assurance will be given that the long-term rating of the Bond Insurer and of the rating on the Bonds insured by the Bond Insurer will not be subject to downgrade, and such event could adversely affect the market price of the Bonds and the marketability (liquidity) of the Bonds. The obligations of the Bond Insurer will be general obligations of the Bond Insurer, and in an event of default by the Bond Insurer, the remedies available may be limited by applicable bankruptcy law, state receivership or other similar laws related to insolvency of insurance companies.

None of the District, the Underwriter, or their respective attorneys, agents or consultants have made independent investigation into the claims paying ability of the Bond Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Bond Insurer will be given. Thus, when making an investment decision, potential investors should carefully consider the ability of the District to pay principal of and interest on the Bonds and the claims paying ability of the Bond Insurer, particularly over the life of the investment.

LEGAL MATTERS

In connection with the issuance of the Bonds, the District will furnish the Underwriter with the approving opinion of Gust Rosenfeld P.L.C., Phoenix, Arizona, Bond Counsel ("Bond Counsel") addressing legal matters relating to the validity of the Bonds under Arizona law, and with regard to the tax-exempt status of the interest income thereon (see "TAX EXEMPTION"). The signed legal opinion of Bond Counsel will be dated and premised on the law in effect only as of the date of original delivery of the Bonds and will be delivered to the District at the time of original issuance. The fees of Bond Counsel and counsel to the Underwriter are expected to be paid from the proceeds of the sale of the Bonds and are contingent upon delivery of the Bonds.

The proposed text of the legal opinion is set forth as APPENDIX F – "FORM OF APPROVING LEGAL OPINION." The legal opinion to be delivered may vary from the text of APPENDIX F – "FORM OF APPROVING LEGAL OPINION" if necessary to reflect the facts and law on the date of delivery. The opinion will speak only as of its date, and subsequent distribution, by recirculation of this Official Statement or otherwise, should not be construed as a representation that Bond Counsel has reviewed or expressed any opinion concerning any matters relating to the Bonds subsequent to the original delivery of the Bonds.

Bond Counsel has reviewed the information in the tax caption on the front cover page as well as the information under the headings "THE BONDS," "PLAN OF REFUNDING," "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS," "TAX EXEMPTION," "ORIGINAL ISSUE DISCOUNT," "BOND PREMIUM," "RELATIONSHIP AMONG PARTIES" (but only as it applies to Bond Counsel) and "CONTINUING DISCLOSURE" (except as it relates to the District's compliance with prior continuing disclosure certificates) and in APPENDICES F – "FORM OF APPROVING LEGAL OPINION" and G – "FORM OF CONTINUING DISCLOSURE CERTIFICATE" but otherwise has not participated in the preparation of this Official Statement and will not pass upon its accuracy, completeness or sufficiency. Bond Counsel has neither examined nor attempted to examine nor verify any of the financial or statistical statements or data contained in this Official Statement and will express no opinion with respect thereto.

Certain legal matters will be passed upon for the Underwriter by Greenberg Traurig, LLP, Phoenix, Arizona, counsel to the Underwriter.

From time to time, there are legislative proposals (and interpretations of such proposals by courts of law and other entities and individuals) which, if enacted, could alter or amend the property tax system of the State and numerous matters, both financial and non-financial, impacting the operations of school districts which could have a material impact on the District and could adversely affect the secondary market value and marketability (liquidity) of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to obligations (such as the Bonds) issued prior to enactment.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction. The rendering of an opinion also does not guarantee the outcome of any legal dispute that may arise out of the transaction.

TAX EXEMPTION

In the opinion of Bond Counsel, under existing laws, regulations, rulings and judicial decisions, and assuming continuing compliance with certain restrictions, conditions and requirements by the District, interest income on the Bonds is excludable from gross income for federal income tax purposes and is exempt from Arizona income taxes. Interest income on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the "Code")) for the purpose of computing the alternative minimum tax imposed on certain corporations.

The Code includes requirements that the District must continue to meet after the issuance of the Bonds in order that the interest on the Bonds remains excludable from gross income for federal income tax purposes. The failure of the District to meet these requirements may cause the interest on the Bonds to be includable in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District has covenanted to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of the interest on the Bonds. The opinion of Bond Counsel assumes continuing compliance with such covenants.

Although Bond Counsel will render an opinion that, as of the delivery date of the Bonds, interest income on the Bonds is excludable from gross income for federal income tax purposes, the accrual or receipt of interest on the Bonds may otherwise affect a Beneficial Owner's (as defined in APPENDIX H – "BOOK-ENTRY-ONLY SYSTEM") federal tax liability. Certain taxpayers may experience other tax consequences. Taxpayers who become Beneficial Owners of

the Bonds, including without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain subchapter S corporations, individuals who receive Social Security or Railroad Retirement benefits and taxpayers who have or are deemed to have incurred indebtedness to purchase or carry tax exempt obligations, should consult their tax advisors as to the applicability of such tax consequences to the respective Beneficial Owner. The nature and extent of these other tax consequences will depend upon the Beneficial Owner's particular tax status and the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

From time to time, there are legislative proposals in Congress, which, if enacted or made effective, could alter or amend the federal tax matters referred to above or adversely affect the market value and marketability (liquidity) of the Bonds. Any such change that occurs before initial delivery of the Bonds could cause Bond Counsel to deliver an opinion substantially different from the opinion shown in APPENDIX F – "FORM OF APPROVING LEGAL OPINION." The extent of change in Bond Counsel's opinion cannot be determined at this time. It cannot be predicted whether, when or in what form any such proposal or proposals might be enacted or whether, if enacted, such proposal or proposals would apply to obligations (such as the Bonds) issued prior to the enactment or effective date. Prospective purchasers should consult with their own tax advisors regarding any other pending or proposed federal income tax legislation.

ORIGINAL ISSUE DISCOUNT

The initial public offering prices of the Bonds maturing on July 1, 20__ through and including July 1, 20__ (collectively, the "Discount Bonds"), are less than the respective amounts payable at maturity. As a result, the Discount Bonds will be considered to be issued with original issue discount. The difference between the initial public offering price (assuming it is the first price at which a substantial amount of that maturity of Discount Bonds was sold, the "OID Issue Price") of the Discount Bonds and the amount payable at maturity of the Discount Bonds will be treated as "original issue discount." With respect to a Beneficial Owner who purchases a Discount Bond in the initial public offering at the OID Issue Price and who holds the Discount Bond to maturity, the full amount of original issue discount will constitute interest income which is not includable in the gross income of the Beneficial Owner of the Discount Bond for federal income tax purposes and Arizona income tax purposes and that Beneficial Owner will not, under present federal income tax law and present Arizona income tax law, realize a taxable capital gain upon payment of the Discount Bond at maturity.

The original issue discount on each of the Discount Bonds is treated for federal income tax purposes and Arizona income tax purposes as accreting daily over the term of such Discount Bond on the basis of a constant interest rate compounded at the end of each six-month period (or shorter period from the date of original issue) ending on January 1 and July 1 (with straight-line interpolation between compounding dates).

The amount of original issue discount accreting each period will be added to the Beneficial Owner's tax basis for the Discount Bond. The adjusted tax basis will be used to determine taxable gain or loss upon disposition of the Discount Bond. An initial Beneficial Owner of a Discount Bond who disposes of the Discount Bond prior to maturity should consult his or her tax advisor as to the amount of the original issue discount accrued over the period held and the amount of taxable gain or loss upon the sale or disposition of the Discount Bond prior to maturity.

The Code contains certain provisions relating to the accretion of original issue discount in the case of subsequent Beneficial Owners of the Discount Bonds. Beneficial Owners who do not purchase the Discount Bonds in the initial offering at the OID Issue Price should consult their own tax advisors with respect to the tax consequences of the ownership of Discount Bonds.

A portion of the original issue discount that accretes in each year to a Beneficial Owner of a Discount Bond may result in certain collateral federal income tax consequences as described in "TAX EXEMPTION" herein.

Beneficial Owners of Discount Bonds in states other than Arizona should consult their own tax advisors with respect to the state and local tax consequences of owning Discount Bonds.

BOND PREMIUM

The initial public offering prices of the Bonds maturing on July 1, 20__ through and including July 1, 20__ (collectively, the "Premium Bonds") are greater than the amount payable on such Premium Bonds at maturity. An amount equal to the difference between the initial public offering price of a Premium Bond (assuming that a substantial amount of the Premium Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes premium to the initial Beneficial Owner of such Premium Bonds. The basis for federal income tax purposes of a Premium Bond in the hands of such initial Beneficial Owner must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Bond. The amount of premium which is amortizable each year by an initial Beneficial Owner is determined by using such Beneficial Owner's yield to maturity. Beneficial Owners of the Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium with respect to the Premium Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning Premium Bonds.

UNDERWRITING

The Bonds will be purchased by the Underwriter at an aggregate purchase price of $_____, pursuant to a bond purchase agreement (the "Purchase Contract") entered into by and between the District and the Underwriter. If the Bonds are sold to produce the yields shown on the inside front cover page hereof, the Underwriter's compensation will be $_____. The Purchase Contract provides that the Underwriter will purchase all of the Bonds so offered if any are purchased. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into unit investment trusts) and others at yields lower than the public offering yields stated on the inside front cover page hereof. The initial offering yields set forth on the inside front cover page may be changed, from time to time, by the Underwriter without amendment of the Official Statement.

The Underwriter and its affiliates comprise a full service financial institution engaged in activities which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Underwriter and its affiliates may have provided, and may in the future provide, a variety of these services to the District and to persons and entities with relationships with the District, for which they received or will receive customary fees and expenses.

In the ordinary course of these business activities, the Underwriter and its affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the District (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the District.

The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire such assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the District.

RELATIONSHIP AMONG PARTIES

Bond Counsel has previously represented, and is currently representing, the Underwriter with respect to other financings and has acted or is acting as bond counsel with respect to other bonds underwritten by the Underwriter and may do so in the future. Bond Counsel also serves and has served as bond counsel for one or more of the political subdivisions that the District territorially overlaps. Counsel to the Underwriter has previously acted as bond counsel with respect to other bonds underwritten by the Underwriter and may continue to do so in the future if requested.

CONTINUING DISCLOSURE

The District will covenant for the benefit of the owners of the Bonds to provide certain financial information and operating data relating to the District by not later than February 1 in each year commencing February 1, 2027 (the "Annual Reports"), and to provide notices of the occurrence of certain enumerated events (the "Notices of Listed Events"). The Annual Reports, the Notices of Listed Events and any other document or information required to be filed by the District as such will be filed with the Municipal Securities Rulemaking Board (the "MSRB") through the MSRB's Electronic Municipal Market Access system ("EMMA"), each as described in APPENDIX G – "FORM OF CONTINUING DISCLOSURE CERTIFICATE." The specific nature of the information to be contained in the Annual Reports and the Notices of Listed Events is also set forth in APPENDIX G – "FORM OF CONTINUING DISCLOSURE CERTIFICATE." These covenants will be made in order to assist the Underwriter in complying with the Securities and Exchange Commission's Rule 15c2-12(b)(5) (the "Rule"). A failure by the District to comply with these covenants must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price. *Pursuant to Arizona law, the ability of the District to comply with such covenants will be subject to annual appropriation of funds sufficient to provide for the costs of compliance with such covenants.* Should the District not comply with such covenants due to a failure to appropriate for such purpose, the District has covenanted to provide notice of such fact to the MSRB through EMMA. Absence of continuing disclosure, due to non-appropriation or otherwise, could adversely affect the Bonds, specifically their market price and transferability.

Until November 6, 2026, the Annual Report with respect to the fiscal year ended June 30, 2024 was not associated with certain nine-digit CUSIP numbers of the District's outstanding Certificates of Participation, Series 2023. The District has reviewed its continuing disclosure undertakings and has implemented written procedures to facilitate future compliance with such undertakings.

GENERAL PURPOSE FINANCIAL STATEMENTS

The annual comprehensive financial report of the District for the fiscal year ended June 30, 2025, a copy of which is included in APPENDIX C – "THE DISTRICT – AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025" of this Official Statement, includes the District's financial statements for the fiscal year ended June 30, 2025 that were audited by Heinfeld, Meech & Co., P.C., a certified public accounting firm, to the extent indicated in its report thereon. **The District has not requested the consent of Heinfeld, Meech & Co., P.C. to include its report and Heinfeld, Meech & Co., P.C. has performed no procedures subsequent to rendering its report on the financial statements.**

THE FINANCIAL STATEMENTS INCLUDED IN APPENDIX C OF THIS OFFICIAL STATEMENT ARE CURRENT AS OF THEIR DATE ONLY AND MAY NOT REPRESENT THE CURRENT FINANCIAL CONDITION OF THE DISTRICT.

CONCLUDING STATEMENT

To the extent that any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated to be such, they are made as such and not as representations of fact or certainty, and no representation is made that any of these statements have been or will be realized. All forecasts, projections, opinions, assumptions or estimates are "forward looking statements" that must be read with an abundance of caution and that may not be realized or may not occur in the future. All financial and other information in this Official Statement has been derived by the District from official records and other sources and is believed by the District to be accurate and reliable. Information other than that obtained from official records of the District has been identified by source and has not been independently confirmed or verified by the District and its accuracy is not guaranteed. The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historic information and is not intended to indicate future or continuing trends in the financial position or other affairs of the District. No representation is made that past experience, as is shown by that financial and other information, will necessarily continue or be repeated in the future.

HIGLEY UNIFIED SCHOOL DISTRICT NO. 60
OF MARICOPA COUNTY, ARIZONA

By: _____
President of the Governing Board

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APPENDIX A

THE DISTRICT – DISTRICT INFORMATION

General Information

The District was organized in August 1909 as an elementary school district. On July 1, 1999, the District became a unified school district. The District provides unified educational services and facilities to residents of an approximately 24 square mile area located largely within the boundaries of the Town of Gilbert, Arizona ("Gilbert"), and, to a lesser degree, the Town of Queen Creek, Arizona ("Queen Creek"), and the City of Mesa, Arizona. The District lies about 25 miles southeast of the City of Phoenix, Arizona ("Phoenix"). The District's eastern boundary is contiguous with Arizona State University at the Polytechnic campus, which provides certain economic and academic support to the District. The District serves an estimated population of 98,187. See APPENDIX D – "TOWN OF GILBERT, ARIZONA AND TOWN OF QUEEN CREEK, ARIZONA" for certain information specific to Gilbert and Queen Creek and APPENDIX E – "MARICOPA COUNTY, ARIZONA" for certain information specific to Maricopa County, Arizona (the "County").

Enrollment

The following chart illustrates the current and historical average daily membership of the District's student population.

TABLE 2

AVERAGE DAILY MEMBERSHIP
Higley Unified School District No. 60

Fiscal Year	A.D.M. *(a)*
2026/27 *(b)*	11,284
2025/26	11,666
2024/25	11,970
2023/24	12,348
2022/23	12,526
2021/22	12,653

(a) *A.D.M. means average daily membership and is computed by taking the average number of students enrolled over the first 100 days of the school year.*

(b) *Estimated by the District.*

Source: The Arizona Department of Education and the District.

The District's A.D.M. has declined in each of the last five fiscal years. As shown in TABLE 2, A.D.M. decreased from 12,653 in fiscal year 2021/22 to an estimated 11,284 in fiscal year 2026/27, a reduction of approximately 11%. The fiscal year 2026/27 figure is a District estimate and remains subject to change. A substantial portion of the operating revenues of Arizona school districts, including the District, is derived from State funding that is calculated based on student count. A sustained decline in A.D.M. may reduce the State funding the District receives and could require the District to reduce expenditures, draw upon available fund balances or seek additional voter authorizations to maintain existing levels of operation. The causes and future course of enrollment are influenced by demographic, economic and other factors beyond the District's control, and no assurance can be given as to the District's future A.D.M. or the effect of changes in A.D.M. on the District's financial condition. The foregoing relates to the District's operating finances. As stated elsewhere herein, the Bonds will be payable from a continuing, direct, annual ad valorem tax levied against all taxable property within the District, unlimited as to rate but limited in amount so that the total aggregate of taxes levied to pay principal and interest on the Bonds in the aggregate will not exceed the total aggregate of principal of and interest due on the Bonds Being Refunded from the date of issuance of the Bonds to the final date

of maturity of the Bonds Being Refunded. The application of such taxes to the payment of the Bonds will be subject to the rights vested in the owners of the Bonds Being Refunded to the payment of the Bonds Being Refunded from the same source in the event of a deficiency in the monies and Government Obligations held in the Trust to pay principal of and premium, if any, and interest on the Bonds Being Refunded. The owners of the Bonds must rely on the sufficiency of the monies and Government Obligations held in the Trust for payment of the Bonds Being Refunded. See "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS."

The District currently operates the following school facilities:

TABLE 3

SCHOOL FACILITIES
Higley Unified School District No. 60

Facility	Grade Range
Cooley Early Childhood Development Center	PreK
Sossaman Early Childhood Development Center	PreK
Gateway Pointe Elementary School	PreK – 6
Higley Traditional Academy	PreK – 6
San Tan Elementary School	PreK – 6
Bridges Elementary School	K – 6
Centennial Elementary School	K – 6
Chaparral Elementary School	K – 6
Coronado Elementary School	K – 6
Cortina Elementary School	K – 6
Power Ranch Elementary School	K – 6
Cooley Middle School	7 – 8
Sossaman Middle School	7 – 8
Higley High School	9 – 12
Williams Field High School	9 – 12

PreK = Pre-kindergarten
K = Kindergarten

Administration and Governance

The District has 59 principals and administrators, 720 certified personnel and 548 classified personnel. This provides the District with a student to teacher ratio of approximately 25.5:1 for the elementary schools, 28:1 for the middle schools and 28:1 for the high schools.

The District is governed by a five-member Governing Board and administered by one Superintendent. The members of the Governing Board are elected for four-year terms on a staggered basis. The present members of the Governing Board are:

TABLE 4

GOVERNING BOARD
Higley Unified School District No. 60

Amanda Wade, *President*
Sara Jarman, *Vice President*
Tiffany Shultz, *Member*
Anna Van Hoek, *Member*
Vacant, *Member*

APPENDIX B

THE DISTRICT – FINANCIAL INFORMATION

PROPERTY TAXES

As described under the heading "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS," the District will be required by law to cause to be levied on all the taxable property in the District a continuing, direct, annual, *ad valorem* property tax sufficient to pay all principal, interest, and costs of administration for the Bonds as the same become due, limited as described under such heading. The State's *ad valorem* property tax levy and collection procedures are summarized under this heading "PROPERTY TAXES."

Taxable Property

Real property and improvements and personal property are either valued by the Assessor of the County or the Arizona Department of Revenue (the "Department of Revenue"). Property valued by the Assessor of the County is referred to as "locally assessed" property and generally encompasses residential, agricultural and traditional commercial and industrial property. Property valued by the Department of Revenue is referred to as "centrally valued" property and generally includes large mine and utility entities.

Locally assessed property is assigned two values: Full Cash Value and Limited Property Value (both as defined herein). Centrally valued property is assigned one value: Full Cash Value.

Full Cash Value

In the context of a specific property parcel, full cash value ("Full Cash Value") is statutorily defined to mean "the value determined as prescribed by statute" or if a statutory method is not prescribed it is "synonymous with market value, which means the estimate of value that is derived annually by using standard appraisal methods and techniques," which generally include the market approach, the cost approach and the income approach. In valuing locally assessed property, the Assessor of the County generally uses a cost approach to value commercial/industrial property and a market approach to value residential property. In valuing centrally valued property, the Department of Revenue begins generally with information provided by taxpayers and then applies procedures provided by State law. State law allows taxpayers to appeal such Full Cash Values by providing evidence of a lower value, which may be based upon another valuation approach. Full Cash Value is used as the ceiling for determining Limited Property Value. Unlike Limited Property Value, increases in Full Cash Value are not limited.

Limited Property Value

In the context of a specific property parcel, limited property value ("Limited Property Value") is a property value determined pursuant to the Arizona Constitution and the Arizona Revised Statutes. Except as described in the next sentence, for locally assessed property in existence in the prior year, Limited Property Value is limited to the lesser of Full Cash Value or an amount 5% greater than Limited Property Value determined for the prior year for such specific property parcel. In the following circumstances, Limited Property Value is established at a level or percentage of Full Cash Value that is comparable to that of other properties of the same or a similar use or classification: property that was erroneously totally or partially omitted from the property tax rolls in the preceding tax year, except as a result of the matters described in this sentence; property for which a change in use has occurred since the preceding tax year and property that has been modified by construction, destruction, or demolition since the preceding valuation year such that the total value of the modification is equal to or greater than 15% of the Full Cash Value. (Limited Property Value of property that has been split, subdivided or consolidated varies depending on when the change occurred.) A separate Limited Property Value is not provided for centrally valued property.

Full Cash Value and Limited Property Value for Taxing Jurisdictions

The Full Cash Value in the context of a taxing jurisdiction is the sum of the Full Cash Value associated with each parcel of property in the jurisdiction. Full Cash Value of the jurisdiction is the basis for determining constitutional and statutory debt limits for certain political subdivisions in Arizona, including the District.

The Limited Property Value in the context of a taxing jurisdiction is the sum of the Limited Property Value associated with each parcel of locally assessed property within the jurisdiction plus the sum of the Full Cash Value associated with each parcel of centrally valued property within the jurisdiction. Limited Property Value of the jurisdiction is used as the basis for levying both primary and secondary taxes. See "Primary Taxes" and "Secondary Taxes" below.

Property Classification and Assessment Ratios

All property, both real and personal, is assigned a classification (defined by property use) and related assessment ratio that is multiplied by the Limited Property Value or Full Cash Value of the property, as applicable, to obtain the "Limited Assessed Property Value" and the "Full Cash Assessed Value," respectively.

The assessment ratios for each property classification are set forth by tax year in the following table.

TABLE 5

Property Tax Assessment Ratios (Tax Year)

Property Classification *(a)*	2022	2023	2024	2025	2026
Mining, utilities, commercial and industrial *(b)*	17.5%	17%	16.5%	16%	15.5%
Agricultural and vacant land	15	15	15	15	15
Owner occupied residential	10	10	10	10	10
Leased or rented residential	10	10	10	10	10
Railroad, private car company and airline flight property *(c)*	15	14	14	13	13

(a) Additional classes of property exist, but seldom amount to a significant portion of a municipal body's total valuation.

(b) The assessment ratio for this property classification will decrease to 15% for tax year 2027 and each tax year thereafter.

(c) This percentage is determined annually pursuant to Section 42-15005, Arizona Revised Statutes.

Source: *State and County Abstract of the Assessment Roll,* Arizona Department of Revenue.

Primary Taxes

Per State statute, taxes levied for the maintenance and operation of counties, cities, towns, school districts, community college districts and the State are "primary taxes." Primary taxes are levied against Net Limited Assessed Property Value (as defined herein). "Net Limited Assessed Property Value" is determined by excluding the value of property exempt from taxation from Limited Assessed Property Value of locally assessed property and from Full Cash Assessed Value of centrally valued property and combining the resulting two amounts.

The primary taxes levied by each county, city, town and community college district are constitutionally limited to a maximum increase of 2% over the maximum allowable prior year's levy limit plus any taxes on property not subject to taxation in the preceding year (e.g., new construction and property brought into the jurisdiction because of annexation). The 2% limitation does not apply to primary taxes levied on behalf of school districts.

The combined taxes on owner occupied residential property only, for purposes other than voter-approved bond indebtedness and overrides and certain special district assessments, are constitutionally limited to 1% of the Limited Property Value of such property. This constitutional limitation on the combined tax levies for owner occupied residential property is implemented by reducing the school district's taxes. To offset the effects of reduced school district property taxes, the State compensates the school district by providing additional State aid.

Secondary Taxes

Per State statute, taxes levied for payment of bonds like the Bonds, voter-approved budget overrides, the maintenance and operation of special purpose districts such as sanitary, fire, road improvement, water conservation and career technical education districts, and taxes levied by school districts for qualified desegregation expenditures are "secondary taxes." Like primary taxes, secondary taxes are also levied against Net Limited Assessed Property Value. There is no constitutional or statutory limitation on annual levies for voter-approved bond indebtedness and overrides and certain special district assessments.

Calculating Debt Limitations

Net Full Cash Assessed Value is determined by excluding the value of property exempt from taxation from Full Cash Assessed Value of both locally assessed and centrally valued property and combining the resulting two amounts. Net Full Cash Assessed Value is the basis for determining bonded debt limitations for certain political subdivisions in Arizona, including the District.

Tax Procedures

The State tax year has been defined as the calendar year, notwithstanding the fact that tax procedures begin prior to January 1 of the tax year and continue through May of the succeeding calendar year.

On or before the third Monday in August each year the Board of Supervisors of the County prepares the tax roll setting forth certain valuations by taxing district of all property in the County subject to taxation. The tax roll is then forwarded to the Treasurer. (The Assessor of the County is required to have completed the assessment roll by December 20th of the year prior to the levy. This roll identifies the valuation and classification of each parcel located within the County for the tax year.)

Property owners may file an appeal with the Assessor of the County to request a review of the Assessor of the County's determination of the Full Cash Value and legal classification of their property. Once the appeals process is complete, the Assessor of the County, if necessary, corrects the tax roll based upon the appeal decisions and sends the corrected values to each taxing jurisdiction (cities, school districts, including the District, community colleges and special districts such as fire and health).

With the various budgetary procedures having been completed by the governmental entities, the appropriate tax rate for each jurisdiction is then levied upon each non-exempt parcel of property in order to determine the total tax owed by each property owner. Any subsequent decrease in the value of the tax roll due to appeals through the process described above or other reasons reduces the amount of taxes received by each jurisdiction.

On occasion, it may be determined that a taxpayer or class of taxpayers is due a property tax refund associated with a successful appeal. These refunds may be for a single year or several years and may range widely in amount. Generally, these refunds are paid by the treasurer of the appropriate county with amounts received from the underlying taxing jurisdictions which, in most cases, may levy an additional property tax in the following year to account for that underlying taxing jurisdiction's portion of the taxpayer refund. Importantly, in most cases, taxpayer refunds of this type are not the ultimate burden of the underlying taxing jurisdiction, as the underlying taxing jurisdictions levied a tax in an amount which was based on the approved (i.e., pre-appeal) property tax levy. Refunds do not change the amount of revenue the underlying taxing jurisdictions are eligible to receive for the affected fiscal years, but such refunds do change the distribution of the burden of the property taxes among the taxpayers. This is reconciled by the underlying taxing jurisdictions levying for the refunded amounts in a subsequent year.

The property tax lien on real property attaches on January 1 of the year the tax is levied. Such lien is prior and superior to all other liens and encumbrances on the property subject to such tax except liens or encumbrances held by the State or liens for taxes accruing in any other years. Set forth below is a record of property taxes levied and collected in the District for a portion of the current fiscal year and all of the previous five fiscal years.

TABLE 6

Property Taxes Levied and Collected *(a)*
Higley Unified School District No. 60

Fiscal Year	District Tax Rate	Adopted District Tax Levy	Adjusted District Tax Levy as of June 30th	Collected to June 30th of Initial Fiscal Year		Adjusted District Tax Levy as of 9/14/2026	Cumulative Collections to September 14, 2026	
				Amount	% of Adj. Levy		Amount	% of Adj. Levy
2026/27	$4.4490	$50,927,264	*(b)*	*(b)*	*(b)*	$ 50,927,264	*(b)*	*(b)*
2025/26	4.9483	53,170,868	$ 53,090,071	$ 50,662,975	95.43%	53,047,256	$ 52,874,845	99.67%
2024/25	5.8667	59,196,239	59,157,430	57,027,976	96.40	59,135,824	59,087,816	99.92
2023/24	6.2904	59,779,033	59,642,370	57,349,563	96.16	58,998,684	58,989,242	99.98
2022/23	6.2936	54,952,617	54,830,256	52,681,635	96.08	54,111,555	54,093,340	99.97
2021/22	6.3211	50,917,657	50,757,046	48,178,502	94.92	50,169,542	50,151,259	99.96

(a) Taxes are collected by the Treasurer. Taxes are levied by the Board of Supervisors of the County as required by Arizona Revised Statutes. Delinquent taxes are subject to an interest and penalty charge of 16% per annum, which is prorated at a monthly rate of 1.33%. Interest and penalty collections for delinquent taxes are not included in the collection figures above, but are deposited in the County's General Fund. Interest and penalties with respect to the first half tax collections (delinquent November 1) are waived if the full year's taxes are paid by December 31.

In November 2019, voters in the District authorized the District to continue to exceed its statutorily prescribed budget limit for maintenance and operations expenditures by an amount not exceeding 15% of the prescribed limit. This authorization began in fiscal year 2020/21 and extends through fiscal year 2026/27, although in fiscal years 2025/26 and 2026/27, the amount by which the prescribed limit may be exceeded was limited to 10% and 5%, respectively.

(b) 2026/27 taxes in course of collection.
First installment due 10-01-26; delinquent 11-01-26;
Second installment due 03-01-27; delinquent 05-01-27.

Source: The Treasurer's Office of Budget and Finance of the County.

SRP In Lieu Contribution

SPECIAL NOTE: The assessed value of property owned by the Salt River Project Agricultural Improvement and Power District ("SRP") is not included in the assessed value of the District in the prior table or in any other valuation information set forth in this Official Statement. Because of SRP's quasi-governmental nature, property owned by SRP is exempt from property taxation.

However, SRP may elect each year to make voluntary contributions in lieu of property taxes with respect to certain of its electrical facilities (the "SRP Electric Plant"). If SRP elects to make the in lieu contribution for the year, the Full Cash Value of the portion of the SRP Electric Plant located within the District and the in lieu contribution amount is determined in the same manner as the Full Cash Value and property taxes owed is determined for similar non-governmental public utility property, with certain special deductions.

If SRP elected not to make such contributions, the District would be required to contribute funds from other sources or levy an increased tax rate on all other taxable property to provide sufficient amounts to pay debt service on the Bonds. If after electing to make the in lieu contribution, SRP then failed to make the in lieu contribution when due, the Treasurer and the District have no recourse against the property of SRP and there may be a delay in the payment of that portion of the debt service on the Bonds that would have been paid by SRP's in lieu contribution.

Since 1964, when the in lieu contribution was originally authorized by the Arizona Revised Statutes, SRP has always elected to make the in lieu contribution. The fiscal year 2025/26 Net Limited Assessed Property Value equivalent of SRP within the District is $10,967,322, which represents approximately 1.01% of the combined fiscal year 2025/26 Net Limited Assessed Property Value in the District. The estimated fiscal year 2026/27 Net Limited Assessed Property Value equivalent of SRP within the District is $10,705,000, which represents approximately 0.93% of the combined estimated fiscal year 2026/27 Net Limited Assessed Property Value in the District.

Delinquent Tax Procedures

The property taxes due the District are billed, along with State and other taxes, each September and are due and payable in two installments on October 1 and March 1 and become delinquent on November 1 and May 1, respectively. Delinquent taxes are subject to an interest penalty of 16% per annum prorated monthly as of the first day of each subsequent month. (Delinquent interest is waived if a taxpayer, delinquent as to the November 1 payment, pays the entire year's tax bill by December 31.) After the close of the tax collection period, the Treasurer prepares a delinquent property tax list and the property so listed is subject to a tax lien sale in February of the succeeding year. In the event that there is no purchaser for the tax lien at the sale, the tax lien is assigned to the State, and the property is reoffered for sale from time to time until such time as it is sold, subject to redemption, for an amount sufficient to cover all delinquent taxes.

After three years from the sale of the tax lien, the tax lien certificate holder may bring an action in a court of competent jurisdiction to foreclose the right of redemption and, if the delinquent taxes plus accrued interest are not paid by the owner of record or any entity having a right to redeem, a judgment is entered ordering the Treasurer to deliver a treasurer's deed to the certificate holder as prescribed by law.

Chapter 176, Laws of Arizona 2024 (commonly referred to by its original bill number as "SB 1431") revises the redemption and foreclosure process for tax lien certificate holders whereby a delinquent taxpayer may request an entry of judgment directing the sale of the property for excess proceeds. If a delinquent taxpayer requests an excess proceeds sale, and an entry of judgment is granted to direct such excess proceeds sale, a tax lien certificate holder's potential financial return on the subject tax lien eligible for foreclosure may decrease relative to the tax lien certificate holder's potential financial return on such tax lien prior to the enactment of SB 1431. Therefore, in connection with the new excess proceeds sale process instituted by SB 1431, it is reasonable to conclude that "tax sale investors" may be less willing to purchase tax liens. The effective date of SB 1431 was September 14, 2024. In June 2026, the Governor of Arizona signed into law House Bill 2780 ("HB 2780"), a bill intended to provide technical clarifications to the SB 1431 framework, including clarifying sale procedures and the computation of credit bids. The effective date of HB 2780, codified as Chapter 256, Laws of Arizona 2026, was September 12, 2026. None of the District, the Underwriter or the counsel or agents of any of them, are able to determine or predict what impact, if any, SB 1431, as modified by HB 2780, will have on property tax collections in the District.

In the event of bankruptcy of a taxpayer pursuant to the United States Bankruptcy Code (the "Bankruptcy Code"), the law is currently unsettled as to whether a lien can attach against the taxpayer's property for property taxes levied during the pendency of bankruptcy. Such taxes might constitute an unsecured and possibly non-interest bearing administrative expense payable only to the extent that the secured creditors of a taxpayer are oversecured, and then possibly only on the prorated basis with other allowed administrative claims. It cannot be determined, therefore, what adverse impact bankruptcy might have on the ability to collect *ad valorem* taxes on property of a taxpayer within the District. Proceeds to pay such taxes come only from the taxpayer or from a sale of the tax lien on delinquent property.

When an owner of land or property within the District (a "debtor") files or is forced into bankruptcy, any act to obtain possession of the debtor's estate, any act to create or perfect any lien against the property of the debtor or any act to collect, assess or recover a claim against the debtor that arose before the commencement of the bankruptcy is stayed pursuant to the Bankruptcy Code. While the automatic stay of a bankruptcy court may not prevent the sale of tax liens

against the real property of a bankrupt taxpayer, the judicial or administrative foreclosure of a tax lien against the real property of a debtor would be subject to the stay of bankruptcy court. It is reasonable to conclude that "tax sale investors" may be reluctant to purchase tax liens under such circumstances, and, therefore, the timeliness of the payment of post-bankruptcy petition tax collections becomes uncertain.

It cannot be determined what impact any deterioration of the financial conditions of any taxpayer, whether or not protection under the Bankruptcy Code is sought, may have on payment of or the secondary market for the Bonds. None of the District, the Underwriter or their respective agents or consultants has undertaken any independent investigation of the operations and financial condition of any taxpayer, nor have they assumed responsibility for the same.

In the event the County is expressly enjoined or prohibited by law from collecting taxes due from any taxpayer, such as may result from the bankruptcy of a taxpayer, any resulting deficiency could be collected in subsequent tax years by adjusting the District's tax rate charged to non-bankrupt taxpayers during such subsequent tax years.

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ASSESSED VALUATIONS AND TAX RATES

TABLE 7

Direct and Overlapping Net Limited Assessed Property Values and Tax Rates *(a)*
Per $100 Net Limited Assessed Property Value

Overlapping Jurisdiction	2026/27 Net Limited Assessed Property Value	2026/27 Combined Primary and Secondary Tax Rates Per $100 Net Limited Assessed Property Value
State of Arizona	$97,490,938,852	None
Maricopa County	64,199,174,758	$1.1463
Maricopa County Community College District	64,199,174,758	1.0992
Maricopa County Fire District Assistance Tax	64,199,174,758	0.0073
Maricopa County Special Health Care District	64,199,174,758	0.2639
Maricopa County Library District	64,199,174,758	0.0462
Maricopa County Flood Control District *(b)*	60,155,297,768	0.1428
Central Arizona Water Conservation District *(c)*	64,199,174,758	0.1400
Electrical District No. 6	2,841,094,441	0.0088
Gilbert County Island Fire District	66,990,149	1.6047
City of Mesa	5,457,986,697	0.8500
Town of Gilbert	3,738,359,243	0.9800
Town of Queen Creek *(d)*	1,059,514,319	1.4648
East Valley Institute of Technology	30,778,726,322	0.0501
Higley Unified School District No. 60	1,144,157,545	4.4490

(a) The following overlapping jurisdictions are taxed as follows:

Overlapping Jurisdiction	*Tax Rate*
Central Groundwater Replenishment District	*$1.000/acre*
Roosevelt Water Conservation Delivery District	*200.000/acre*

(b) The assessed value of the Maricopa County Flood Control District does not include the personal property assessed valuation of the County.

(c) Value shown for the Central Arizona Water Conservation District covers only the County portion of such District. (See footnote (b) to TABLE 17.)

(d) Includes the portions of Queen Creek located in the County and Pinal County, Arizona.

Source: *State and County Abstract of the Assessment Roll,* Arizona Department of Revenue, the Assessor of the County, the Arizona Department of Revenue and *Arizona Tax Rates and Property Values*, Arizona Tax Research Association.

TABLE 8

Net Limited Assessed Property Value by Property Classification
Higley Unified School District No. 60

Class	2026/27	2025/26	2024/25	2023/24	2022/23
Commercial, Industrial, Utilities & Mines	$ 165,366,108	$ 158,685,220	$ 148,488,151	$ 123,897,615	$ 114,477,044
Agricultural and Vacant	17,722,567	19,694,503	18,037,528	14,644,510	14,262,875
Residential (owner occupied)	663,631,376	626,545,511	604,818,401	574,887,955	544,706,905
Residential (rental)	295,565,447	269,620,302	251,027,079	235,060,393	196,708,959
Railroad	1,872,048	1,348,405	1,804,714	1,192,715	1,043,698
Totals *(a)*	$ 1,144,157,546	$ 1,075,893,941	$ 1,024,175,873	$ 949,683,188	$ 871,199,481

(a) Totals may not add up due to rounding.

Source: *State and County Abstract of the Assessment Roll,* Arizona Department of Revenue.

TABLE 9

Net Limited Assessed Property Value of Major Taxpayers
Higley Unified School District No. 60

Major Taxpayer *(a)(b)*	2026/27 Net Limited Assessed Property Value	As % of 2026/27 Net Limited Assessed Property Value
Frankel Family Trust	$ 12,546,467	1.10 %
Northington Mesa Industrial Property Owner LLC	8,959,103	0.78
American Furniture Warehouse Co.	8,045,725	0.70
Camden Gilbert LLC	6,747,300	0.59
BCI IV Gilbert Commerce Park LLC	6,170,996	0.54
Mid-America Apartments LP	6,120,867	0.53
GGTCN LLC	5,901,182	0.52
2350 South Wade Drive LLC	5,868,844	0.51
Power Industrial Owner LLC	5,374,904	0.47
IH6 Property Phoenix LP	5,203,905	0.45
	$ 70,939,293	6.20 %

(a) Some of such taxpayers or their parent corporations are subject to the informational requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith file reports, proxy statements and other information (collectively, the "Filings") with the Securities and Exchange Commission (the "Commission"). The Filings are available through the Commission's EDGAR database at www.sec.gov. No representatives of the District, the Underwriter, Bond Counsel or counsel to the Underwriter have examined the information set forth in the Filings for accuracy or completeness, nor do they assume responsibility for the same.

(b) See "SRP In Lieu Contribution" section for description of Salt River Project property value equivalent and voluntary contributions in lieu of property taxes.

Source: The Assessor of the County.

TABLE 10

Comparative Net Limited Assessed Property Values

Fiscal Year	Higley Unified School District No. 60	Town of Gilbert	Town of Queen Creek	Maricopa County	State of Arizona
2026/27	$1,144,157,545	$3,738,359,243	$1,059,514,319	$64,199,174,758	$97,490,938,852
2025/26	1,075,893,941	3,554,809,729	956,461,901	60,724,517,168	92,368,086,849
2024/25	1,024,175,873	3,395,423,478	853,294,256	58,328,686,358	88,425,625,840
2023/24	949,683,188	3,197,458,392	771,031,537	54,722,310,149	83,026,514,349
2022/23	871,199,481	2,990,879,633	683,060,807	51,575,018,185	78,415,651,030
2021/22	805,292,921	2,804,383,179	605,001,642	48,724,126,672	74,200,360,570

Source: *Property Tax Rates and Assessed Values,* Arizona Tax Research Association.

TABLE 11

Estimated Net Full Cash Value History
Higley Unified School District No. 60

Fiscal Year	Estimated Net Full Cash Value *(a)*
2026/27	$17,932,635,136
2025/26	17,149,567,195
2024/25	17,585,898,015
2023/24	14,501,627,094
2022/23	10,726,197,956
2021/22	9,677,045,751

(a) Estimated Net Full Cash Value is the total market value of the property within the District less the estimated Full Cash Value of property exempt from taxation within the District.

Source: *State and County Abstract of the Assessment Roll,* Arizona Department of Revenue.

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DIRECT AND OVERLAPPING BONDED INDEBTEDNESS

TABLE 12

Current Year Statistics (For Fiscal Year 2026/27)
Higley Unified School District No. 60

Total General Obligation Bonds Outstanding and to be Outstanding	$ 42,125,000* *(a)*
Net Limited Assessed Property Value	1,144,157,545
Net Full Cash Assessed Value	2,001,523,795
Estimated Net Full Cash Value	17,932,635,136

* *Subject to change.*

(a) Includes the Bonds and is net of the Bonds Being Refunded. See footnote (b) to TABLE 15 for a description of the treatment of certain proceeds of the Bonds for State debt limit purposes.

Source: *State and County Abstract of the Assessment Roll,* Arizona Department of Revenue, *Property Tax Rates and Assessed Values*, Arizona Tax Research Association and the Assessor of the County.

TABLE 13

Direct General Obligation Bonded Debt Outstanding and to be Outstanding
Higley Unified School District No. 60

Issue Series	Original Amount	Purpose	Final Maturity Date (July 1)	Balance Outstanding	Bonds Being Refunded*	Balance Outstanding and to be Outstanding*
2009D	$4,500,000	School improvements	2027	$470,000		$ 470,000
2014A	25,795,000	School improvements	2028	12,150,000	(9,010,000)	3,140,000
2015	57,165,000	School improvements and advance refunding	2029	16,465,000	(7,310,000)	9,155,000
2016C	25,785,000	Current refunding	2029	13,625,000	(9,515,000)	4,110,000
Total General Obligation Bonded Debt Outstanding						$ 16,875,000
Plus: the Bonds						25,250,000*
Total General Obligation Bonded Debt Outstanding and to be Outstanding						$ 42,125,000**(a)*

* *Subject to change.*

(a) See footnote (b) to TABLE 15 for a description of the treatment of certain proceeds of the Bonds for State debt limit purposes.

TABLE 14

Certificates of Participation Outstanding
Higley Unified School District No. 60

Issue Series	Original Amount	Purpose	Final Maturity Date (June 1)	Balance Outstanding
2023	$55,840,000	Acquisition of 2 middle schools	2053	$ 52,740,000
Total Certificates of Participation Outstanding				$ 52,740,000

Constitutional / Statutory Debt Limit / Unused Borrowing Capacity after Bond Issuance
Higley Unified School District No. 60

TABLE 15

2026/27 Arizona Constitutional Debt Limitation (30% of Net Full Cash Assessed Value)	$ 600,457,138
Less: Bonds Outstanding and to be Outstanding *(a)*	(42,125,000)*
Less: Original Issue Premium of the Bonds *(b)*	(585,000)*
Unused Constitutional Borrowing Capacity	$ 557,747,138

* *Subject to change.*

(a) *Includes the Bonds and is net of the Bonds Being Refunded.*

(b) *This amount represents premium on the Bonds deposited in the Trust and such amount reduces in equal amount the borrowing capacity of the District under State statutes and the Arizona Constitution. Such capacity will be recaptured as premium is amortized.*

TABLE 16

2026/27 Statutory Limitation on Bonds [Greater of 20% of the Net Full Cash Assessed Value ($400,304,759) or $1,500 per student ($16,926,000)]	$400,304,759
Less: Bonds Outstanding and to be Outstanding *(a)*	(42,125,000)*
Less: Original Issue Premium of the Bonds *(b)*	(585,000)*
Unused Statutory Borrowing Capacity	$357,594,759

* *Subject to change.*

(a) *Includes the Bonds and is net of the Bonds Being Refunded.*

(b) *See footnote (b) to TABLE 15 for a description of the treatment of certain proceeds of the Bonds for State debt limit purposes.*

TABLE 17

Direct and Overlapping General Obligation Bonded Debt
Higley Unified School District No. 60

Overlapping Jurisdiction	General Obligation Bonded Debt *(b)*	Proportion Applicable to the District *(a)* Approximate Percent	Net Debt Amount
State of Arizona	None	1.17%	None
Maricopa County	None	1.78	None
Maricopa County Community College District	$ 13,565,000	1.78	$ 241,457
Maricopa County Special Health Care District	479,410,000	1.78	8,533,498
City of Mesa	484,960,000	0.92	4,461,632
Town of Gilbert	204,365,000	24.51	50,089,862
Higley Unified School District No. 60 *(c)*	42,125,000*	100.00	42,125,000*
Net Direct and Overlapping General Obligation Bonded Debt			$ 105,451,449*

* *Subject to change.*

(a) Proportion applicable to the District is computed on the ratio of Net Limited Assessed Property Value for 2026/27.

(b) Includes total stated principal amount of general obligation bonds outstanding. Does not include outstanding principal amount of certificates of participation, revenue obligations or loan obligations outstanding for the jurisdictions listed above. Does not include outstanding principal amounts of various County and city improvement districts, as the bonds of these districts are presently being paid from special assessments against property within the various improvement districts.

Does not include presently authorized but unissued general obligation bonds of such jurisdictions which may be issued in the future as indicated in the following table. Additional bonds may also be authorized by voters within overlapping jurisdictions pursuant to future elections.

Overlapping Jurisdiction	*General Obligation Bonds Authorized but Unissued*
Maricopa County Special Health Care District	*$898,000,000*
City of Mesa	*657,416,000*
Town of Gilbert	*313,605,000*
Higley Unified School District No. 60	*None*

Also does not include the obligation of the Central Arizona Water Conservation District (the "CAWCD") to the United States Department of the Interior (the "Department of the Interior"), for repayment of certain capital costs for construction of the Central Arizona Project ("CAP"), a major reclamation project that has been substantially completed by the Department of the Interior. The obligation is evidenced by a master contract between CAWCD and the Department of the Interior. In April 2003, the United States and CAWCD agreed to settle litigation over the amount of the construction cost repayment obligation, the amount of the respective obligations for payment of the operation, maintenance and replacement costs and the application of certain revenues and credits against such obligations and costs. Under the agreement, CAWCD's obligation

for substantially all of the CAP features that have been constructed so far will be set at $1.646 billion, which amount assumes (but does not mandate) that the United States will acquire a total of 667,724 acre feet of CAP water for federal purposes. The United States will complete unfinished CAP construction work related to the water supply system and regulatory storage stages of CAP at no additional cost to CAWCD. Of the $1.646 billion repayment obligation, 73% will be interest bearing and the remaining 27% will be non-interest bearing. These percentages will be fixed for the entire 50-year repayment period, which commenced October 1, 1993. CAWCD is a multi-county water conservation district having boundaries coterminous with the exterior boundaries of Arizona's Maricopa, Pima and Pinal Counties. It was formed for the express purpose of paying administrative costs and expenses of the CAP and to assist in the repayment to the United States of the CAP capital costs. Repayment will be made from a combination of power revenues, subcontract revenues (i.e., agreements with municipal, industrial and agricultural water users for delivery of CAP water) and a tax levy against all taxable property within CAWCD's boundaries. At the date of this Official Statement, the tax levy is limited to 14 cents per $100 of Net Limited Assessed Property Value, of which 14 cents is being levied. (See Sections 48-3715 and 48-3715.02, Arizona Revised Statutes.) There can be no assurance that such levy limit will not be increased or removed at any time during the life of the contract.

(c) Includes the Bonds and is net of the Bonds Being Refunded.

Source: The various entities, *Property Tax Rates and Assessed Values,* Arizona Tax Research Association, *State and County Abstract of the Assessment Roll,* Arizona Department of Revenue and the Assessor and Treasurer of the County.

TABLE 18

Direct and Overlapping General Obligation Bonded Debt Ratios
Higley Unified School District No. 60

	Per Capita Bonded Debt Population Estimated @ 98,187	As % of District's 2026/27 Net Limited Assessed Property Value	As % of District's 2026/27 Estimated Net Full Cash Value
Net Direct General Obligation Bonded Debt *(a)**	$ 429.03	3.68%	0.23%
Net Direct and Overlapping General Obligation Debt *(a)**	1,073.99	9.22	0.59

* *Subject to change.*

(a) Includes the Bonds and is net of the Bonds Being Refunded.

Source: *State and County Abstract of the Assessment Roll,* Arizona Department of Revenue, Assessor and the U.S. Census Bureau, Small Area Income and Poverty Estimates (SAIPE) Program (Data released in January 2026).

Other Obligations
Higley Unified School District No. 60

The District currently has no other capital lease or installment payment obligations outstanding or unpaid.

DISTRICT EMPLOYEE RETIREMENT SYSTEM

Retirement Plan

The District's employees are covered by the Arizona State Retirement System (the "System"), a cost-sharing, multiple-employer defined benefit plan. The annual contribution rates are prescribed to be the rate actuarially determined by the System's actuary, with minimum employer and employee rate requirements of not less than 2.00%.

For fiscal year 2026/27, the District's and its employees' contribution has been calculated by the actuary to be 11.98% (11.87% Retirement Pension and Health Insurance Benefit, 0.11% Long Term Disability Income Plan) of payroll amounts. For fiscal year 2025/26, the District's and its employees' contribution was 12.00% (11.86% Retirement Pension and Health Insurance Benefit, 0.14% Long Term Disability Income Plan) of payroll amounts. For fiscal year 2024/25, the District's and its employees' contribution was 12.27% (12.12% Retirement Pension and Health Insurance Benefit, 0.15% Long Term Disability Income Plan) of payroll amounts. See Note 16 in APPENDIX C – "THE DISTRICT – AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025" for further discussion of the District and its employees' obligations to the System as of June 30, 2025.

The Governmental Accounting Standards Board ("GASB") adopted GASB Statement Number 68, *Accounting and Financial Reporting for Pensions* ("GASB 68"), which, beginning with fiscal years starting after June 15, 2014, requires cost-sharing employers to report their "proportionate share" of the plan's net pension liability in their government-wide financial statements. GASB 68 also requires that the cost-sharing employer's pension expense component include its proportionate share of the System's pension expense, the net effect of annual changes in the employer's proportionate share and the annual differences between the employer's actual contributions and its proportionate share. Both the District and each covered employee contribute to the System. At June 30, 2025, the District reported a liability of $93,368,783 for its proportionate share of the net pension liability under the System. The pension liability was measured as of June 30, 2024. See Note 16 in APPENDIX C – "THE DISTRICT – AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025" for further discussion.

Other Post-Employment Benefits

During the year ended June 30, 2018, the District implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"). The District is required to report the actuarially accrued cost of post-employment benefits, other than pension benefits ("OPEB"), such as health and life insurance for current and future retirees. GASB 75 addresses reporting by governments that provide OPEB by measuring and recognizing net assets or liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures related to OPEB provided through defined benefit OPEB plan. Please refer to APPENDIX C of this Official Statement which includes the District's audited financial statements and specifically "NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES."

The District currently does not offer any OPEB. The District's employees, their spouses and survivors may be eligible for certain retiree health care benefits under health care programs provided by the State. Employees on long-term disability and their spouses also may qualify for retiree health care benefits through the State. Such individuals may obtain the health care benefits offered by the State by paying 100% of the applicable health care insurance premium, net of any subsidy provided by the State. The benefits are available to all retired participants in the State's health care program. The District does not currently make payments for OPEB costs for such retirees.

REVENUES AND EXPENDITURES

The following information of the District was derived from the annual expenditure budget of the District for fiscal year 2026/27, unaudited figures for fiscal year 2025/26, and the audited financial statements of the District for fiscal years 2020/21 through and including 2024/25. (State law no longer requires school districts to file revenue budgets.) Budgeted figures for fiscal year 2026/27 and unaudited figures for fiscal year 2025/26 are on a cash basis and are presented in the format required by State law. Budgeted figures for fiscal year 2026/27 and unaudited figures for fiscal year 2025/26 are "forward looking" statements that may not be realized during the course of the fiscal year as presented herein and thus must be viewed with an abundance of caution. Audited figures for fiscal years 2020/21 through and including 2024/25 are on a modified accrual basis. The presentation which follows has not been independently subject to any audit procedures. Budgeted figures for fiscal year 2026/27 and unaudited figures for fiscal year 2025/26 in TABLE 19 include the District's Maintenance and Operations Fund and the Unrestricted Capital Outlay Fund, which is consistent with how such funds are treated in the District's audited financial statements.

The following information should be read in conjunction with the audited financial statements of the District. **See APPENDIX C for the District's most recent audited general purpose financial statements, which are for fiscal year ended June 30, 2025.** Such audited financial statements are the most recent available for the District, are not current and therefore must be considered with an abundance of caution. **The District has not requested the consent of Heinfeld, Meech & Co., P.C. to include its report and Heinfeld, Meech & Co., P.C. has performed no procedures subsequent to rendering its report on the financial statements.**

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TABLE 19

General Fund
Higley Unified School District No. 60

	Budgeted	Unaudited	Audited				
	2026/27	2025/26	2024/25	2023/24	2022/23	2021/22	2020/21
FUND BALANCE AT BEGINNING OF YEAR		$ 30,188,923*(a)*	$ 44,074,662	$ 48,590,326	$ 56,241,157	$ 34,824,338	$ 24,660,920
REVENUES							
Other local		$ 1,465,783	$ 3,275,654	$ 3,123,970	$ 2,440,852	$ 7,681,814	$ 6,156,096
Property taxes		33,718,708	38,012,039	37,000,641	35,429,666	31,659,490	27,024,818
State aid and grants		75,905,029	77,172,773	80,958,058	75,281,649	55,072,115	58,843,488
Federal aid, grants and reimbursements		-	776,007	860,456	266,923	518,825	513,481
TOTAL REVENUES		$ 111,089,520	$ 119,236,473	$ 121,943,125	$ 113,419,090	$ 94,932,244	$ 92,537,883
ADJUSTMENTS							
Increase/(decrease) in reserve for inventory		$ -	$ -	$ -	$ -	$ (40,690)	$ 16,695
Increase/(decrease) in reserve for prepaid items		-	-	-	-	1,202,278	-
Proceeds from sale of capital assets		-	47,305	39,535	23,043	87,101	59,445
Transfers in		-	151,938	406,850	962,573	324,906	1,228,228
Insurance recoveries		-	21,955	14,977	11,345	-	-
Prior fiscal year restatement		-	-	-	(1,560,206)*(b)*	14,209,722 *(c)*	(4,005,595)*(d)*
Premium on issuance of certificates of participation		-	-	-	3,152,833	-	-
Certificates of participation agreements		-	-	-	55,840,000	-	-
TOTAL FUNDS AVAILABLE FOR EXPENDITURES		$ 141,278,443	$ 163,532,333	$ 170,994,813	$ 228,089,835	$ 145,539,899	$ 114,497,576
EXPENDITURES							
Current							
Instruction	$ 54,149,635	$ 55,312,822	$ 60,078,516	$ 58,134,095	$ 55,226,322	$ 51,850,778	$ 47,140,253
Support services:							
Students and instructional staff	13,384,299	12,421,922	13,440,768	12,198,593	11,202,257	10,277,735	9,364,781
General and school administration	8,011,577	8,002,271	12,582,951	16,868,071	12,145,898	10,157,045	8,866,099
Business and central	3,947,133	4,390,519	-	-	-	-	-
Operation & maintenance of plant services	16,275,589	15,474,669	14,930,583	14,299,189	12,831,769	11,643,748	10,142,905
Student transportation services	6,262,895	5,761,345	5,601,905	5,814,031	4,110,612	4,797,027	3,672,108
Operation of non-instructional services	213,764	342,560	1,519,115	708,950	370,403	238,663	381,140
Capital outlay			8,857,123	15,374,842	17,369,424	333,746	105,952
School-sponsored cocurricular activities	203,634	203,155	-	-	-	-	-
School-sponsored athletics	696,592	699,615	-	-	-	-	-
K-3 reading program	553,724	426,242	-	-	-	-	-
Facilities acquisition and construction	3,300,000	1,946,960					
Other	193,590	32,385	-	-	-	-	-
Debt service:	3,955,000	3,845,135					
Principal retirement	-		915,000	870,000	63,045,000	-	-
Interest and fiscal charges	-		2,608,882	2,652,380	912,099	-	-
Issuance costs	-	-	-	-	2,285,725	-	-
TOTAL EXPENDITURES	$ 111,147,432	$ 108,859,600	$ 120,534,843	$ 126,920,151	$ 179,499,509	$ 89,298,742	$ 79,673,238
FUND BALANCE AT END OF YEAR		**$ 32,418,843**	**$ 42,997,490**	**$ 44,074,662**	**$ 48,590,326**	**$ 56,241,157**	**$ 34,824,338**

(a) The difference between the fund balance at the end of audited fiscal year 2024/25 and the fund balance at the beginning of unaudited fiscal year 2025/26 results from certain District funds not being included in the beginning fund balance for fiscal year 2025/26 as reported in the Annual Financial Report prepared by the District and submitted to the Arizona Department of Education. District representatives expect that the fund balance at the end of fiscal year 2024/25 and the fund balance at the beginning of fiscal year 2025/26 will be reconciled upon completion of the audit of the District's fiscal year 2025/26 financial statements. No assurance can be given as to the results of that audit.

(b) For the fiscal year ending June 30, 2023, the District corrected its accounting records for reclassification of prior year federal grant expenditures to the General Fund.

(c) The July 1, 2022 General Fund balance was restated to reflect finance purchase-related reserve funds, the reclassification of prior year expenditures between the Federal and State Grants Fund and the General Fund, and the consolidation of the Unrestricted Capital Outlay Fund into the General Fund for financial reporting purposes.

(d) The July 1, 2021 fund balance/net position of the General Fund and Internal Service Funds do not agree to the prior year financial statements due to a reclassification of District monies. Monies for employee withholdings were previously presented as a part of the General Fund, however, these were reclassified to an Internal Service Fund to better present the activity.

TABLE 20

Debt Service Fund
Higley Unified School District No. 60

	Budgeted	Unaudited	Audited				
	2026/27	2025/26	2024/25	2023/24	2022/23	2021/22	2020/21
FUND BALANCE AT BEGINNING OF YEAR		$ 13,787,934*(a)*	$ 2,026,443	$ 543,393	$ 725,617	$ 584,669	$ 747,411
REVENUES							
Other local		$ 341,485	$ 239,534	$ 169,818	$ 113,385	$ 63,556	$ 74,327
Property taxes		7,854,395	12,709,316	12,657,268	11,280,742	11,795,032	11,908,099
TOTAL REVENUES		$ 8,195,880	$ 12,948,850	$ 12,827,086	$ 11,394,127	$ 11,858,588	$ 11,982,426
ADJUSTMENTS							
Transfers in		$ -	$ -	$ -	$ 16,566	$ 24,277	$ 53,749
TOTAL FUNDS AVAILABLE FOR EXPENDITURES		$ 21,983,814	$ 14,975,293	$ 13,370,479	$ 12,136,310	$ 12,467,534	$ 12,783,586
EXPENDITURES							
Debt service:	$ 11,500,000	$ 11,145,913					
Interest, premium and fiscal charges		-	$ 2,307,388	$ 2,689,036	$ 2,987,917	$ 3,286,917	$ 3,573,917
Principal retirement		-	9,045,000	8,655,000	8,605,000	8,455,000	8,625,000
TOTAL EXPENDITURES	$ 11,500,000	$ 11,145,913	$ 11,352,388	$ 11,344,036	$ 11,592,917	$ 11,741,917	$ 12,198,917
FUND BALANCE AT END OF YEAR		**$ 10,837,901**	**$ 3,622,905**	**$ 2,026,443**	**$ 543,393**	**$ 725,617**	**$ 584,669**

(a) The difference between the fund balance at the end of audited fiscal year 2024/25 and the fund balance at the beginning of unaudited fiscal year 2025/26 results from a different treatment of the applicable July 1 debt service payment. District representatives expect that the fund balance at the end of fiscal year 2024/25 and the fund balance at the beginning of fiscal year 2025/26 will be reconciled upon completion of the audit of the District's fiscal year 2025/26 financial statements. No assurance can be given as to the results of that audit.

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APPENDIX C

THE DISTRICT

AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

The following audited financial statements are for the fiscal year ended June 30, 2025. These are the most recent audited financial statements available to the District. THESE FINANCIAL STATEMENTS ARE NOT CURRENT AND MAY NOT REPRESENT THE CURRENT FINANCIAL CONDITION OF THE DISTRICT. See "REVENUES AND EXPENDITURES" in APPENDIX B.

Such audited financial statements are the most recent available for the District, are not current and therefore must be considered with an abundance of caution. **The District has not requested the consent of Heinfeld, Meech & Co., P.C. to include its report and Heinfeld, Meech & Co., P.C. has performed no procedures subsequent to rendering its report on the financial statements.**

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Independent Auditor's Report

Governing Board
Higley Unified School District No. 60

Report on Audit of Financial Statements

Opinions

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

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

Basis for Opinions

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

Change in Accounting Principle

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Other Matters

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

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

Heinfeld Meech & Co. PC

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

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

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

Financial Highlights

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

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

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

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

Overview of Financial Statements

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

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

Overview of Financial Statements

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

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

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

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

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

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

Overview of Financial Statements

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

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

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

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

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

Government-Wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by $186.0 million at the current fiscal year end.

Government-Wide Financial Analysis

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

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

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

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

Government-Wide Financial Analysis

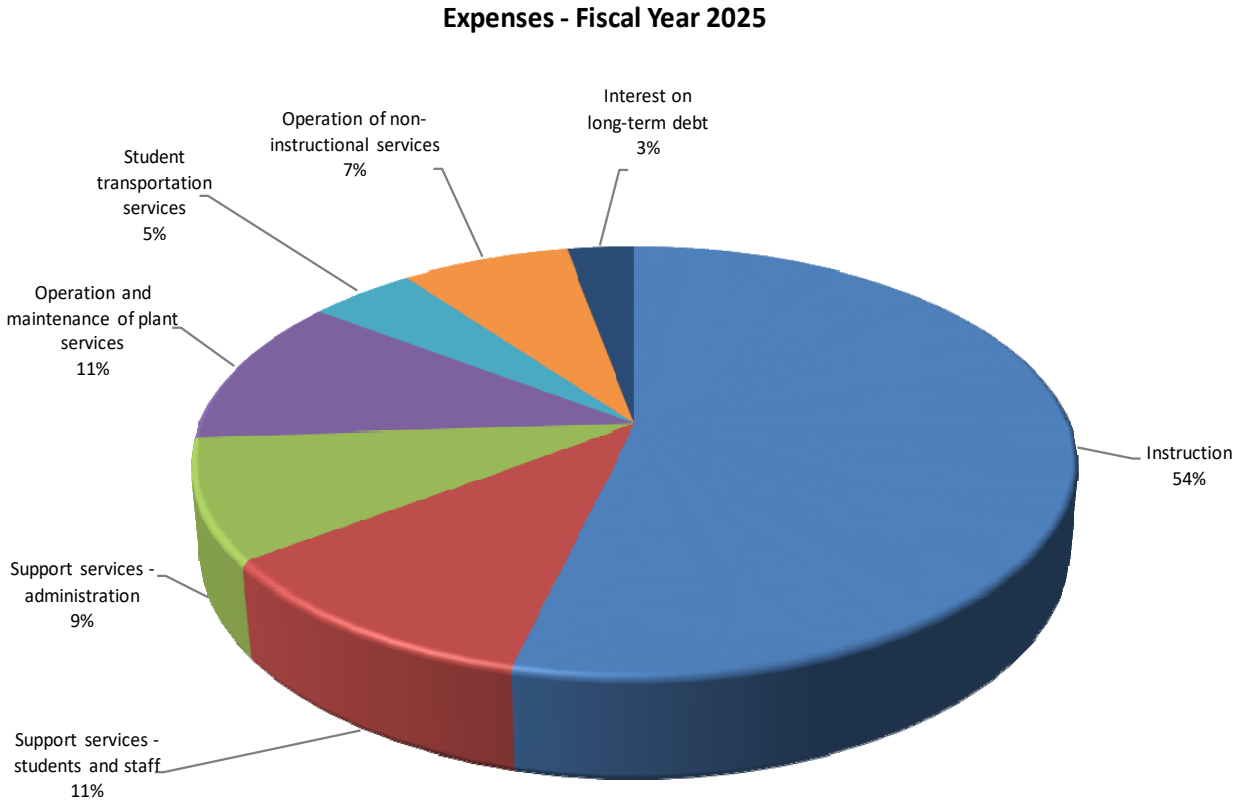
The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets. The following are significant current year transactions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

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

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

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

Government-Wide Financial Analysis



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

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

The following table presents the cost of the District's major functional activities. The table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and District's taxpayers by each of these functions.

Government-Wide Financial Analysis

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

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

Financial Analysis of the District's Funds

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

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

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of $79.9 million, a decrease of $2.8 million due primarily to a decrease in unrestricted state aid.

Financial Analysis of the District's Funds

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

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

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

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

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

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

Budgetary Highlights

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

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

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

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

Capital Assets and Debt Administration

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

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

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

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

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

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

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

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

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

Economic Factors and Next Year's Budget and Rates

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

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

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

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

Contacting the District's Financial Management

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

Basic Financial Statements

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Government-Wide Financial Statements

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

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

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

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

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

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

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Fund Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Note 1 – Summary of Significant Accounting Policies

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

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

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

A. Reporting Entity

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

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

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

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

Note 1 – Summary of Significant Accounting Policies

B. Government-Wide and Fund Financial Statements

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

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

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

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

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

Note 1 – Summary of Significant Accounting Policies

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

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

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

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

The District reports the following major governmental funds:

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

Note 1 – Summary of Significant Accounting Policies

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

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

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

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

Additionally, the District reports the following fund type:

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

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

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

D. Cash and Investments

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

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

Note 1 – Summary of Significant Accounting Policies

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

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

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

E. Investment Income

Investment income is composed of interest, dividends, and net changes in the fair value of applicable investments. Investment income is included in other local revenue in the fund financial statements and in nonoperating revenues in the proprietary fund financial statements.

F. Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Interfund balances between governmental funds are eliminated on the Statement of Net Position.

All receivables, including property taxes receivable, are shown net of an allowance for uncollectibles.

Note 1 – Summary of Significant Accounting Policies

G. Property Tax Calendar

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

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

H. Inventory

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

I. Prepaid Items

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

J. Capital Assets

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

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

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

Note 1 – Summary of Significant Accounting Policies

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

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

K. Deferred Outflows/Inflows of Resources

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

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

L. Compensated Absences

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

M. Pensions

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

Note 1 – Summary of Significant Accounting Policies

N. Long-term Obligations

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

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

O. Interfund Activity

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

P. Net Position Flow Assumption

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

Q. Estimates

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

Note 1 – Summary of Significant Accounting Policies

R. Subscription-Based Information Technology Arrangements (SBITAs)

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

Note 2 – Fund Balance Classifications

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

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

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

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

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

Note 2 – Fund Balance Classifications

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

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

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

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

Note 3 – Stewardship, Compliance and Accountability

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

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

Note 4 – Cash and Investments

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure the District's deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the District's deposits was $677,974 and the bank balance was $1,276,749. At year end, $1,026,749 of the District's deposits were covered by collateral held by the pledging financial institution's trust department or agent but not in the District's name.

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

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

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

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

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

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

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

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

Note 5 – Receivables

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

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

Note 6 – Capital Assets

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

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

Note 6 – Capital Assets

Depreciation expense was charged to governmental functions as follows:

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

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

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

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

Note 8 – Certificates of Participation Payable

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

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

Note 9 – Certificates of Participation Payable

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

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

Note 10 – General Obligation Bonds Payable

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

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

Note 10 – General Obligation Bonds Payable

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

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

Note 11 – Changes in Long-Term Liabilities

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

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

Note 12 – Interfund Receivables, Payables, and Transfers

At year end, interfund balances were as follows:

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

Note 12 – Interfund Receivables, Payables, and Transfers

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

Note 13 – Contingent Liabilities

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

Note 14 – Restatements of Beginning Balances

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

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

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

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

Note 15 – Risk Management

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

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

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

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

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

Note 15 – Risk Management

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

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

Note 16 – Pensions

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

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

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

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

Note 16 – Pensions

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

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

*With actuarially reduced benefits

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

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

Note 16 – Pensions

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

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

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

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

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

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

Note 16 – Pensions

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

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

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

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

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

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

Note 16 – Pensions

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

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

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

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

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

Note 16 – Pensions

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

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

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

Required Supplementary Information

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

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

See accompanying notes to this schedule.

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

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

See accompanying notes to this schedule.

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

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

See accompanying notes to this schedule.

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

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

See accompanying notes to this schedule.

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

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

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

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

See accompanying notes to this schedule.

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

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

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

Note 1 – Budgetary Basis of Accounting

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

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

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

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

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

Note 2 – Pension Plan Schedules

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

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

Combining and Individual
Fund Financial Statements and Schedules

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Governmental Funds

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Non-Major Governmental Funds

Special Revenue Funds

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

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

Capital Projects Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Internal Service Funds

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

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

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

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

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

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

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

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

APPENDIX D

TOWN OF GILBERT, ARIZONA AND TOWN OF QUEEN CREEK, ARIZONA

The following information regarding Gilbert and Queen Creek is for reference only. No attempt has been made to determine what part, if any, of the data presented is applicable to the District and, consequently, no representation is made as to the relevance of the data to the District or the Bonds. THE BONDS WILL NOT BE OBLIGATIONS OF GILBERT OR QUEEN CREEK. The Bonds will be direct obligations of the District, payable solely from ad valorem taxes levied against all taxable property in the District limited as described under the heading "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS."

Town of Gilbert, Arizona

General

Gilbert is located in the southeastern portion of the County, bounded on the north and east by Mesa, Arizona, on the west by Chandler, Arizona, on the southeast by Queen Creek and on the south by the Gila River Indian Community. Founded in 1902 and incorporated on July 6, 1920, Gilbert has a planning area of 72.6 square miles. The population of the Town nearly doubled in the 2000s. This growth continued into the 2010s.

The following table illustrates population statistics for Gilbert.

POPULATION STATISTICS
Town of Gilbert, Arizona

	Town of Gilbert
2025 Estimate *(a)*	294,689
2020 Census	267,918
2010 Census	208,453
2000 Census	109,697
1990 Census	29,122
1980 Census	5,717

(a) Estimate as of July 2025 (data released in December 2025).

Source: Arizona Office of Economic Opportunity and the U.S. Census Bureau.

Municipal Government and Organization

Gilbert operates under a Council-Manager form of government. Six council members are elected at large for staggered four-year terms. The Mayor is directly elected by the Gilbert electorate to a four-year term and is the Chief Executive Officer of Gilbert and Chair of the Town Council. The Town Council appoints a Town Manager who has full responsibility for carrying out Town Council policies and administering Gilbert operations. The Town Manager administers the Town's functions through department directors. Gilbert's employees are hired under personnel rules adopted by the Town Council. Gilbert provides or administers a full range of services including police and fire protection, ambulance transport, municipal court, development services (planning, code enforcement and engineering), public works (water, wastewater, environmental services, and streets), parks and recreation services and management services.

Employment

Although still a contributor to the economic base, agriculture no longer dominates the Gilbert area economy due to the industrial, commercial and residential development which has occurred within Gilbert. Cotton, sorghum, grains, alfalfa, citrus, vegetables and livestock dominate remaining agricultural production. Processing of cotton seed, oil and fiber and fertilizer production are also locally important.

The following table is a partial list of major employers within Gilbert.

MAJOR EMPLOYERS
Town of Gilbert, Arizona

Employer	Description	Approximate Number of Employees
Gilbert Unified School District No. 41	Education	3,120
Banner Health	Healthcare	2,080
Fry's Food Stores	Retail	1,680
Northrop Grumman	Defense	1,650
Town of Gilbert	Government	1,630
Higley Unified School District No. 60	Education	1,380
Dignity Health	Healthcare	1,380
Silent Aire USA Inc.	Manufacturing	750
Deloitte	Consultant	720
Costco Wholesale	Retail	700

Source: Maricopa Association of Governments Employer Database (retrieved October 2026).

The table below illustrates the unemployment rate averages for Gilbert.

UNEMPLOYMENT RATE AVERAGES
Town of Gilbert, Arizona

Calendar Year	Town of Gilbert *(a)*
2026 *(b)*	3.8%
2025	3.2
2024	2.8
2023	2.7
2022	2.7
2021	3.4

(a) Each year, historical estimates from the Local Area Unemployment Statistics ("LAUS") program are revised to reflect new population controls from the Census Bureau, updated input data, and re-estimation. The data for model-based areas also incorporate new seasonal adjustment, and the unadjusted estimates are controlled to new census division and U.S. totals. Sub-state area data subsequently are revised to incorporate updated inputs, re-estimation, and controlling to new statewide totals.

(b) Data through August 2026.

Source: Arizona Office of Unemployment and Population Statistics, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Commerce

The following table illustrates historical transaction privilege (sales) tax collections for Gilbert.

TRANSACTION PRIVILEGE (SALES) TAX COLLECTIONS
Town of Gilbert, Arizona

Fiscal Year	Amount
2026/27 *(a)*	$35,081,833
2025/26	211,351,371
2024/25	176,854,261
2023/24	157,413,453
2022/23	154,369,857
2021/22	141,464,412

(a) Data through August 2026.

Source: Arizona Department of Revenue.

Town of Queen Creek, Arizona

General

Queen Creek is predominantly located in the southeastern portion of the County (with a small portion of Queen Creek's area in Pinal County, Arizona), and is adjacent to Gilbert and the cities of Mesa, Arizona and Chandler, Arizona. Founded and incorporated in 1989, today Queen Creek encompasses an annexed area totaling 42 square miles.

The following table illustrates respective population statistics for Queen Creek.

POPULATION STATISTICS
Town of Queen Creek, Arizona

	Town of Queen Creek *(a)*
2025 Estimate (*b)*	88,050
2020 Census	59,519
2010 Census	25,912
2000 Census	4,316
1990 Census	2,667
1980 Census	1,649

(a) Includes the population of Queen Creek located in both the County and Pinal County, Arizona.

(b) Estimate as of July 2025 (data released in December 2025).

Source: Arizona Office of Economic Opportunity and the U.S. Census Bureau.

Municipal Government and Organization

Queen Creek operates under the Council-Manager form of government. Six council members are elected at large for staggered four-year terms. The Mayor is directly elected by Queen Creek electorate to a four-year term. The Town Council appoints a Town Manager who has full responsibility for carrying out council policies and administering Town operations. The Town Manager administers the Town's functions through an Assistant Town Manager and department directors. Queen Creek employees are hired under personnel rules adopted by the Town Council. Queen Creek provides or administers a variety of services including public safety (fire and police), community development (planning, building and code enforcement and engineering), leisure services (parks, recreation and library), enterprise operations (water, wastewater, and solid waste), internal services (human resources, information technology, budget, finance, and equipment maintenance), streets and public works.

Employment

The economy of Queen Creek is supported by residential and commercial development. Commercial development in Queen Creek is focused in three main areas: the Town Center, the northeast area, and the southeast area. The Town Center is the economic core of the community and includes over 2 million square feet of commercial development. The northeast section of Queen Creek is strategically positioned to capitalize on new employment growth with its proximity to the Phoenix-Mesa Gateway Airport and the new State Route 24, which has freeway access within 1.5 miles of the main employment corridor.

The following table is a partial list of major employers within Queen Creek.

MAJOR EMPLOYERS
Town of Queen Creek, Arizona

Employer	Description	Approximate Number of Employees
Queen Creek Unified School District 95	Education	1,238
Town of Queen Creek	Government	598
Banner Health	Healthcare	467
Walmart	Retail	460
Fry's Food Stores	Retail	460
Target	Retail	430
Costco Wholesale	Retail	350
Chandler Unified School District No. 80	Education	300
Safeway	Grocery	240
Slick City Action Park	Entertainment	230

Source: Maricopa Association of Governments Employer Database (retrieved October 2026).

The table below illustrates the unemployment rate averages for Queen Creek.

UNEMPLOYMENT RATE AVERAGES
Town of Queen Creek, Arizona

Calendar Year	Town of Queen Creek *(a)*
2026 *(b)*	4.0%
2025	3.4
2024	2.8
2023	2.8
2022	2.7
2021	3.2

(a) *Each year, historical estimates from the LAUS program are revised to reflect new population controls from the Census Bureau, updated input data, and re-estimation. The data for model-based areas also incorporate new seasonal adjustment, and the unadjusted estimates are controlled to new census division and U.S. totals. Sub-state area data subsequently are revised to incorporate updated inputs, re-estimation, and controlling to new statewide totals.*

(b) *Data through August 2026.*

Source: Arizona Office of Unemployment and Population Statistics, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Commerce

The following table illustrates historical transaction privilege (sales) tax collections for Queen Creek.

TRANSACTION PRIVILEGE (SALES) TAX COLLECTIONS
Town of Queen Creek, Arizona

Fiscal Year	Amount
2026/27 *(a)*	$15,643,407
2025/26	107,996,731
2024/25	107,595,473
2023/24	101,625,316
2022/23	70,617,164
2021/22	72,850,799

(a) *Data through August 2026.*

Source: Arizona Department of Revenue.

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APPENDIX E

MARICOPA COUNTY, ARIZONA

The following information regarding the County is provided for background information only. No attempt has been made to determine what part, if any, of the data presented is applicable to the District; consequently, no representation is made as to the relevance of the data to the District or the Bonds. THE BONDS WILL NOT BE OBLIGATIONS OF THE COUNTY. The Bonds will be direct obligations of the District, payable solely from ad valorem taxes levied against all taxable property in the District limited as described under the heading "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS."

General

The County was named after the Maricopa Indian tribe and was formed as the fifth county of Arizona in 1871. The principal geographic features of the County consist of the expansive river valleys of the Salt and Gila Rivers and a number of rugged mountain ranges scattered throughout the County.

The County encompasses approximately 9,222 square miles, 98 square miles of which is water.

LAND OWNERSHIP
Maricopa County, Arizona

Control/Ownership	Percent of Land in County
U.S. Forest Service and Bureau of Land Management	39%
State of Arizona	11
Indian Reservation	5
Individual or Corporation	29
Other Public Lands	16
Total	100%

Source: *Arizona County Profiles*, Arizona Commerce Authority.

Municipal Government and Organization

The governmental and administrative affairs of the County are carried out by a Board of Supervisors (the "Board") comprised of five members who each serve four-year terms. The Board appoints a Chief Administrative Officer who is responsible for carrying out Board policies and administering County operations.

Located within the County are the cities of Avondale, Buckeye, Chandler, Glendale, Goodyear, Litchfield Park, Mesa, Peoria, Phoenix, Scottsdale, Surprise, Tempe and Tolleson; the towns of Carefree, Cave Creek, Fountain Hills, Guadalupe, Gilbert, Paradise Valley, Wickenburg and Youngtown and the unincorporated retirement communities of Sun City and Sun City West, along with several smaller communities.

The following table illustrates respective population statistics for the principal communities of the County, the County and the State.

POPULATION STATISTICS

Year	City of Phoenix	City of Mesa	City of Chandler	City of Glendale	City of Scottsdale	City of Tempe	Maricopa County	State of Arizona
2025 Estimate *(a)*	1,709,489	529,391	288,299	265,599	251,000	196,001	4,787,790	7,718,747
2020 Census	1,608,139	504,258	275,987	248,325	241,361	180,587	4,420,568	7,151,502
2010 Census	1,445,632	439,041	236,123	226,721	217,385	161,719	3,817,117	6,392,017
2000 Census	1,321,045	396,375	176,581	218,812	202,705	158,625	3,072,149	5,130,632
1990 Census	983,392	288,104	89,862	147,864	130,075	141,993	2,122,101	3,665,339
1980 Census	789,704	152,404	29,673	97,172	88,622	106,920	1,509,175	2,716,546

(a) Estimate as of July 2025 (data released in December 2025).

Source: Arizona Office of Economic Opportunity, prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Economy

The County's economy is based on high technology manufacturing, light manufacturing and commercial activities (including construction and trade), tourism, government and agriculture. The table below illustrates the employment structure of the County.

NON-AGRICULTURAL EMPLOYMENT STRUCTURE
Maricopa County, Arizona

	2026 Percent of Total *(a)*
Mining and construction	7.4%
Manufacturing	5.9
Trade, transportation and utilities	19.3
Information	1.7
Financial activities	8.6
Professional and Business Services	15.9
Educational and Health Services	17.6
Leisure and Hospitality	10.7
Services and miscellaneous	3.2
Government	9.7
Total	100.0%

(a) Data through July 2026.

Source: Arizona Office of Economic Opportunity, prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

LABOR FORCE AND NONFARM EMPLOYMENT
Maricopa County, Arizona

	2026 *(a)*	2025	2024	2023	2022	2021
Mining and construction	176,800	176,700	177,800	168,200	152,400	139,100
Manufacturing	139,500	140,500	142,600	142,300	140,400	133,700
Trade, transportation, and utilities	460,200	463,000	456,800	454,700	447,400	427,100
Information	40,500	39,900	39,500	42,200	42,800	39,700
Financial activities	205,400	210,800	206,700	209,200	214,600	214,300
Professional and business services	379,100	375,700	379,000	385,200	383,500	367,400
Educational and health services	419,900	408,400	398,800	379,600	359,100	339,100
Leisure and hospitality	255,300	257,700	254,300	245,800	229,900	206,200
Other services	77,000	75,200	75,400	74,900	71,400	66,800
Government	231,100	230,800	231,300	225,900	218,500	216,500
	2,384,800	2,378,700	2,362,200	2,328,000	2,260,000	2,149,900

(a) Data through July 2026.

Source: Arizona Office of Economic Opportunity, prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

The following table illustrates the unemployment rate averages for the County, the State and the United States of America.

UNEMPLOYMENT RATE AVERAGES

Calendar Year	Maricopa County *(a)*	State of Arizona *(a)*	United States of America
2026 *(b)*	4.2%	4.8%	4.4%
2025	3.8	4.3	4.3
2024	3.2	3.7	4.0
2023	3.2	3.7	3.6
2022	3.3	3.8	3.6
2021	4.6	5.0	5.3

(a) Each year, historical estimates from the LAUS program are revised to reflect new population controls from the Census Bureau, updated input data, and reestimation. The data for model-based areas also incorporate new seasonal adjustment, and the unadjusted estimates are controlled to new census division and U.S. totals. Sub-state area data subsequently are revised to incorporate updated inputs, reestimation, and controlling to new statewide totals.

(b) Data through July 2026.

Source: Arizona Office of Economic Opportunity, prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics and the U.S. Bureau of Labor Statistics.

Retail Sales

The following table illustrates retail sales for the County.

TAXABLE RETAIL SALES
Maricopa County, Arizona
($000s omitted)

Calendar Year	Taxable Retail Sales *(a)*
2026 *(b)*	$ 45,985,629
2025	74,794,453
2024	72,535,228
2023	73,072,528
2022	71,219,545
2021	66,043,105

(a) The statutory definition of "Retail Sales" is the business of selling tangible personal property at retail. Therefore, this class does not include services or hotels, restaurants or food sales.

(b) Data through July 2026.

Source: Arizona Department of Revenue, Office of Economic Research and Analysis.

APPENDIX F

FORM OF APPROVING LEGAL OPINION

GOVERNING BOARD
HIGLEY UNIFIED SCHOOL DISTRICT
NO. 60 OF MARICOPA COUNTY, ARIZONA

We have acted as bond counsel to the Higley Unified School District No. 60 (the "*District*") of Maricopa County, Arizona (the "*County*") in connection with the issuance of its $25,250,000* aggregate principal amount of Refunding Bonds, Series 2026 (the "*Bonds*"). The Bonds are dated [_____, 2026], and bear interest payable January 1 and July 1 of each year to maturity, commencing July 1, 2027*. In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to give the opinions below.

As to questions of fact material to the opinions below, we have relied upon, and assumed due and continuing compliance with the provisions of, the certified proceedings and other certifications, covenants, and representations furnished to us without undertaking to verify them by independent investigation, including, without limitation, those with respect to causing interest on the Bonds to be and remain excluded from gross income for federal income tax purposes.

Based upon the foregoing, we are of the opinion, as of this date, which is the date of initial delivery of the Bonds against payment therefor, that:

1. The Bonds have been duly authorized and executed by the District and are valid and binding general obligations of the District.

2. All taxable property within the District is subject to the levy of a direct, annual, *ad valorem* tax to pay the principal of and interest on the Bonds without limit as to rate, except that the total aggregate of taxes levied to pay the principal of and interest on the Bonds in the aggregate shall not exceed the total aggregate amount of principal and interest to become due on the bonds being refunded from the date of issuance of the Bonds to the final date of maturity of the bonds being refunded; and subject further to the rights vested in the owners of such bonds being refunded to the payment of such bonds being refunded from the same tax source in the event of a deficiency in the moneys and obligations issued by or guaranteed by the United States of America purchased from the proceeds of the sale of such Bonds and placed in trust for the purpose of providing for payment of principal of and premium and interest on such bonds being refunded. The owners of the Bonds must rely on the sufficiency of the moneys and obligations placed irrevocably in trust for payment of the bonds being refunded. Subject to the foregoing, it is required by law that the Board of Supervisors of the County levy, at the time of making the levy of taxes for County purposes, an annual tax upon the taxable property in the District sufficient to pay the principal of and interest on the Bonds when due.

3. Under existing laws, regulations, rulings and judicial decisions, the interest income on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "*Code*") and is exempt from Arizona income taxes. Interest income on the Bonds is not an item of tax preference for purposes of the alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the federal alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes under Section 103 of the Code. The District has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. For purposes of this opinion, we have assumed continuing

* *Subject to change.*

compliance by the District with such restrictions, conditions, and requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting the rights and remedies of creditors, and by equitable principles, whether considered at law or in equity.

We express no opinion herein regarding the accuracy, adequacy, or completeness of the Official Statement dated as of [_____, 2026], relating to the Bonds. Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

The opinions given in this opinion letter are given as of the date set forth above, and we assume no obligation to revise or supplement them to reflect any facts or circumstances that may later come to our attention, or any changes in law that may later occur.

Respectfully submitted,

APPENDIX G

FORM OF CONTINUING DISCLOSURE CERTIFICATE

$25,250,000*
HIGLEY UNIFIED SCHOOL DISTRICT NO. 60
OF MARICOPA COUNTY, ARIZONA
REFUNDING BONDS, SERIES 2026

CONTINUING DISCLOSURE CERTIFICATE
(CUSIP Base No. 567313)

This Continuing Disclosure Certificate (this "*Disclosure Certificate*") is undertaken by Higley Unified School District No. 60 of Maricopa County, Arizona (the "*District*") in connection with the issuance of its $25,250,000* Refunding Bonds, Series 2026 (the "*Bonds*"). In consideration of the initial sale and delivery of the Bonds, the District covenants as follows:

Section 1. **Purpose of the Disclosure Certificate**. This Disclosure Certificate is for the benefit of the Bondholders (as defined herein) and in order to assist the Participating Underwriter (as defined herein) in complying with the Rule (as defined herein).

Section 2. **Definitions**. Any capitalized term used herein shall have the following meanings, unless otherwise defined herein:

"*Annual Report*" shall mean the annual report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Audited Financial Statements" shall mean the District's annual financial statements, which are currently prepared in accordance with generally accepted accounting principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and which the District intends to continue to prepare in substantially the same form.

"*Bond Counsel*" shall mean Gust Rosenfeld P.L.C. or such other nationally recognized bond counsel as may be selected by the District.

"*Bondholder*" shall mean any registered owner or beneficial owner of the Bonds.

"*Dissemination Agent*" shall mean the District, or any person designated in writing by the District as the Dissemination Agent.

"*EMMA*" shall mean the Electronic Municipal Market Access system of MSRB, or any successor thereto approved by the Securities and Exchange Commission, as a repository for municipal continuing disclosure information pursuant to the Rule.

"*Financial Obligation*" shall mean (i) a debt obligation; (ii) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii), except that "*Financial Obligation*" does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"*Listed Events*" shall mean any of the events listed in Section 5 of this Disclosure Certificate.

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* *Subject to change.*

"*MSRB*" shall mean the Municipal Securities Rulemaking Board, or any successor thereto.

"*Official Statement*" shall mean the final official statement dated [____, 2026] relating to the Bonds.

"*Participating Underwriter*" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

"*Rule*" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. **Provision of Annual Reports**.

(a) Commencing February 1, 2027, and by no later than February 1 of each year thereafter (the "*Filing Date*"), the District shall, either directly or by directing the Dissemination Agent to do so, provide an Annual Report to MSRB. The Annual Report shall be provided electronically and in a format prescribed by MSRB. The Annual Report shall be consistent with the requirements of Section 4 of this Disclosure Certificate and shall include information from the fiscal year ending on the preceding June 30. All documents provided to MSRB shall be accompanied by identifying information prescribed by MSRB. Currently, filings are required to be made with EMMA. Not later than fifteen (15) business days prior to such Filing Date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District).

(b) If the District is unable or for any reason fails to provide electronically to EMMA an Annual Report or any part thereof by the Filing Date required in subsection (a) above, the District shall, in a timely manner, send a notice to EMMA in substantially the form attached as *Exhibit A* not later than the Filing Date.

(c) If the District's Audited Financial Statements are not submitted with the Annual Report and the District fails to provide to EMMA a copy of its Audited Financial Statements within thirty (30) days of receipt thereof by the District, then the District shall, in a timely manner, send a notice to EMMA in substantially the form attached as *Exhibit B*.

(d) The Dissemination Agent shall:

(i) Determine the proper electronic filing address of EMMA each year prior to the date(s) for providing the Annual Report and Audited Financial Statements; and

(ii) If the Dissemination Agent is other than the District, file a report or reports with the District certifying that the Annual Report and Audited Financial Statements, if applicable, have been provided pursuant to this Disclosure Certificate, stating the date such information was provided and listing where it was provided.

Section 4. **Content of Annual Reports**.

(a) The Annual Report may be submitted as a single document or as separate documents comprising an electronic package, and may incorporate by reference other information as provided in this Section, including the Audited Financial Statements of the District; provided, however, that if the Audited Financial Statements of the District are not available at the time of the filing of the Annual Report, the District shall file unaudited financial statements of the District with the Annual Report and, when the Audited Financial Statements of the District are available, the same shall be submitted to EMMA within thirty (30) days of receipt thereof by the District.

(b) The District's Annual Report shall contain or incorporate by reference the following:

(i) Type of Financial and Operating Data to be Provided:

(A) Subject to the provisions of Sections 3 and 4(a) hereof, Audited Financial Statements for the District.

(B) Annually updated financial information and operating data of the type contained in the following tables in APPENDIX A – "THE DISTRICT – DISTRICT INFORMATION" and APPENDIX B – "THE DISTRICT – FINANCIAL INFORMATION" of the Official Statement:

(1) Table 2 – Average Daily Membership;
(2) Table 6 – Property Taxes Levied and Collected;
(3) Table 8 – Net Limited Assessed Property Value by Property Classification;
(4) Table 9 – Net Limited Assessed Property Value of Major Taxpayers; and
(5) Tables 15 and 16 – Constitutional / Statutory Debt Limit / Unused Borrowing Capacity after Bond Issuance.

(C) In the event of an amendment pursuant to Section 8 of this Disclosure Certificate not previously described in an Annual Report, an explanation, in narrative form, of the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided and, if the amendment is made to the accounting principles to be followed, a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles, including a qualitative discussion of the differences, and the impact on the presentation and, to the extent feasible, a quantitative comparison.

(ii) Accounting Principles Pursuant to Which Audited Financial Statements Shall Be Prepared: The Audited Financial Statements shall be prepared in accordance with generally accepted accounting principles and state law requirements as are in effect from time to time. A more complete description of the accounting principles currently followed in the preparation of the District's Audited Financial Statements is contained in Note 1 of the Audited Financial Statements included within the Official Statement.

Notice of amendment to the accounting principles shall be sent within thirty (30) days to EMMA.

(c) Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the District or related public entities, which have been submitted to EMMA or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from EMMA. The District shall clearly identify each such other document so incorporated by reference.

Section 5. **Reporting of Listed Events**.

(a) This Section shall govern the giving of notices by the District, either directly or by directing the Dissemination Agent to do so, of the occurrence of any of the following events with respect to the Bonds. The District shall in a timely manner, not in excess of ten (10) business days after the occurrence of the event, provide notice of the following events with EMMA:

(i) Principal and interest payment delinquencies;
(ii) Non-payment related defaults, if material;
(iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
(iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
(v) Substitution of credit or liquidity providers, or their failure to perform;
(vi) Adverse tax opinions, the issuance by the Internal Revenue Service (the "*IRS*") of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
(vii) Modifications to rights of Bondholders, if material;

(viii) Bond calls, if material, and tender offers;
(ix) Defeasances;
(x) Release, substitution, or sale of property securing repayment of the Bonds, if material;
(xi) Rating changes;
(xii) Bankruptcy, insolvency, receivership or similar event of the District;
(xiii) The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
(xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
(xv) The incurrence of a Financial Obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect Bondholders, if material; and
(xvi) A default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties.

(b) "*Materiality*" will be determined in accordance with the applicable federal securities laws.

Note to Section 5(a)(xii): For the purposes of the event identified in subsection (a)(xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

Section 6. **Termination of Reporting Obligation**. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. Such termination shall not terminate the obligation of the District to give notice of such defeasance or prior redemption.

Section 7. **Dissemination Agent**. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 8. **Amendment**. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate if:

(a) The amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in identity, nature or status of the District, or the type of business conducted;

(b) This Disclosure Certificate, as amended, would, in the opinion of Bond Counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment does not materially impair the interests of Bondholders, as determined by Bond Counsel.

Section 9. **Filing with EMMA**. The District shall, or shall cause the Dissemination Agent to, electronically file all items required to be filed with EMMA.

Section 10. **Additional Information**. The District may, at the District's election, include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate. If the District chooses to include such information, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. **Default**. In the event of a failure of the District to comply with any provision of this Disclosure Certificate, any Bondholder may seek specific performance by court order to cause the District to comply with its obligations under this Disclosure Certificate. The sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance and such failure shall not constitute a default under the Bonds or the resolution authorizing the Bonds.

Section 12. **Compliance by District**. The District hereby covenants to comply with the terms of this Disclosure Certificate. The District expressly acknowledges and agrees that compliance with the undertaking contained in this Disclosure Certificate is its sole responsibility and the responsibility of the Dissemination Agent, if any, and that such compliance, or monitoring thereof, is not the responsibility of, and no duty is present with respect thereto for, the Participating Underwriter or Bond Counsel.

Section 13. **Subject to Appropriation**. Pursuant to Arizona law, the District's undertaking to provide information under this Disclosure Certificate is subject to appropriation to cover the costs of preparing and sending the Annual Report and notices of Listed Events to EMMA. Should funds that would enable the District to provide the information required to be disclosed hereunder not be appropriated, then notice of such fact shall, in a timely manner, be sent to EMMA in substantially the form attached as *Exhibit C*.

Section 14. **Beneficiaries**. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and the Bondholders, and shall create no rights in any other person or entity.

Section 15. **Governing Law and Interpretation of Terms**. This Disclosure Certificate shall be governed by the law of the State of Arizona and any action to enforce this Disclosure Certificate must be brought in an Arizona state court. The terms and provisions of this Disclosure Certificate shall be interpreted in a manner consistent with the interpretation of such terms and provisions under the Rule and the federal securities law.

Dated: [Closing Date].

HIGLEY UNIFIED SCHOOL DISTRICT NO. 60 OF MARICOPA COUNTY, ARIZONA

By _____
Chief Financial Officer

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Higley Unified School District No. 60 of Maricopa County, Arizona
Name of Bond Issue: $25,250,000* Refunding Bonds, Series 2026
Dated Date of Bonds: [Closing Date] Base CUSIP: 567313

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by Section 3(a) of the Continuing Disclosure Certificate dated [Closing Date]. The District anticipates that the Annual Report for fiscal year ended June 30, _____ will be filed by _____.

Dated: _____

Higley Unified School District No. 60 of
Maricopa County, Arizona
By_____
Its _____

EXHIBIT B

NOTICE OF FAILURE TO FILE AUDITED FINANCIAL STATEMENTS

Name of Issuer: Higley Unified School District No. 60 of Maricopa County, Arizona
Name of Bond Issue: $25,250,000* Refunding Bonds, Series 2026
Dated Date of Bonds: [Closing Date] Base CUSIP: 567313

NOTICE IS HEREBY GIVEN that the District failed to provide its Audited Financial Statements with its Annual Report or, if not then available, within 30 days of receipt as required by Section 4(a) of the Continuing Disclosure Certificate dated [Closing Date], with respect to the above-named Bonds. The District anticipates that the Audited Financial Statements for the fiscal year ended June 30, ____ will be filed by _____.

Dated: _____

Higley Unified School District No. 60 of
Maricopa County, Arizona
By_____
Its _____

EXHIBIT C

NOTICE OF FAILURE TO APPROPRIATE FUNDS

Name of Issuer: Higley Unified School District No. 60 of Maricopa County, Arizona
Name of Bond Issue: $25,250,000* Refunding Bonds, Series 2026
Dated Date of Bonds: [Closing Date] Base CUSIP: 567313

NOTICE IS HEREBY GIVEN that the District failed to appropriate funds necessary to perform the undertaking required by the Continuing Disclosure Certificate dated [Closing Date].

Dated: _____

Higley Unified School District No. 60 of
Maricopa County, Arizona
By_____
Its _____

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* *Subject to change.*

APPENDIX H

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company ("DTC") will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants" and together with the Direct Participants, the "Participants"). DTC has Standard & Poor's rating of: "AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial

Owners may wish to provide their names and addresses to the Bond Registrar and Paying Agent and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payment of principal of and interest on the Bonds and the redemption price of any Bond will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Bond Registrar and Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Bond Registrar and Paying Agent or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of and interest on the Bonds and the redemption price of any Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or Bond Registrar and Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Bond Registrar and Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.