

**PRELIMINARY OFFICIAL STATEMENT DATED APRIL 30, 2026**

**NEW ISSUE – BOOK-ENTRY-ONLY**

**RATINGS: See “RATINGS” herein.**

*In the opinion of Greenberg Traurig, LLP, Bond Counsel, assuming the accuracy of certain representations and certifications and the continuing compliance with certain tax covenants, under existing statutes, regulations, rulings and court decisions, interest on the Bonds will be excludable from gross income for federal income tax purposes. Further, interest on the Bonds will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals but in the case of the alternative minimum tax imposed by Section 55(b)(2) of the Internal Revenue Code of 1986, as amended (the “Code”), on applicable corporations (as defined in Section 59(k) of the Code), interest on the Bonds is not excluded from the determination of adjusted financial statement income. See “TAX EXEMPTION” herein for a description of certain other federal tax consequences of ownership of the Bonds. Bond Counsel is further of the opinion that interest on the Bonds will be exempt from income taxation under the laws of the State of Arizona.*

**\$135,000,000\***

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80  
OF MARICOPA COUNTY, ARIZONA  
SCHOOL IMPROVEMENT BONDS, PROJECT OF 2025, SERIES A (2026)**

*Bonds Dated:* Date of Initial Authentication and Delivery

*Bonds Due:* July 1, as shown on the inside front cover page

The School Improvement Bonds, Project of 2025, Series A (2026) (the “Bonds”) of Chandler Unified School District No. 80 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”). DTC will act as the securities depository for the Bonds. Purchases will be made in book-entry form through DTC participants only in amounts of \$5,000 of principal due on a single maturity date or integral multiples thereof. Except as described herein, purchasers will not receive certificates representing their beneficial interests in the Bonds. 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 from their initial date of delivery and will be payable semiannually on July 1 and January 1 of each year commencing July 1, 2026\*, until maturity or prior redemption.

**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 Zions Bancorporation, 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 heading “TAX EXEMPTION”) 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 be subject to redemption prior to their stated maturity dates as described under “THE BONDS – Redemption Provisions” herein\*.

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, as more fully described herein. The Bonds will be payable from such tax without limit as to rate or amount. See “SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS” 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 Greenberg Traurig, LLP, 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 Squire Patton Boggs (US) LLP, Phoenix, Arizona. It is expected that the Bonds will be available for delivery through the facilities of DTC on or about May 27 2026\*.

*This cover page contains certain information with respect to the Bonds for convenience of reference only. It is not a summary of the issue 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.



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.

**\$135,000,000\***  
**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**OF MARICOPA COUNTY, ARIZONA**  
**SCHOOL IMPROVEMENT BONDS, PROJECT OF 2025, SERIES A (2026)**

**MATURITY SCHEDULE\***

Maturity Date (July 1)	Principal Amount	Interest Rate	Yield	CUSIP® <sup>(1)</sup> No. 567389
2026	\$ 5,650,000	%	%	
2027	9,700,000			
2028	15,850,000			
2029	4,200,000			
2030	4,375,000			
2031	4,575,000			
2032	4,800,000			
2033	5,000,000			
2034	5,225,000			
2035	5,475,000			
2036	5,700,000			
2037	5,975,000			
2038	6,225,000			
2039	6,525,000			
2040	6,800,000			
2041	7,125,000			
2042	7,425,000			
2043	7,775,000			
2044	8,125,000			
2045	8,475,000			

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\* Subject to change.

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## REGARDING THIS OFFICIAL STATEMENT

No dealer, broker, salesperson or other person has been authorized by Chandler Unified School District No. 80 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 School Improvement Bonds, Project of 2025, Series A (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, Office of Budget and Finance 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 UNDERTAKING” 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 AND OTHERS.

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## OFFICIAL STATEMENT

**\$135,000,000\***  
**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**OF MARICOPA COUNTY, ARIZONA**  
**SCHOOL IMPROVEMENT BONDS, PROJECT OF 2025, SERIES A (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 Chandler Unified School District No. 80 of Maricopa County, Arizona (the “District”), in connection with the issuance of \$135,000,000\* principal amount of bonds designated School Improvement Bonds, Project of 2025, Series A (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 Arizona Constitution and the laws of the State, including particularly Title 15, Chapter 9, Article 7, Arizona Revised Statutes, a vote of the qualified electors of the District at the election held on November 4, 2025 (the “Election”), and a resolution adopted by the Governing Board of the District (the “Governing Board”) on April 8, 2026 (the “Bond Resolution”).

The Bonds represent the first installment of an aggregate voted principal amount of \$271,500,000 of school improvement bonds authorized at the Election. Proceeds from the sale of the Bonds will be used to (i) finance improvements and renovations to school facilities, including security enhancements and new construction; (ii) purchase furniture, equipment and technology for instructional purposes; (iii) purchase pupil transportation vehicles and (iv) pay the costs of issuing the Bonds.

After the issuance of the Bonds, the District will have \$136,500,000\* remaining voter authorization for school improvement bonds authorized at the Election. Bonds of the District payable from the same source as the Bonds are outstanding and additional bonds of the District payable from the same source as the Bonds may be issued in the future pursuant to authority approved at the Election or subsequent elections for the District. See TABLE 1 and TABLE 13 in APPENDIX B – “THE DISTRICT – FINANCIAL INFORMATION – DIRECT AND OVERLAPPING BONDED INDEBTEDNESS” for information concerning the District’s currently outstanding bonds, which are payable from the same source as the Bonds.

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\* *Subject to change. See footnote (b) to TABLE 14 for a description of the treatment of certain proceeds of the Bonds for State voter authorization and debt limit purposes.*

## **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 (“DTC”), 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, 2026\* (each an “Interest Payment Date”), until maturity or prior redemption.

See “TAX EXEMPTION” herein for a discussion of the treatment of interest income on the Bonds for federal or State income tax purposes.

## **Bond Registrar and Paying Agent**

Zions Bancorporation, 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.

## **Redemption Provisions\***

*Optional Redemption.* The Bonds maturing before or on July 1, 20\_\_ will not be subject to redemption prior to their stated maturity dates. The Bonds maturing on or after July 1, 20\_\_ will be subject to redemption prior to their stated maturity dates, at the option of the District, in whole or in part from maturities selected by the District on July 1, 20\_\_, or on any date thereafter, by the payment of a redemption price equal to the principal amount of each Bond called for redemption, plus interest accrued to the date fixed for redemption but without premium.

*Notice of Redemption.* So long as the Bonds are held under the Book-Entry-Only System, notices of redemption will be sent to DTC in the manner required by DTC. See APPENDIX H – “BOOK-ENTRY-ONLY SYSTEM.” If the Book-Entry-Only System is discontinued, notice of redemption of any Bond will be mailed to the registered owner of the Bond or Bonds being redeemed at the address shown on the bond register maintained by the Bond Registrar and Paying Agent not more than sixty (60) nor less than thirty (30) days prior to the date set for redemption. Notice of redemption may be sent to any securities depository by mail, facsimile transmission, wire transmission or any other means of transmission of the notice generally accepted by the respective securities depository. Neither the failure of any registered owner of Bonds to receive a notice of redemption nor any defect therein will affect the validity of the proceedings for redemption of Bonds as to which proper notice of redemption was given.

Notice of any redemption will also be provided as set forth in APPENDIX G – “FORM OF CONTINUING DISCLOSURE UNDERTAKING,” but no defect in said further notice or record nor any failure to give all or a portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed above.

If monies for the payment of the redemption price and accrued interest are not held in separate accounts by the Maricopa County, Arizona Treasurer (the “Treasurer”) or the Bond Registrar and Paying Agent prior to sending the notice of redemption, such redemption shall be conditional on such monies being so held on the date set for redemption and if not so held by such date, the redemption shall be cancelled and be of no force and effect.

*Effect of Redemption.* On the date designated for redemption, the Bonds or portions thereof to be redeemed will become and be due and payable at the redemption price for such Bonds or portions thereof, and, if monies for payment of the redemption price are held in a separate account by the Bond Registrar and Paying Agent, interest on such Bonds

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\* *Subject to change.*

or portions thereof to be redeemed will cease to accrue, such Bonds or portions thereof will cease to be entitled to any benefit or security under the Bond Resolution, the owners of such Bonds or portions thereof will have no rights in respect thereof except to receive payment of the redemption price thereof and such Bonds or portions thereof will be deemed paid and no longer outstanding. DTC's practice is to determine by lot the amount of each Direct Participant's (as defined in APPENDIX H – "BOOK-ENTRY-ONLY SYSTEM") proportionate share that is to be redeemed.

*Redemption of Less than All of a Bond.* The District may redeem any amount which is included in a Bond that is subject to prior redemption in a denomination equal to or in excess of, but divisible by, \$5,000. In the event of a partial redemption, the Bond will be redeemed in accordance with DTC's procedures. In the event of a partial redemption if the Book-Entry-Only System is discontinued, the registered owner will submit the Bond for partial redemption and the Bond Registrar and Paying Agent will make such partial payment and will cause to be issued a new Bond in a principal amount which reflects the redemption so made, to be authenticated and delivered to the registered owner thereof.

### **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 District has chosen the fifteenth day of the month preceding an Interest Payment Date, or if such date is a Saturday, Sunday or legal holiday or equivalent (other than a moratorium) of the Bond Registrar and Paying Agent, the previous business day, as the "Record Date" for the Bonds. 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 Bond Registrar and Paying Agent may, but is not required to, transfer or exchange any Bonds which have been selected for prior redemption.

The transferor will be responsible for all transfer fees, taxes, fees and any other costs relating to the transfer of ownership of individual Bonds.

## **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 principal, interest, and costs of administration for the Bonds as the same become due. The Bonds will be payable from such tax without limit as to rate or amount. The 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. For information concerning the *ad valorem* property tax levy and collection procedures, see APPENDIX B – "THE DISTRICT – FINANCIAL INFORMATION – PROPERTY TAXES."

### **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 in the case of a deposit in trust of Defeasance Obligations, 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 a debt service fund of the District held by the Treasurer (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 financed 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 annually 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”) for a single fiscal year, 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 the current fiscal year (2025/26) and for the next fiscal year (2026/27).

Even with the approval of the Override by the Legislature for fiscal years through 2026/27, 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 2026 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 and amount. 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	\$135,000,000.00*
[Net] Original Issue Premium (a)	_____
Total Sources of Funds	_____

### Uses of Funds

Deposit to Bond Building Fund	
Payment of Costs of Issuance (b)	_____
Total Uses of Funds	_____

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\* *Subject to change.*

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

(b) *Will include compensation and costs of the Underwriter (as defined herein) with respect to the Bonds.*

*[Remainder of page left intentionally blank]*

## ESTIMATED DEBT SERVICE REQUIREMENTS

The following table illustrates the (i) annual debt service on the outstanding bonds of the District, (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)  
Chandler Unified School District No. 80**

Fiscal Year	Bonds Outstanding		The Bonds*		Total Estimated Annual Debt Service Requirements*
	Principal	Interest	Principal	Interest (b)	
2025/26	\$ 25,150,000	\$ 14,675,888	\$ 5,650,000	\$ 675,000 (c)	\$ 46,150,888
2026/27	25,330,000	13,491,388	9,700,000	6,467,500	54,988,888
2027/28	26,325,000	12,384,263	15,850,000	5,982,500	60,541,763
2028/29	27,545,000	11,223,263	4,200,000	5,190,000	48,158,263
2029/30	23,665,000	9,985,075	4,375,000	4,980,000	43,005,075
2030/31	24,490,000	8,978,525	4,575,000	4,761,250	42,804,775
2031/32	25,475,000	7,985,900	4,800,000	4,532,500	42,793,400
2032/33	26,575,000	6,914,450	5,000,000	4,292,500	42,781,950
2033/34	24,810,000	5,816,850	5,225,000	4,042,500	39,894,350
2034/35	23,005,000	4,849,900	5,475,000	3,781,250	37,111,150
2035/36	20,865,000	3,929,850	5,700,000	3,507,500	34,002,350
2036/37	16,270,000	3,083,450	5,975,000	3,222,500	28,550,950
2037/38	16,950,000	2,419,600	6,225,000	2,923,750	28,518,350
2038/39	14,210,000	1,727,500	6,525,000	2,612,500	25,075,000
2039/40	8,040,000	1,143,750	6,800,000	2,286,250	18,270,000
2040/41	5,110,000	805,250	7,125,000	1,946,250	14,986,500
2041/42	5,365,000	549,750	7,425,000	1,590,000	14,929,750
2042/43	5,630,000	281,500	7,775,000	1,218,750	14,905,250
2043/44			8,125,000	830,000	8,955,000
2044/45			8,475,000	423,750	8,898,750
	<u>\$344,810,000</u>		<u>\$135,000,000</u>		

(a) Prepared by Stifel, Nicolaus & Company, Incorporated (the "Underwriter").

(b) Interest on the Bonds is estimated.

(c) The first interest payment on the Bonds will be due on July 1, 2026\*. Thereafter, interest payments will be made semiannually on each January 1 and July 1 until maturity or prior redemption.

\* 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 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.

## RATINGS

Moody's Investors Service, Inc. ("Moody's") and Fitch Ratings Inc. ("Fitch") have assigned ratings of "Aaa" and "AAA," respectively, to the Bonds. Such ratings reflect only the views of Moody's and Fitch. An explanation of the significance of a rating assigned by Moody's may be obtained at One Front Street, Suite 1900, San Francisco, California 94111. An explanation of the significance of a rating assigned by Fitch may be obtained at One State Street Plaza, New York, New York 10041. Such ratings may be revised or withdrawn entirely at any time by Moody's or Fitch if, in their judgment, circumstances so warrant. Any downward revision or withdrawal of such ratings may have an adverse effect on the market price or marketability of the Bonds. The District will covenant in its continuing disclosure undertaking with respect to the Bonds that it will file notice of any formal change in any ratings relating to the Bonds. See "CONTINUING DISCLOSURE" and APPENDIX G – "FORM OF CONTINUING DISCLOSURE UNDERTAKING" herein.

## LEGAL MATTERS

In connection with the issuance of the Bonds, the District will furnish the Underwriter with the approving opinion of Greenberg Traurig, LLP, Phoenix, Arizona ("Bond Counsel"). A draft of such approving opinion is included as APPENDIX F – "FORM OF APPROVING LEGAL OPINION" hereto; provided, however, the opinion delivered may vary from the text if necessary to reflect facts and laws on the date of delivery. Bond Counsel is to render its opinion, which will speak only as of its date, upon the validity and enforceability of the Bonds under State law and on its exclusion of the interest income on the Bonds for federal income tax purposes from gross income for purposes of calculating federal income taxes and of the exemption of the interest income on the Bonds from State income taxes. (See "TAX EXEMPTION" herein.) The fees of Bond Counsel and counsel to the Underwriter are expected to be paid from proceeds of the sale of the Bonds and are contingent upon the delivery of the Bonds.

Bond Counsel will opine to the Underwriter upon the information in the tax caption paragraph on the cover page, in APPENDICES F and G and under the headings "THE BONDS," "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS," "TAX EXEMPTION," "RELATIONSHIP AMONG PARTIES" (as it relates to Bond Counsel only) and "CONTINUING DISCLOSURE" (except as to compliance with existing undertakings) but otherwise has not participated in the preparation of this Official Statement and will not opine upon its accuracy, completeness or sufficiency. Bond Counsel has not been engaged to confirm, examine or verify the accuracy, completeness or fairness of any information in this Official Statement, including 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 Squire Patton Boggs (US) 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) that, if enacted, could alter or amend the property tax system of the State and numerous matters, both financial and nonfinancial, impacting the operations of school districts that could have a material impact on the District and could adversely affect the secondary market value 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 parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

## **TAX EXEMPTION**

### **In General**

The Internal Revenue Code of 1986, as amended (the "Code"), includes requirements which the District must continue to meet after the issuance of the Bonds in order that the interest on the Bonds be and remain excludable from gross income for federal income tax purposes. The District's failure to meet these requirements may cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. The District has covenanted in the Bond Resolution to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds.

In the opinion of Bond Counsel, assuming the accuracy of certain representations and certifications of the District and continuing compliance by the District with the tax covenants referred to above, under existing statutes, regulations, rulings and court decisions, the interest on the Bonds will be excludable from gross income of the owners thereof for federal income tax purposes. Interest on the Bonds will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, but in the case of the alternative minimum tax imposed by Section 55(b)(2) of the Code on applicable corporations (as defined in Section 59(k) of the Code), interest on the Bonds is not excluded from the determination of adjusted financial statement income. Bond Counsel is further of the opinion that the interest on the Bonds will be exempt from income taxation under the laws of the State. Bond Counsel will express no opinion as to any other tax consequences regarding the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors as to the status of interest on the Bonds under the tax laws of any state other than the State.

The above opinion on federal tax matters with respect to the Bonds will be based on and will assume the accuracy of certain representations and certifications of the District, and compliance with certain covenants of the District to be contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Bonds will be and will remain obligations the interest on which is excludable from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of those certifications and representations. Bond Counsel will express no opinion as to any other consequences regarding the Bonds.

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the receipt or accrual of the interest on the Bonds, or the ownership or disposition of the Bonds. Prospective purchasers of the Bonds should be aware that the ownership of the Bonds may result in other collateral federal tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry the Bonds, (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by the applicable statutory percentage of certain items, including the interest on the Bonds, (iii) the inclusion of the interest on the Bonds in the earnings of certain foreign corporations doing business in the United States for purposes of a branch profits tax, (iv) the inclusion of the interest on the Bonds in the passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year, (v) the inclusion of interest on the Bonds in the determination of the taxability of certain Social Security and Railroad Retirement benefits to certain recipients of such benefits, (vi) net gain realized upon the sale or other disposition of property such as the Bonds generally must be taken into account when computing the Medicare tax with respect to net investment income or undistributed net investment income, as applicable, imposed on certain high income individuals and specified trusts and estates, and (vii) receipt of certain investment income, including interest on the Bonds, is considered when determining qualification limits for obtaining the earned income credit provided by Section 32(a) of the Code. The nature and extent of the other tax consequences described above will depend on the particular tax status and situation of each owner of the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors as to the impact of these other tax consequences.

Bond Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel's opinions are not a guarantee of a particular result, and are not binding on the Internal Revenue Service or the courts; rather, such opinions represent Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

### **Original Issue Discount and Original Issue Premium**

Certain of the Bonds ("Discount Bonds") may be offered and sold to the public at an original issue discount ("OID"). OID is the excess of the stated redemption price at maturity (the principal amount) over the "issue price" of a Discount Bond determined under Code Section 1273 or 1274 (i.e., for obligations issued for money in a public offering, the initial offering price to the public (other than to bond houses and brokers) at which a substantial amount of the obligation of the same maturity is sold pursuant to that offering). For federal income tax purposes, OID accrues to the owner of a Discount Bond over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Bond (i) is interest excludable from the owner's gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Bonds, and (ii) is added to the owner's tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale or other disposition of that Discount Bond.

Certain of the Bonds ("Premium Bonds") may be offered and sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity (or earlier for certain Premium Bonds callable prior to maturity). That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semiannually (or over a shorter permitted compounding interval selected by the owner). No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner's tax basis in the Premium Bond is reduced by the amount of bond premium that accrues during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond.

Owners of Discount Bonds and Premium Bonds should consult their own tax advisors as to the determination for federal income tax purposes of the amount of OID or bond premium properly accruable or amortizable in any period with respect to the Discount Bonds or Premium Bonds and as to other federal tax consequences, and the treatment of OID and bond premium for purposes of state and local taxes on, or based on, income.

### **Changes in Federal and State Tax Law**

From time to time, there are legislative proposals suggested, debated, introduced or pending in Congress or in the State legislature that, if enacted into law, could alter or amend one or more of the federal tax matters, or State tax matters, respectively, described above including, without limitation, the excludability from gross income of interest on the Bonds, adversely affect the market price or marketability of the Bonds, or otherwise prevent the holders from realizing the full current benefit of the status of the interest thereon. It cannot be predicted whether or in what form any such proposal may be enacted, or whether, if enacted, any such proposal would affect the Bonds. Prospective purchasers of the Bonds should consult their tax advisors as to the impact of any proposed or pending legislation.

### **Information Reporting and Backup Withholding**

Interest paid on tax-exempt bonds such as the Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Bonds from gross income for federal income tax purposes. However, in conjunction with that

information reporting requirement, the Code subjects certain non-corporate owners of the Bonds, under certain circumstances, to “backup withholding” at the rates set forth in the Code, with respect to payments on the Bonds and proceeds from the sale of the Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of the Bonds. This withholding generally applies if the owner of the Bonds (i) fails to furnish the payor such owner’s social security number or other taxpayer identification number (“TIN”), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other “reportable payments” as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner’s securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

## **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, each as described in APPENDIX G – “FORM OF CONTINUING DISCLOSURE UNDERTAKING.” 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 UNDERTAKING.” 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. Absence of continuing disclosure, due to non-appropriation or otherwise, could adversely affect the Bonds and specifically their market price and transferability.

The District has reviewed its filing requirements and has implemented written procedures to facilitate compliance with its continuing disclosure undertakings in all material respects.

## 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. 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.**

**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.**

*[Remainder of page left intentionally blank]*

## 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.

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80  
OF MARICOPA COUNTY, ARIZONA

By: \_\_\_\_\_  
President of the Governing Board

**THE DISTRICT –  
DISTRICT INFORMATION**

**General Information**

The District is located in the southeastern portion of the greater Phoenix, Arizona (“Phoenix”) metropolitan area and includes within its boundaries a major part of the City of Chandler, Arizona (“Chandler”) and portions of the Towns of Gilbert, Arizona (“Gilbert”) and Queen Creek, Arizona (“Queen Creek”). The District encompasses approximately 80 square miles and serves an estimated population of 292,751. See APPENDIX D – “CITY OF CHANDLER AND TOWNS OF GILBERT AND QUEEN CREEK, ARIZONA” for information pertaining to Chandler, Gilbert and Queen Creek. See APPENDIX E – “MARICOPA COUNTY, ARIZONA” for information pertaining to Maricopa County, Arizona (the “County”).

**Enrollment**

The following table illustrates the current and historical average daily membership (“A.D.M.”) of the District’s student population.

**TABLE 2**

**AVERAGE DAILY MEMBERSHIP  
Chandler Unified School District No. 80**

Fiscal Year	A.D.M. (a)
2025/26 (b)	38,432
2024/25	40,006
2023/24	41,027
2022/23	41,886
2021/22	42,297
2020/21	42,456

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(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) *District estimate.*

Source: The Arizona Department of Education and the District.

**Facilities**

The District currently operates 31 elementary schools, six junior high schools, an accelerated middle school, seven comprehensive high schools and four alternative schools including an online academy.

**Administration and Governance**

The District has 117 principals and administrators, 2,488 certified personnel and 2,210 classified personnel. This provides the District with a student to teacher ratio of approximately 24:1 for elementary schools, 24:1 for middle schools and 24:1 for 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 at-large. The present members of the Governing Board are:

**TABLE 3**

**GOVERNING BOARD  
Chandler Unified School District No. 80**

Patti Serrano, *President*  
 Barb Mozdzen, *Vice President*  
 Ryan Heap, *Member*  
 Claudia Mendoza, *Member*  
 Kurt Rohrs, *Member*

**Information Related to Potential Community Reinvestment Act Credit for the 2025/26 School Year**

The Community Reinvestment Act (the “CRA”) is federal legislation that is intended to encourage depository institutions to help meet the credit needs of low and moderate income neighborhoods. Performance for purposes of the CRA is evaluated in a number of ways including credits for investment (including by purchasing municipal bonds) in areas that provide free or reduced-price school meals through the National School Lunch Program to eligible students who participate in certain federal assistance programs (including the Supplemental Nutrition Assistance Program).

The table below shows schools of the District where at least 50% of the students are eligible for free or reduced-price school meals through the National School Lunch Program. Such eligibility information is the most recent available for the District, is not current and therefore must be considered with an abundance of caution.

**TABLE 4**

**NATIONAL SCHOOL LUNCH PROGRAM  
Chandler Unified School District No. 80**

Facility	Eligibility Percent (a)
Frye Elementary School	≥98%
Galveston Elementary School	≥98
Hartford Sylvia Encinas Elementary	≥98
San Marcos Elementary School	≥98
Ken 'Chief' Hill Learning Academy	96
Sanborn Elementary School	92
Rudy G. Bologna Elementary	91
Hill Academy @ ICAN	87
Dr. Howard K. Conley Elementary School	79
John M. Andersen Elementary School	78
Shumway Leadership Academy	75
John M. Andersen Jr High School	72
Willis Junior High School	65
Chandler High School	55

***No representation is made as to the status of any investment in the Bonds as it might affect performance by any depository institution under the CRA.***

(a) *Based on claim data for the month of October as reported by school food authorities. School year 2025/26 eligibility data published as of January 6, 2026.*

Source: *Free and Reduced-Price Percentage Report School Year 2025/26, Arizona Department of Education Health and Nutrition Services.*

**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. 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 fifteen percent 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. Certain property within the District is located within a designated foreign trade zone, which under Sections 42-12006 and -15006, Arizona Revised Statutes, is assessed at an assessment ratio of 5%.*

(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 15th 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).

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.

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.

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)  
Chandler Unified School District No. 80**

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 10/31/2025	Cumulative Collections to October 31, 2025	
				Amount	% of Adj. Levy		Amount	% of Adj. Levy
2025/26	\$5.3487	\$220,451,788	(b)	(b)	(b)	\$220,300,938	\$ 95,989,267	43.57%
2024/25	5.6564	229,301,052	\$ 228,891,563	\$ 221,053,307	96.58%	228,862,909	227,923,307	99.59
2023/24	5.8419	224,411,962	223,526,172	215,497,557	96.41	221,119,634	221,070,338	99.98
2022/23	5.9212	218,744,691	215,643,488	207,887,484	96.40	212,106,856	212,090,714	99.99
2021/22	6.0780	206,520,080	206,330,047	197,256,696	95.60	203,891,738	203,881,739	100.00
2020/21	6.4111	201,720,404	201,477,487	192,965,777	95.78	199,410,676	199,402,500	100.00

(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 2025, voters in the District authorized the District to continue to exceed its statutorily prescribed maintenance and operations budget limit by an amount not to exceed 15% of the prescribed limit, which extended the previous authorization of not to exceed 15% of the prescribed limit. Such amount is included in the tax rate in this table. The previous authorization ends in fiscal year 2025/26. The authorization, which begins in fiscal year 2026/27, extends for seven years, but, in the sixth (fiscal year 2031/32) and seventh (fiscal year 2032/33) years, the amount by which the prescribed budget limit may be exceeded is limited to 10% and 5%, respectively. Tax rates for corresponding years include amounts available for this override. If voters do not authorize the District to continue to exceed its statutorily prescribed maintenance and operations budget limit, the District will have to decrease its budgeted expenditures in fiscal year 2031/32.*

(b) *2025/26 taxes in course of collection:  
First installment due 10-01-25, delinquent 11-01-25;  
Second installment due 03-01-26, delinquent 05-01-26.*

Source: Office of Budget and Finance of the County and the Treasurer.

**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 \$51,326,552 which represents approximately 1.22% of the combined fiscal year 2025/26 Net Limited Assessed Property Value in the District.*

Source: The Assessor of the County.

### **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. None of the District, the Underwriter or the counsel or agents of either of them, are able to determine or predict what impact, if any, SB 1431 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.

*[Remainder of page left intentionally blank]*

## 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**

<u>Overlapping Jurisdiction</u>	<u>2025/26 Net Limited Assessed Property Value</u>	<u>2025/26 Comined Primary and Secondary Tax Rates per \$100 Net Limited Assessed Property Value</u>
State of Arizona	\$ 92,368,086,849	\$0.0000
Maricopa County	60,724,517,168	1.1591
Maricopa County Community College District	60,724,517,168	1.0828
Maricopa County Fire District Assistance Tax	60,724,517,168	0.0076
Maricopa County Special Health Care District	60,724,517,168	0.2914
Maricopa County Library District	60,724,517,168	0.0462
Maricopa County Flood Control District (b)	56,554,825,877	0.1428
Central Arizona Water Conservation District (c)	60,724,517,168	0.1400
City of Chandler	4,124,257,465	1.0818
Town of Gilbert	3,554,809,729	0.9800
Town of Queen Creek	795,536,422	1.5485
Gilbert County Island Fire District	62,149,911	1.5849
Chandler County Island Fire District	64,232,757	1.6658
Downtown Chandler EMSD	17,091,625	1.0000
Central Ground Replenishment	N/A	1.0000
East Valley Institute of Technology	29,382,856,266	0.0500
Chandler Unified School District No. 80	4,139,463,360	5.8419

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

<u>Overlapping Jurisdiction</u>	<u>Levy/Tax Rate</u>
<i>Chandler Heights Citrus Irrigation District</i>	<i>\$156.7587/acre</i>
<i>Circle G Irrigation District No. 47</i>	<i>125.7900/acre</i>
<i>Rancho Jardines Irrigation and Water Delivery District No. 34</i>	<i>657.3300/acre</i>
<i>Roosevelt Water Conservation District No. 9</i>	<i>200.0000/acre</i>
<i>San Tan Irrigation District</i>	<i>257.4270/acre</i>

(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) following TABLE 16.)

Source: Property Tax Rates and Assessed Values, Arizona Tax Research Association and Assessor and Office of Budget and Finance of the County.

**TABLE 8**

**Net Limited Assessed Property Value by Property Classification  
Chandler Unified School District No. 80**

Class	2025/26	2024/25	2023/24	2022/23	2021/22
Commercial, industrial, utilities & mines	\$ 865,850,117	\$ 841,284,427	\$ 816,735,988	\$ 769,537,813	\$ 723,685,372
Agricultural and vacant	54,965,238	54,608,728	50,544,059	55,758,652	55,688,234
Residential (owner occupied)	2,228,221,878	2,155,477,151	2,041,228,746	1,922,091,715	1,806,153,357
Residential (rental)	846,890,664	782,426,902	740,934,772	676,031,100	617,546,797
Railroad	3,247,121	3,979,427	3,841,947	2,018,487	1,469,688
Foreign trade zone & historic property	139,964,188	266,127,074	211,211,676	207,720,207	169,364,163
Certain Government property improvements	324,154	301,594	6,786	339,376	323,216
Totals (a)	<u>\$4,139,463,360</u>	<u>\$4,104,205,303</u>	<u>\$3,864,503,975</u>	<u>\$3,633,497,350</u>	<u>\$3,374,230,827</u>

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

Source: State and County Abstract of the Assessment Roll, Arizona Department of Revenue and Office of Budget and Finance of the County.

**TABLE 9**

**Net Limited Assessed Property Value of Major Taxpayers  
Chandler Unified School District No. 80**

Major Taxpayer (a)(b)	2025/26 Net Limited Assessed Property Value	As % of Net Limited Assessed Property Value
Intel Corporation	\$ 140,901,840	3.40%
CI Phoenix-Chandler I-VII LLC	33,900,330	0.82
Wells Fargo Bank	26,893,038	0.65
CAZ 7 LLC	17,561,974	0.42
Freescale Semiconductor Inc.	16,871,290	0.41
Microchip Technology Incorporated	15,172,523	0.37
Bank of America	14,140,922	0.34
CAZ 1 DE LLC	12,330,597	0.30
Southwest Gas Corporation (T&D)	12,094,288	0.29
Digital 2121 South Price LLC	11,061,572	0.27
	<u>\$ 300,928,375</u>	<u>7.27%</u>

(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 with the Securities and Exchange Commission (the “Commission”). Such reports, proxy statements and other information (collectively, the “Filings”) may be inspected, copied and obtained at prescribed rates at the Commission’s public reference facilities at 100 F Street, N.E., Washington, D.C. 20549-2736. In addition, the Filings may also be inspected at the offices of the New York Stock Exchange at 20 Broad Street, New York, New York 10005. The Filings may also be obtained through the Internet on the Commission’s EDGAR database at <http://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” herein for a description of SRP 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	Chandler Unified School District No. 80	City of Chandler	Town of Gilbert	Town of Queen Creek	Maricopa County	State of Arizona
2025/26	\$ 4,139,463,360	\$4,124,257,465	\$ 3,554,809,729	\$ 795,536,422	\$ 60,724,517,168	\$ 92,368,086,849
2024/25	4,104,205,303	4,108,053,847	3,395,423,478	706,142,155	58,328,686,358	88,425,625,840
2023/24	3,864,503,975	3,900,094,692	3,197,458,392	641,698,881	54,722,310,149	83,026,514,349
2022/23	3,633,497,350	3,702,957,065	2,990,879,633	566,626,216	51,575,018,185	78,415,651,030
2021/22	3,374,230,827	3,463,794,661	2,804,383, 179	498,984,432	48,724,126,672	74,200,360,570

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

**TABLE 11**

**Estimated Net Full Cash Value History  
Chandler Unified School District No. 80**

Fiscal Year	Estimated Net Full Cash Value (a)
2025/26	\$ 62,206,458,300
2024/25	67,446,923,518
2023/24	56,737,432,231
2022/23	44,231,747,956
2021/22	40,316,892,036

(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.

**DIRECT AND OVERLAPPING BONDED INDEBTEDNESS**

**TABLE 12**

**Current Year Statistics (For Fiscal Year 2025/26)  
Chandler Unified School District No. 80**

Total General Obligation Bonds Outstanding and to be Outstanding	\$ 479,810,000 <sup>*(a)</sup>
Net Limited Assessed Property Value	4,139,463,360
Net Full Cash Assessed Value	6,837,206,349
Estimated Net Full Cash Value	62,206,458,300

*The District's preliminary fiscal year 2026/27 Net Limited Assessed Property Value is estimated at \$4,335,260,600, an increase of approximately 4.7% from the fiscal year 2025/26 Net Limited Assessed Property Value. The District's preliminary fiscal year 2026/27 Net Full Cash Assessed Value is estimated at \$7,140,341,702, an increase of approximately 4.4% from the fiscal year 2025/26 Net Full Cash Assessed Value. The District's preliminary fiscal year 2026/27 Estimated Net Full Cash Value is estimated at \$65,198,529,408, an increase of approximately 4.8% from the fiscal year 2025/26 Estimated Net Full Cash Value. The values are subject to adjustment until approved by the Board of Supervisors of the County before or on August 17, 2026.*

\* Subject to change.

(a) Includes the Bonds. See footnotes (b) and (c) to TABLE 14 for a description of the treatment of certain proceeds of the Bonds and previously issued bonds for State voter authorization and debt limit purposes.

Source: State and County Abstract of the Assessment Roll, Arizona Department of Revenue and Assessor and Office of Budget and Finance of the County.

**TABLE 13**

**Direct General Obligation Bonded Debt Outstanding and to be Outstanding  
Chandler Unified School District No. 80**

Issue Series	Original Amount	Purpose	Final Maturity Date (July 1)	Balance Outstanding and to be Outstanding
2014C	\$ 21,940,000	School improvements	2029	\$ 8,775,000
2016A	60,000,000	School improvements	2035	48,875,000
2017B	71,935,000	School improvements	2036	65,500,000
2017	15,635,000	Refunding	2026	3,785,000
2018C	52,330,000	School improvements	2038	33,595,000
2020A	104,785,000	School improvements	2039	77,050,000
2021B	60,020,000	School improvements	2040	38,100,000
2024C	85,360,000	School improvements	2043	69,130,000
Total General Obligation Bonded Debt Outstanding				\$ 344,810,000
Plus: The Bonds				135,000,000*
Total General Obligation Bonded Debt Outstanding and to be Outstanding				<u>\$ 479,810,000* (a)</u>

\* Subject to change.

(a) Includes the Bonds. See footnotes (b) and (c) to TABLE 14 for a description of the treatment of certain proceeds of the Bonds and previously issued bonds for State voter authorization and debt limit purposes.

**Constitutional / Statutory Debt Limit / Unused Borrowing Capacity after Bond Issuance  
Chandler Unified School District No. 80**

**TABLE 14**

2025/26 Arizona Constitutional Debt Limitation (30% of Net Full Cash Assessed Value)	\$2,051,161,904
Less: Bonds Outstanding and to be Outstanding (a)	(479,810,000) *
Less: [Net] Original Issue Premium of the Bonds (b)	( ) *
Less: Unamortized Original Issue Premium of Prior Bonds (c)	(39,108,480)
Unused 30% Constitutional Borrowing Capacity	<u>\$1,532,243,424 *</u>

\* Subject to change.

(a) Includes the Bonds.

(b) This amount represents premium on the Bonds, which has been or will be deposited into the Bond Building Fund for project cost use, and such amount reduces in equal amount the borrowing capacity of the District under State statutes and the Arizona Constitution and the principal amount of school improvement bonds authorized at the Election (as described under the heading "THE BONDS – Authorization and Purpose"). Such capacity (but not authorization) will be recaptured as premium is amortized.

(c) This amount represents certain of the unamortized premium on the District's outstanding bonds issued after August 2016, which amount is treated as described in footnote (b) above.

**TABLE 15**

2025/26 Statutory Limitation on Bonds [Greater of 20% of the Net Full Cash Assessed Value (\$1,367,441,269) or \$1,500 per student (\$60,009,000)]	\$1,367,441,269
Less: "Class B" Bonds Outstanding and to be Outstanding (a)	(479,810,000) *
Less: [Net] Original Issue Premium of the Bonds (b)	( ) *
Less: Unamortized Original Issue Premium of Prior Bonds (c)	(39,108,480)
Unused Statutory Borrowing Capacity	<u>\$ 848,522,789 *</u>

\* Subject to change.

(a) "Class B" bonds are school district general obligation bonds, like the Bonds, approved by a vote of qualified electors of a school district at an election held from and after December 13, 1998, and subject to the statutory debt limitation indicated in this table. Includes the Bonds.

(b) See footnote (b) to TABLE 14 for a description of the treatment of certain proceeds of the Bonds for State voter authorization and debt limit purposes.

(c) See footnote (c) to TABLE 14 above.

**TABLE 16**

**Direct and Overlapping General Obligation Bonded Debt  
Chandler Unified School District No. 80**

Overlapping Jurisdiction	General Obligation Bonded Debt (b)	Proportion Applicable to the District (a)	
		Approximate Percent	Net Debt Amount
State of Arizona	None	4.48 %	None
Maricopa County	None	6.82	None
Maricopa County Community College District	\$ 26,675,000	6.82	\$ 1,819,235
Maricopa County Special Health Care District	512,560,000	6.82	34,956,592
City of Chandler	327,892,200	74.22	243,361,591
Town of Gilbert	214,625,000	17.05	36,593,563
Town of Queen Creek	None	2.16	None
East Valley Institute of Technology	None	14.09	None
Chandler Unified School District No. 80 (c)	479,810,000*	100.00	<u>479,810,000*</u>
Net Direct and Overlapping General Obligation Bonded Debt			<u><u>\$ 796,540,980*</u></u>

(a) *Proportion applicable to the District is computed on the ratio of Net Limited Assessed Property Value for 2025/26.*

(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 Chandler	579,175,000
Town of Gilbert	313,605,000
Chandler Unified School District No. 80 (d)	136,500,000*

\* *Subject to change.*

Also does not include the obligation of the Central Arizona Water Conservation District (“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.

(d) Reflects reduction in authorization from the Election in connection with the issuance of the Bonds.

Source: The various entities, *State and County Abstract of the Assessment Roll*, Arizona Department of Revenue and the Assessor, Office of Budget and Finance and Treasurer of the County.

**TABLE 17**

**Direct and Overlapping General Obligation Bonded Debt Ratios  
Chandler Unified School District No. 80**

	Per Capita Bonded Debt Population Estimated @ 292,751	As % of District’s 2025/26 Net Limited Assessed Property Value	As % of District’s 2025/26 Estimated Net Full Cash Value
Net Direct General Obligation Bonded Debt (a)*	\$ 1,638.97	11.59%	0.77%
Net Direct and Overlapping General Obligation Debt (a)*	2,657.46	18.79	1.25

\* Subject to change.

(a) Includes the Bonds.

Source: *State and County Abstract of the Assessment Roll*, Arizona Department of Revenue, *Property Tax Rates and Assessed Values*, Arizona Tax Research Association, Assessor and Office of Budget and Finance of the County and the U.S. Census Bureau, Small Area Income and Poverty Estimates (SAIPE) Program (data released in January 2026).

**Other Obligations**  
**Chandler Unified School District No. 80**

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 is 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 15 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 \$359,166,587 for its proportionate share of the net pension liability under the System. The pension liability was measured as of June 30, 2024. See Note 15 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 the 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 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 2025/26 are on a cash basis and are presented in the format required by State law. Budgeted 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.

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 18**

**General Fund  
Chandler Unified School District No. 80**

	Budgeted	Audited				
	2025/26	2024/25	2023/24	2022/23 (a)	2021/22	2020/21
FUND BALANCE AT BEGINNING OF YEAR		\$ 106,238,650	\$ 135,296,981	\$ 117,616,566	\$ 80,622,065	\$ 62,480,590
REVENUES						
Property taxes		\$ 145,489,352	\$ 144,414,459	\$ 141,596,195	\$ 133,134,758	\$ 128,243,164
State aid and grants		233,643,126	237,960,065	226,007,359	173,838,419	164,187,297
Other local		14,230,881	13,290,709	10,050,079	20,732,136	18,433,813
Federal aid, grants and reimbursements		2,777,942	3,330,192	1,774,509	4,383,700	2,285,873
TOTAL REVENUES		\$ 396,141,301	\$ 398,995,425	\$ 379,428,142	\$ 332,089,013	\$ 313,150,147
ADJUSTMENTS						
Increase/(decrease) in reserve for inventory		\$ -	\$ -	\$ -	\$ (144,053)	\$ 140,966
Proceeds from sale of capital assets		114,877	141,347	178,705	546,144	234,447
Transfers in/(out)		385,007	6,998,322	619,472	3,292,493	6,954,736
Prior period adjustment		-	2,744,132	-	-	-
TOTAL FUNDS AVAILABLE FOR EXPENDITURES		\$ 502,879,835	\$ 544,176,207	\$ 497,842,885	\$ 416,405,662	\$ 382,960,886
EXPENDITURES						
Current						
Instruction	\$ 185,143,584	\$ 199,420,588	\$ 213,920,793	\$ 191,719,477	\$ 182,940,015	\$ 175,330,732
Support services:						
Students and instructional staff	46,331,012	50,855,040	55,039,433	51,406,004	43,991,324	40,835,055
General and school administration	26,747,137	39,613,068	55,665,281	36,448,675	32,936,415	31,713,262
Business and central	13,153,678	-	-	-	-	-
Operation & maintenance of plant services	56,379,395	53,938,148	50,903,385	46,804,162	41,974,066	37,701,767
Student transportation services	19,601,361	17,559,446	19,426,297	16,435,700	16,420,693	13,522,560
Operation of noninstructional services	1,313,773	2,469,895	3,479,801	1,331,869	1,200,758	1,429,041
Capital outlay	-	28,331,685	39,502,567	18,400,017	7,464,460	1,806,404
School-sponsored cocurricular activities	509,618	-	-	-	-	-
School-sponsored athletics	5,301,661	-	-	-	-	-
K-3 reading program	1,810,296	-	-	-	-	-
Dropout prevention programs	107,505	-	-	-	-	-
Auxiliary operations	-	-	-	-	-	-
Other	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 356,399,020	\$ 392,187,870	\$ 437,937,557	\$ 362,545,904	\$ 326,927,731	\$ 302,338,821
FUND BALANCE AT END OF YEAR		\$ 110,691,965	\$ 106,238,650	\$ 135,296,981	\$ 89,477,931	\$ 80,622,065

(a) For fiscal year ending June 30, 2023, the District's auditor began including the Unrestricted Capital Outlay Fund as part of the District's General Fund, resulting in the adjustment to the District's General Fund beginning balance.

**TABLE 19**

**Debt Service Fund  
Chandler Unified School District No. 80**

	Budgeted	Audited				
	2025/26	2024/25	2023/24	2022/23	2021/22	2020/21
FUND BALANCE AT BEGINNING OF YEAR		\$ 26,859,977	\$ 24,913,001	\$ 20,577,811	\$ 19,233,665	\$ 18,460,186
REVENUES						
Property taxes		\$ 52,226,351	\$ 47,133,015	\$ 44,196,676	\$ 40,927,822	\$ 40,548,455
Federal aid, grants and reimbursements		1,829,122	613,473	1,216,186	1,211,755	1,213,947
Other local		2,027,129	1,457,001	557,500	(237,473)	254,764
TOTAL REVENUES		\$ 56,082,602	\$ 49,203,489	\$ 45,970,362	\$ 41,902,104	\$ 42,017,166
ADJUSTMENTS						
Transfers in		\$ 1,648,019	\$ 1,147,024	\$ 1,465,842	\$ 785,370	\$ 872,485
TOTAL FUNDS AVAILABLE FOR EXPENDITURES		\$ 84,590,598	\$ 75,263,514	\$ 68,014,015	\$ 61,921,139	\$ 61,349,837
EXPENDITURES						
Debt service:	\$ 51,865,555					
Principal retirement		\$ 57,020,000	\$ 32,230,000	\$ 27,135,000	\$ 24,000,000	\$ 26,165,000
Interest, premium and fiscal charges		17,602,188	16,173,537	15,966,014	17,343,328	15,951,172
TOTAL EXPENDITURES	\$ 51,865,555	\$ 74,622,188	\$ 48,403,537	\$ 43,101,014	\$ 41,343,328	\$ 42,116,172
<b>FUND BALANCE AT END OF YEAR</b>		<b>\$ 9,968,410</b>	<b>\$ 26,859,977</b>	<b>\$ 24,913,001</b>	<b>\$ 20,577,811</b>	<b>\$ 19,233,665</b>

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**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  
Chandler Unified School District No. 80

### **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 Chandler Unified School District No. 80 (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 Chandler Unified School District No. 80, as of June 30, 2025, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Chandler Unified School District No. 80 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 10, 2025, on our consideration of Chandler Unified School District No. 80'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 Chandler Unified School District No. 80'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 Chandler Unified School District No. 80's internal control over financial reporting and compliance.

*Heinfeld Meech & Co. PC*

Heinfeld, Meech & Co., P.C.  
Scottsdale, Arizona  
December 10, 2025

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

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**Chandler Unified School District No. 80**  
**Management's Discussion and Analysis (MD&A)**  
**Year Ended June 30, 2025**

As management of the Chandler Unified School District No. 80 (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 \$19.7 million which represents a six percent increase from the prior fiscal year primarily as a result of an increase in property taxes and a decrease in Instruction expenses.
- General revenues accounted for \$480.9 million in revenue, or 83 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$95.3 million or 17 percent of total current fiscal year revenues.
- The District had approximately \$556.5 million in expenses related to governmental activities, a decrease of seven percent from the prior fiscal year primarily as a result of a decrease in instruction expenses.
- Among major funds, the General Fund had \$396.1 million current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$392.2 million in expenditures. The General Fund's fund balance increased from \$106.2 million at the prior fiscal year end, to \$110.7 million at the end of the current fiscal year.

**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.

**Chandler Unified School District No. 80**  
**Management's Discussion and Analysis (MD&A)**  
**Year Ended June 30, 2025**

**Overview of Financial Statements**

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

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

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

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

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

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

**Chandler Unified School District No. 80**  
**Management's Discussion and Analysis (MD&A)**  
**Year Ended June 30, 2025**

**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, Other Special Revenue, Debt Service, and Bond Building Funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and schedules.

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

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

**Government-Wide Financial Analysis**

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$349.2 million at the current fiscal year end.

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

**Chandler Unified School District No. 80  
Management's Discussion and Analysis (MD&A)  
Year Ended June 30, 2025**

**Government-Wide Financial Analysis**

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	\$ 376,485,389	\$ 426,703,758
Capital assets, net	813,224,758	802,017,065
Total assets	1,189,710,147	1,228,720,823
 Deferred outflows	 56,975,178	 53,478,351
 Current liabilities	 30,344,626	 48,597,741
Long-term liabilities	828,813,390	863,330,046
Total liabilities	859,158,016	911,927,787
 Deferred inflows	 38,376,612	 31,137,488
 Net position:		
Net investment in capital assets	406,550,993	398,271,297
Restricted	135,575,596	153,458,427
Unrestricted	(192,975,892)	(212,595,825)
Total net position	\$ 349,150,697	\$ 339,133,899

At the end of the current 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. The same situation held true for the prior fiscal year.

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

- The addition of \$49.8 million in capital assets primarily for school renovations and purchases of vehicles, furniture, and equipment.
- The decrease of \$9.2 million in pension liabilities.
- An increase in accumulated depreciation of \$33.7 million.
- The principal retirement of \$32.2 million of bonds.

**Chandler Unified School District No. 80**  
**Management's Discussion and Analysis (MD&A)**  
**Year Ended June 30, 2025**

**Government-Wide Financial Analysis**

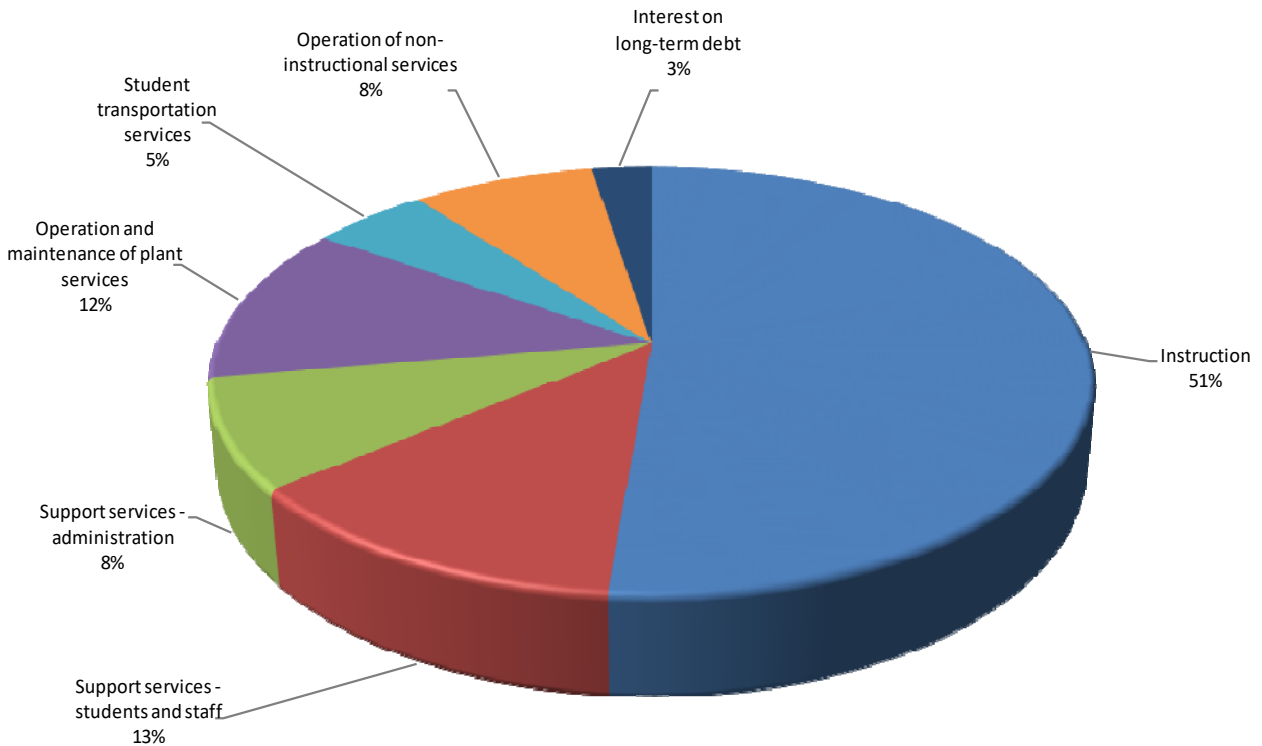
**Changes in net position.** The District's total revenues for the current fiscal year were \$576.2 million. The total cost of all programs and services was \$556.5 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2025 and June 30, 2024.

	<u>Fiscal Year Ended June 30, 2025</u>	<u>Fiscal Year Ended June 30, 2024</u>
<b>Revenues:</b>		
Program revenues:		
Charges for services	\$ 49,127,481	\$ 48,477,147
Operating grants and contributions	37,341,584	52,284,571
Capital grants and contributions	8,817,624	7,008,317
General revenues:		
Property taxes	200,199,370	194,234,224
Investment income	9,887,200	8,455,327
Unrestricted state aid	268,066,072	289,524,636
Unrestricted federal aid	2,777,942	3,330,192
<b>Total revenues</b>	<u>576,217,273</u>	<u>603,314,414</u>
<b>Expenses:</b>		
Instruction	285,562,571	305,603,472
Support services - students and staff	71,378,288	79,595,182
Support services - administration	46,452,027	63,923,784
Operation and maintenance of plant services	66,374,065	64,299,140
Student transportation services	28,232,371	26,059,075
Operation of non-instructional services	44,113,482	47,314,568
Interest on long-term debt	14,369,310	13,195,424
<b>Total expenses</b>	<u>556,482,114</u>	<u>599,990,645</u>
<b>Changes in net position</b>	19,735,159	3,323,769
<b>Net position, beginning, as restated</b>	<u>329,415,538</u>	<u>335,810,130</u>
<b>Net position, ending</b>	<u>\$ 349,150,697</u>	<u>\$ 339,133,899</u>

**Chandler Unified School District No. 80  
Management’s Discussion and Analysis (MD&A)  
Year Ended June 30, 2025**

**Government-Wide Financial Analysis**

**Expenses - Fiscal Year 2025**



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

- Property tax revenues increased \$6.0 million as a result of increased assessed values.
- A decrease of \$17.4 million in support services – administration expenses primarily due to the claims and judgments payment in the prior year related to the Qasimyar v. Maricopa County class action judgment.
- A decrease of \$20.0 million in instruction expenses primary due to the absence of the one-time state aid supplement received in fiscal year ended June 30, 2024 and a reduction in instructional staffing levels resulting from a significant decline in Average Daily Membership (ADM).

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.

**Chandler Unified School District No. 80  
Management's Discussion and Analysis (MD&A)  
Year Ended June 30, 2025**

**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	\$ 285,562,571	\$ (258,267,093)	\$ 305,603,472	\$ (243,890,738)
Support services - students and staff	71,378,288	(59,577,086)	79,595,182	(67,122,927)
Support services - administration	46,452,027	(45,093,977)	63,923,784	(63,454,647)
Operation and maintenance of plant services	66,374,065	(56,633,536)	64,299,140	(58,846,363)
Student transportation services	28,232,371	(24,887,204)	26,059,075	(25,667,689)
Operation of non-instructional services	44,113,482	(2,367,219)	47,314,568	(20,656,295)
Interest on long-term debt	14,369,310	(14,369,310)	13,195,424	(12,581,951)
Total	\$ 556,482,114	\$ (461,195,425)	\$ 599,990,645	\$ (492,220,610)

- The cost of all governmental activities this year was \$556.5 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$95.3 million.
- Net cost of governmental activities of \$461.2 million was financed by general revenues, which are made up of primarily property taxes of \$200.2 million and state aid of \$268.1 million. Investment earnings accounted for \$9.9 million of funding.

**Financial Analysis of the District's Funds**

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

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

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$267.9 million, a decrease of \$46.8 million.

**Chandler Unified School District No. 80**  
**Management's Discussion and Analysis (MD&A)**  
**Year Ended June 30, 2025**

**Financial Analysis of the District's Funds**

The General Fund comprises 41 percent of the total fund balance. Approximately \$80.9 million, or 73 percent of the General Fund's fund balance is unassigned.

The General Fund is the principal operating fund of the District. The fund balance increased \$4.5 million to \$110.7 million at the end of the fiscal year. General fund revenues decreased less than one percent while expenditures decreased 10 percent primarily due to the claims and judgments payments in the prior year related to the Qasimyar v. Maricopa County class action judgment.

The fund balance of the Other Special Revenue increased \$5.1 million to \$65.8 million as of fiscal year end primarily due to an increase in revenues related to its career and technical education operations.

The fund balance of the Debt Service Fund decreased \$16.9 million to \$10.0 million as of fiscal year end. The Debt Service Fund balance decreased as a result of funds being utilized to retire Qualified School Construction Bonds.

The fund balance of the Bond Building Fund decreased \$38.4 million from \$76.4 million to \$38.1 million as of fiscal year end as a result of the utilization of bond proceeds for school renovations and purchases of vehicles, furniture, and equipment.

**Budgetary Highlights**

Over the course of the year, the District revised the General Fund annual expenditure budget to include carryover and student growth figures. The difference between the original budget and the final amended budget was a \$2.9 million decrease, or less than one percent.

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

- The favorable variances of \$4.2 million in instruction, \$2.6 million in support services – students and staff, and \$2.8 million in student transportation services were the result of the District's mental health initiative and the planned one to two percent carryover set aside to address potential ADM adjustments.

**Chandler Unified School District No. 80  
Management’s Discussion and Analysis (MD&A)  
Year Ended June 30, 2025**

**Capital Assets and Debt Administration**

**Capital Assets.** At year end, the District had invested \$1.2 billion 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 \$33.3 million from the prior fiscal year, primarily due to school renovations. Total depreciation expense for the current fiscal year was \$33.7 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	\$ 117,658,988	\$ 159,953,992
Capital assets - depreciable, net	695,565,770	642,063,073
Total	\$ 813,224,758	\$ 802,017,065

The estimated cost to complete current construction projects is \$49.0 million.

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

**Debt Administration.** At year end, the District had \$444.8 million in long-term debt outstanding, \$57.0 million due within one year. Long-term debt decreased by \$35.6 million, primarily a result of principal retirement of bonds.

The District’s general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds (up to 30 percent of the total net full cash assessed valuation) and the statutory debt limit on Class B bonds (the greater of 20 percent of the net full cash assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$2.2 billion and the Class B debt limit is \$1.5 billion, which are more than the District’s total outstanding general obligation and Class B debt, respectively.

Additional information on the District’s long-term debt can be found in Notes 9 and 10.

**Chandler Unified School District No. 80**  
**Management's Discussion and Analysis (MD&A)**  
**Year Ended June 30, 2025**

**Economic Factors and Next Year's Budget and Rate**

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

- Fiscal year 2024-25 budget carry forward of \$8,854,326.
- Staffing models and right-size positions based on student enrollment to make sure new state funding is used to stay competitive within the District's salary and benefit package.
- Increasing costs within the following major operational areas, including utilities, general liabilities, special education, transportation, department and site needs, and cost of supplies.

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 two percent to \$349.2 million in fiscal year 2025-26. State aid and property taxes are expected to be the primary funding sources. However, it is expected that the budget will be revised downward due to lower than expected student counts.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Business and Finance Department, Chandler Unified School District No. 80, 1525 West Frye Road, Chandler, Arizona 85224.

## **Basic Financial Statements**

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**Government-Wide Financial Statements**

**Chandler Unified School District No. 80**  
**Statement of Net Position**  
**June 30, 2025**

	<b>Governmental Activities</b>
<b>Assets</b>	
Current assets:	
Cash and investments	\$ 269,531,724
Property taxes receivable	2,102,141
Accounts receivable	545,503
Due from governmental entities	61,709,992
Inventory	2,535,972
Leases receivable	3,896,725
Total current assets	340,322,057
Noncurrent assets:	
Cash and investments - restricted	22,726,080
Net other postemployment benefit plan assets	13,437,252
Capital assets not being depreciated	117,658,988
Capital assets, net accumulated depreciation	695,565,770
Total noncurrent assets	849,388,090
<b>Total assets</b>	<b>1,189,710,147</b>
 <b>Deferred outflows of resources</b>	
Deferred charge on refunding	97,088
Pension plan items	56,007,176
Other postemployment benefit plan items	870,914
<b>Total deferred outflows of resources</b>	<b>56,975,178</b>
 <b>Liabilities</b>	
Current liabilities:	
Accounts payable	15,029,712
Claims payable	4,198,483
Accrued payroll and employee benefits	2,315,336
Compensated absences payable	14,466,969
Bonds payable	57,020,000
Accrued interest payable	8,801,095
Total current liabilities	101,831,595
Noncurrent liabilities:	
Non-current portion of long-term obligations	757,326,421
Total noncurrent liabilities	757,326,421
<b>Total liabilities</b>	<b>859,158,016</b>
 <b>Deferred inflows of resources</b>	
Pension plan items	30,209,447
Other postemployment benefit plan items	4,393,833
Leases	3,773,332
<b>Total deferred inflows of resources</b>	<b>38,376,612</b>
 <b>Net position</b>	
Net investment in capital assets	406,550,993
Restricted for:	
Instruction	54,796,436
Food service	97,252
Non-instructional purposes	49,758,222
Debt service	10,313,418
Capital outlay	7,173,016
Other postemployment benefit plan assets	13,437,252
Unrestricted	(192,975,892)
<b>Total net position</b>	<b>\$ 349,150,697</b>

**Chandler Unified School District No. 80**  
**Statement of Activities**  
**For the Year Ended June 30, 2025**

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental activities</b>					
Instruction	\$ 285,562,571	\$ 10,450,466	\$ 15,875,659	\$ 969,353	\$ (258,267,093)
Support services - students and staff	71,378,288	4,865,039	6,936,163		(59,577,086)
Support services - administration	46,452,027	890,258	467,792		(45,093,977)
Operation and maintenance of plant services	66,374,065	1,538,849	353,409	7,848,271	(56,633,536)
Student transportation services	28,232,371	3,331,321	13,846		(24,887,204)
Operation of non-instructional services	44,113,482	28,051,548	13,694,715		(2,367,219)
Interest on long-term debt	14,369,310				(14,369,310)
<b>Total governmental activities</b>	<u>\$ 556,482,114</u>	<u>\$ 49,127,481</u>	<u>\$ 37,341,584</u>	<u>\$ 8,817,624</u>	<u>(461,195,425)</u>
<b>General revenues</b>					
Property taxes					200,199,370
Investment income					9,887,200
Unrestricted state aid					268,066,072
Unrestricted federal aid					<u>2,777,942</u>
<b>Total general revenues</b>					<u>480,930,584</u>
<b>Changes in net position</b>					19,735,159
<b>Net position, beginning of year, previously reported</b>					339,133,899
Adjustments to beginning net position					<u>(9,718,361)</u>
<b>Net position, beginning of year, as restated</b>					<u>329,415,538</u>
<b>Net position, end of year</b>					<u>\$ 349,150,697</u>

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## **Fund Financial Statements**

**Chandler Unified School District No. 80**

**Balance Sheet**

**Governmental Funds**

**June 30, 2025**

	<b>General</b>	<b>Other Special Revenue</b>	<b>Debt Service</b>	<b>Bond Building</b>
<b>Assets</b>				
Cash and investments	\$ 65,831,348	\$ 63,177,120	\$ 52,875,887	\$ 46,335,411
Cash and investments - restricted			22,726,080	
Property taxes receivable	1,569,595		532,546	
Accounts receivable	164,806	272,273		59,644
Due from governmental entities	49,292,758	3,125,006		
Due from other funds	2,812,522			
Inventory	2,535,972			
Leases receivable	3,896,725			
<b>Total assets</b>	<u>\$ 126,103,726</u>	<u>\$ 66,574,399</u>	<u>\$ 76,134,513</u>	<u>\$ 46,395,055</u>
<b>Liabilities</b>				
Accounts payable	\$ 4,560,738	\$ 354,146		\$ 8,344,274
Claims payable	4,198,483			
Due to other funds				
Accrued payroll and employee benefits	1,848,666	381,060		
Bonds payable			57,020,000	
Bond interest payable			8,801,095	
<b>Total liabilities</b>	<u>10,607,887</u>	<u>735,206</u>	<u>65,821,095</u>	<u>8,344,274</u>
<b>Deferred inflows of resources</b>				
Unavailable revenues - property taxes	1,030,542		345,008	
Unavailable revenues - intergovernmental				
Leases	3,773,332			
<b>Total deferred inflows of resources</b>	<u>4,803,874</u>		<u>345,008</u>	
<b>Fund balances</b>				
Nonspendable	2,535,972			
Restricted		65,839,193	9,968,410	38,050,781
Assigned	27,258,447			
Unassigned	80,897,546			
<b>Total fund balances</b>	<u>110,691,965</u>	<u>65,839,193</u>	<u>9,968,410</u>	<u>38,050,781</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 126,103,726</u>	<u>\$ 66,574,399</u>	<u>\$ 76,134,513</u>	<u>\$ 46,395,055</u>

Non-Major Governmental Funds	Total Governmental Funds
\$ 41,311,958	\$ 269,531,724
	22,726,080
	2,102,141
48,780	545,503
9,292,228	61,709,992
	2,812,522
	2,535,972
	3,896,725
<u>\$ 50,652,966</u>	<u>\$ 365,860,659</u>
\$ 1,770,554	\$ 15,029,712
	4,198,483
2,812,522	2,812,522
85,610	2,315,336
	57,020,000
	8,801,095
<u>4,668,686</u>	<u>90,177,148</u>
	1,375,550
2,610,213	2,610,213
	3,773,332
<u>2,610,213</u>	<u>7,759,095</u>
	2,535,972
44,105,830	157,964,214
	27,258,447
(731,763)	80,165,783
<u>43,374,067</u>	<u>267,924,416</u>
<u>\$ 50,652,966</u>	<u>\$ 365,860,659</u>

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**Chandler Unified School District No. 80**  
**Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position**  
**June 30, 2025**

**Total fund balances - governmental funds** **\$ 267,924,416**

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	\$ 1,239,840,270	
Less accumulated depreciation	<u>(426,615,512)</u>	
		813,224,758

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

Property taxes	1,375,550	
Intergovernmental	<u>2,610,213</u>	
		3,985,763

The net OPEB assets are not a current financial resource and, therefore, are not reported in the funds.

13,437,252

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.

97,088

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	56,878,090	
Deferred inflows of resources related to pensions/OPEB	<u>(34,603,280)</u>	
		22,274,810

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

Compensated absences payable	(24,857,615)	
Bonds payable	(387,769,188)	
Net pension liability	<u>(359,166,587)</u>	
		<u>(771,793,390)</u>

**Net position of governmental activities** **\$ 349,150,697**

**Chandler Unified School District No. 80**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2025**

	General	Federal and State Grants	Other Special Revenue	Debt Service
<b>Revenues</b>				
Other local	\$ 14,230,881	\$	\$ 36,202,522	\$ 2,027,129
Property taxes	145,489,352			52,226,351
State aid and grants	233,643,126		62,216	
Federal aid, grants and reimbursements	<u>2,777,942</u>			<u>1,829,122</u>
<b>Total revenues</b>	<u>396,141,301</u>		<u>36,264,738</u>	<u>56,082,602</u>
<b>Expenditures</b>				
Current:				
Instruction	199,420,588		8,365,811	
Support services - students and staff	50,855,040		2,605,630	
Support services - administration	39,613,068		738,900	
Operation and maintenance of plant services	53,938,148		713,981	
Student transportation services	17,559,446		2,175,337	
Operation of non-instructional services	2,469,895		14,638,097	
Capital outlay	28,331,685		1,896,860	
Debt service:				
Principal retirement				57,020,000
Interest and fiscal charges				<u>17,602,188</u>
<b>Total expenditures</b>	<u>392,187,870</u>		<u>31,134,616</u>	<u>74,622,188</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>3,953,431</u>		<u>5,130,122</u>	<u>(18,539,586)</u>
<b>Other financing sources (uses)</b>				
Transfers in	385,007			1,648,019
Transfers out				
Insurance recoveries				
Proceeds from sale of capital assets	<u>114,877</u>			
<b>Total other financing sources (uses)</b>	<u>499,884</u>			<u>1,648,019</u>
<b>Changes in fund balances</b>	<u>4,453,315</u>		<u>5,130,122</u>	<u>(16,891,567)</u>
<b>Fund balances, beginning of year, previously reported</b>	103,494,518	2,414,386	63,453,203	26,859,977
Adjustments to beginning fund balances	<u>2,744,132</u>	<u>(2,414,386)</u>	<u>(2,744,132)</u>	
<b>Fund balances, beginning of year, as restated</b>	<u>106,238,650</u>		<u>60,709,071</u>	<u>26,859,977</u>
<b>Fund balances, end of year</b>	<u>\$ 110,691,965</u>	<u>\$</u>	<u>\$ 65,839,193</u>	<u>\$ 9,968,410</u>

<b>Bond Building</b>	<b>Non-Major Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 1,648,019	\$ 12,660,252	\$ 66,768,803
	2,000,000	199,715,703
	54,837,565	288,542,907
	<u>27,217,783</u>	<u>31,824,847</u>
<u>1,648,019</u>	<u>96,715,600</u>	<u>586,852,260</u>
	45,156,641	252,943,040
	16,256,190	69,716,860
	907,945	41,259,913
	504,708	55,156,837
	13,643	19,748,426
	24,477,156	41,585,148
38,358,429	10,293,743	78,880,717
		57,020,000
		<u>17,602,188</u>
<u>38,358,429</u>	<u>97,610,026</u>	<u>633,913,129</u>
<u>(36,710,410)</u>	<u>(894,426)</u>	<u>(47,060,869)</u>
		2,033,026
(1,648,019)	(385,007)	(2,033,026)
	103,805	103,805
		<u>114,877</u>
<u>(1,648,019)</u>	<u>(281,202)</u>	<u>218,682</u>
<u>(38,358,429)</u>	<u>(1,175,628)</u>	<u>(46,842,187)</u>
76,409,210	42,135,309	314,766,603
	<u>2,414,386</u>	
<u>76,409,210</u>	<u>44,549,695</u>	<u>314,766,603</u>
\$ <u>38,050,781</u>	\$ <u>43,374,067</u>	\$ <u>267,924,416</u>

**Chandler Unified School District No. 80**  
**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** **\$ (46,842,187)**

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	\$ 49,823,135	
Less current year depreciation	<u>(33,657,392)</u>	
		16,165,743

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

Property taxes	483,667	
Intergovernmental	<u>(11,337,336)</u>	
		(10,853,669)

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

Bond principal retirement	<u>57,020,000</u>	
		57,020,000

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	36,167,722	
Pension/OPEB expense	<u>(29,694,211)</u>	
		6,473,511

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

Deferred bond items on issuance of refunding debt	(97,089)	
Loss on disposal of assets	(4,958,050)	
Amortization of deferred bond items	3,329,967	
Compensated absences	<u>(503,067)</u>	
		<u>(2,228,239)</u>

**Changes in net position in governmental activities** **\$ 19,735,159**

**Chandler Unified School District No. 80**  
**Notes to Financial Statements**  
**June 30, 2025**

**Note 1 – Summary of Significant Accounting Policies**

The financial statements of the Chandler Unified School District No. 80 (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. Beginning balances of compensated absences reported in the governmental activities have been restated accordingly.

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.

**Chandler Unified School District No. 80**  
**Notes to Financial Statements**  
**June 30, 2025**

**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 District does not allocate indirect expenses to programs of functions. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, unrestricted 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.

**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.

**Chandler Unified School District No. 80**  
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**Note 1 – Summary of Significant Accounting Policies**

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, federal, 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 and when students pay for meals in advance.

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

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

The District reports the following major governmental funds:

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

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 tax credits, and student activities.

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**Note 1 – Summary of Significant Accounting Policies**

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

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

**D. Cash and Investments**

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

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

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.

**Chandler Unified School District No. 80**  
**Notes to Financial Statements**  
**June 30, 2025**

**Note 1 – Summary of Significant Accounting Policies**

**E. Investment Income**

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

**F. Receivables and Payables**

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

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

**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 general supplies 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.

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

**Chandler Unified School District No. 80**  
**Notes to Financial Statements**  
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**Note 1 – Summary of Significant Accounting Policies**

**I. Prepaid Items**

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

**J. Capital Assets**

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

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

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

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

Land improvements	20 years
Buildings and improvements	10-50 years
Vehicles, furniture and equipment	5-25 years

**K. Deferred Outflows/Inflows of Resources**

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

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

**Chandler Unified School District No. 80**  
**Notes to Financial Statements**  
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**Note 1 – Summary of Significant Accounting Policies**

**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. Leases**

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

**N. Pensions**

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

**O. Long-term Obligations**

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

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

**Chandler Unified School District No. 80**  
**Notes to Financial Statements**  
**June 30, 2025**

**Note 1 – Summary of Significant Accounting Policies**

**P. Interfund Activity**

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

**Q. Net Position Flow Assumption**

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

**R. Estimates**

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

**Note 2 – Fund Balance Classifications**

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

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

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

**Chandler Unified School District No. 80**  
**Notes to Financial Statements**  
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**Note 2 – Fund Balance Classifications**

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

**Assigned.** Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Governing Board or a management official delegated that authority by the formal Governing Board action. The Board delegated the responsibility to the Chief Financial Officer by adopting a formal policy.

**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.

**Chandler Unified School District No. 80**  
**Notes to Financial Statements**  
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**Note 2 – Fund Balance Classifications**

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

	General	Other Special Revenue	Debt Service	Bond Building	Non-Major Governmental Funds
Fund Balances:					
Nonspendable:					
Inventory	\$ 2,535,972				
Restricted:					
Debt service			9,968,410		
Capital projects					5,809,406
Bond building projects				38,050,781	
Voter approved initiatives					36,835,562
Federal and state projects					
Career technical education		10,463,714			
Food service					97,252
Civic center		13,738,917			
Community schools		35,032,930			
Extracurricular activities		3,436,281			
Insurance refund		986,375			
Student activities		1,883,845			
Other purposes		297,131			1,363,610
Assigned:					
Future employee benefits	27,258,447				
Unassigned	80,897,546				(731,763)
Total fund balances	<u>\$ 110,691,965</u>	<u>\$ 65,839,193</u>	<u>\$ 9,968,410</u>	<u>\$ 38,050,781</u>	<u>\$ 43,374,067</u>

**Note 3 – Stewardship, Compliance and Accountability**

**Individual Deficit Fund Balance** – At year end, the Federal and State Grants Fund, a non-major governmental fund, reported a deficit of \$731,763 in fund balance. The deficit arose because of pending grant reimbursements. Additional revenues received in fiscal year 2025-26 are expected to eliminate the deficit.

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

**Chandler Unified School District No. 80**  
**Notes to Financial Statements**  
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**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 \$3,678,228 and the bank balance was \$4,980,561. At year end, \$4,713,219 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. In addition, the District had \$23,674 of cash on hand at year end.

*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, the Arizona School Risk Retention Trust Investment Pool, and the Kairos Investment Pool are external investment pools with no regulatory oversight. The pools are not required to register (and are not registered) with the Securities and Exchange Commission. The fair value of each participant’s position in both 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.

*Valuation Techniques.* U.S Treasury securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. U.S Treasury securities classified in Level 2 of the fair value hierarchy are valued using matrix pricing techniques. Matrix pricing is used to value securities based on the securities’ relationship to benchmark quoted prices.

All investments in which the fair value hierarchy is applicable are measured at fair value on a recurring basis. At year end, the District’s investments consisted of the following:

	<u>Average Maturities</u>	<u>Fair Value</u>	<u>Category</u>
Restricted investments:			
Money Market	n/a	\$ 8,986,403	n/a
U.S. Treasuries	7/1/2025	<u>13,739,677</u>	Level 2
Total restricted investments		<u>\$ 22,726,080</u>	
County Treasurer’s investment pool	452 days	\$ 234,372,892	n/a
Arizona School Risk Retention Trust investment pool	359 days	2,604,415	n/a
Kairos investment pool	0.37 years	<u>28,852,515</u>	n/a
Total investments		<u>\$ 288,555,902</u>	

**Chandler Unified School District No. 80**  
**Notes to Financial Statements**  
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**Note 4 – Cash and Investments**

*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. The Arizona School Risk Retention Trust Investment Pool and the Kairos Investment Pool are not rated. Restricted investments are not rated.

*Custodial Credit Risk – Investments.* The District’s investment in the County Treasurer’s investment pool, the Kairos Investment Pool, and the Arizona School Risk Retention Trust Investment Pool represent a proportionate interest in the applicable 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	Other Special Revenue	Non-Major Governmental Funds
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Due from other governmental entities:			
Due from federal government	\$ 110,776	\$	\$ 2,326,989
Due from state government	49,181,982	20,648	6,965,239
Due from other districts		3,104,358	
Net due from governmental entities	<u>\$ 49,292,758</u>	<u>\$ 3,125,006</u>	<u>\$ 9,292,228</u>

**Note 6 – Leases Receivable**

The District acts as lessor in various agreements, most of which are for cell phone towers under the provisions of contracts classified as leases. The related receivables under the lease agreements have been recorded at the present value of their future minimum lease payments as of the inception date. Lease revenue of \$311,725 is recorded as other local revenue in the General Fund.

**Chandler Unified School District No. 80**  
**Notes to Financial Statements**  
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**Note 7 – Capital Assets**

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

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 100,819,979	\$	\$	\$ 100,819,979
Construction in progress	<u>59,134,013</u>	<u>15,857,794</u>	<u>58,152,798</u>	<u>16,839,009</u>
Total capital assets, not being depreciated	<u>159,953,992</u>	<u>15,857,794</u>	<u>58,152,798</u>	<u>117,658,988</u>
Capital assets, being depreciated:				
Land improvements	115,471,815	24,621,229	1,934,896	138,158,148
Buildings and improvements	863,805,401	54,811,767	8,663,752	909,953,416
Vehicles, furniture and equipment	<u>67,265,447</u>	<u>12,685,143</u>	<u>5,880,872</u>	<u>74,069,718</u>
Total capital assets being depreciated	<u>1,046,542,663</u>	<u>92,118,139</u>	<u>16,479,520</u>	<u>1,122,181,282</u>
Less accumulated depreciation for:				
Land improvements	(54,218,987)	(6,456,760)	(1,181,304)	(59,494,443)
Buildings and improvements	(317,526,688)	(22,494,920)	(5,263,514)	(334,758,094)
Vehicles, furniture and equipment	<u>(32,733,915)</u>	<u>(4,705,712)</u>	<u>(5,076,652)</u>	<u>(32,362,975)</u>
Total accumulated depreciation	<u>(404,479,590)</u>	<u>(33,657,392)</u>	<u>(11,521,470)</u>	<u>(426,615,512)</u>
Total capital assets being depreciated, net	<u>642,063,073</u>	<u>58,460,747</u>	<u>4,958,050</u>	<u>695,565,770</u>
Governmental activities capital assets, net	<u>\$ 802,017,065</u>	<u>\$ 74,318,541</u>	<u>\$ 63,110,848</u>	<u>\$ 813,224,758</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 17,104,233
Support services – students and staff	1,525,181
Support services – administration	575,515
Operation and maintenance of plant services	9,603,868
Student transportation services	3,061,221
Operation of non-instructional services	<u>1,787,374</u>
Total depreciation expense – governmental activities	<u>\$ 33,657,392</u>

**Construction Commitments** – At year end, the District had contractual commitments related to various capital projects for media center renovations at several school sites, roof repairs at Chandler High School, HVAC upgrades throughout the District, and various remodels at several school sites. At year end, the District had spent \$16.8 million on the projects and had estimated remaining contractual commitments of \$49.0 million. The projects are being funded primarily with bond proceeds.

**Chandler Unified School District No. 80**  
**Notes to Financial Statements**  
**June 30, 2025**

**Note 8 – Short Term Debt**

**Revolving Line of Credit** – The District has a revolving line of credit to provide cash flow during the year to mitigate the impact of timing differences of expenditures and the receipt of state aid and property tax revenues. At year end, the District had \$41.5 million in unused line of credit with short-term activity of issued and redeemed amounts of \$6.5 million each. General Fund revenues were used to repay the line of credit in April 2025.

**Note 9 – General Obligation Bonds Payable**

Bonds payable at year end consisted of the following outstanding general obligation bonds. Of the total amount originally authorized, none of the bonds remain unissued. The bonds are both callable and noncallable with interest payable semiannually. Property taxes from the Debt Service Fund are used to pay bonded debt. The District’s legal debt limit is \$2.2 billion and the available margin is \$1.5 billion. In addition, a portion of the District’s school improvement bonds are Qualified School Construction Bonds, as such it is expected the District will receive direct subsidy payments from the United States of America for a portion of the interest due on the bonds. The District received \$1.8 million in federal subsidies during the year. Additionally, the District has \$22.7 million in restricted investments that will be used to pay off the Qualified School Construction Bonds on July 1, 2025.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2025	Due Within One Year
<b>Governmental activities:</b>					
School Improvement Bonds, Project of 2010 Federally taxable/State tax exempt, Series A-2 (QSCAB)	\$ 25,000,000	4.00%	7/1/2025	\$ 25,000,000	\$ 25,000,000
School Improvement Bonds, Project of 2010, Series B (2013)	17,375,000	3.00%	7/1/2025	2,550,000	2,550,000
School Improvement Bonds, Project of 2010, Series C (2014)	21,940,000	3.00-4.00%	7/1/25-29	11,775,000	3,000,000
School Improvement Bonds, Project of 2015, Series A (2016)	60,000,000	2.75-4.00%	7/1/25-35	50,500,000	1,625,000
School Improvement Bonds, Project of 2015, Series B (2017)	71,935,000	3.00-5.00%	7/1/25-36	66,485,000	985,000
Refunding Bonds, Series 2017	15,635,000	5.00%	7/1/25-36	6,830,000	3,045,000
School Improvement Bonds, Project of 2015, Series C (2018)	52,330,000	4.00-5.00%	7/1/25-38	35,425,000	1,830,000
School Improvement Bonds, Project of 2019, Series A (2020)	104,785,000	4.00-5.00%	7/1/25-39	81,175,000	4,125,000
School Improvement Bonds, Project of 2019, Series B (2021)	60,020,000	3.00-5.00%	7/1/25-40	39,875,000	1,775,000
School Improvement Bonds, Project of 2019, Series C (2024)	85,360,000	5.00%	7/1/25-44	82,215,000	13,085,000
<b>Total</b>				<u>\$ 401,830,000</u>	<u>\$ 57,020,000</u>

**Chandler Unified School District No. 80**  
**Notes to Financial Statements**  
**June 30, 2025**

**Note 9 – General Obligation Bonds Payable**

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

Year ending June 30:	Governmental Activities	
	Principal	Interest
2026	\$ 32,020,000	\$ 14,083,663
2027	50,150,000	14,083,638
2028	25,330,000	12,937,825
2029	26,325,000	11,803,762
2030	27,545,000	10,604,169
2031-35	125,015,000	37,113,214
2036-40	91,300,000	14,157,225
2041-44	24,145,000	2,208,375
Total	\$ 401,830,000	\$ 116,991,871

**Note 10 – Changes in Long-Term Liabilities**

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

	Beginning Balance (as restated)	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Bonds payable:					
General obligation bonds	\$ 434,060,000	\$	\$ 32,230,000	\$ 401,830,000	\$ 57,020,000
Premium	46,289,155		3,329,967	42,959,188	
Total bonds payable	480,349,155		35,559,967	444,789,188	57,020,000
Net pension liability	368,344,704		9,178,117	359,166,587	
Compensated absences payable	24,354,548	503,067		24,857,615	14,466,969
Total long-term liabilities	\$ 873,048,407	\$ 503,067	\$ 44,738,084	\$ 828,813,390	\$ 71,486,969

**Note 11 – 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 and Other Capital Projects Funds, non-major governmental funds, had negative cash balances in the Treasurer’s pooled cash accounts of \$321,815 and \$2,490,707, respectively. Negative cash on deposit with the County Treasurer was reduced by interfund borrowing with the General Fund. All interfund balances are expected to be paid within one year.

**Chandler Unified School District No. 80**  
**Notes to Financial Statements**  
**June 30, 2025**

**Note 11 – Interfund Receivables, Payables, and Transfers**

**Interfund transfers** – Transfers between funds were used to (1) move investment income and premium of \$1,648,019 earned in the Bond Building Fund that is required by statute to be expended in the Debt Service Fund, and (2) to move federal grant funds of \$385,007 restricted for indirect costs to the appropriate fund where the expenditures are made.

**Note 12 – 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.

**Lawsuits** – The District is a party to a number of various types of lawsuits, many of which normally occur in governmental operations. The ultimate outcome of the actions is not determinable, however, District management believes that the outcome of these proceedings, either individually or in the aggregate, will not have a materially adverse effect on the accompanying financial statements.

**Arbitrage** – Under the Tax Reform Act of 1986, interest earned on the debt proceeds in excess of interest expense or expenditure prior to the disbursement of the proceeds must be rebated to the Internal Revenue Service (IRS).

**Note 13 – Restatements of Beginning Balances**

**Correction of an Error** – EVIT revenue was not disbursed timely. A 15-915 revision was submitted to adjust prior year CTE allowable expenditures by realigning various costs, including utilities, transportation salaries and benefits, supplies, diesel fuel, and the IFB project to the Career Technical Education Fund, which is presented in the Other Special Revenues Fund. All expenditures and revenues were CTE allowable and specific to the District's CTE programs. This adjustment was necessary due to EVIT's delay in issuing the final payment for fiscal year 2023-24, which was received in fiscal year 2024-25 and impacted the original fund allocations. As a result of the realignment, the fund balance for the Other Special Revenues was updated by \$2,744,132 to accurately reflect the correct distribution of expenditures. The offsetting fund balance adjustment impacted both the Maintenance and Operations and Capital Outlay Funds, both of which are presented in the General Fund.

**Change in Accounting Principle** – As described in Note 1, the District implemented the provisions of GASB Statement No. 101, which resulted in a change in net position of the governmental activities.

**Chandler Unified School District No. 80**  
**Notes to Financial Statements**  
**June 30, 2025**

**Note 13 – Restatements of Beginning Balances**

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

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

	June 30, 2024, As Previously Reported	Change within the Financial Reporting Entity	Correction of an Error	Change in Accounting Principle	June 30, 2024, As Restated
<b>Government-Wide</b>					
Governmental activities	\$ 339,133,899	\$	\$	\$ (9,718,361)	\$ 329,415,538
<b>Governmental Funds</b>					
Major Funds:					
General Fund	\$ 103,494,518	\$	\$ 2,744,132	\$	\$ 106,238,650
Federal and State Grants	2,414,386	(2,414,386)			
Other Special Revenue	63,453,203		(2,744,132)		60,709,071
Debt Service	26,859,977				26,859,977
Bond Building	76,409,210				76,409,210
Non-Major Governmental Funds	42,135,309	2,414,386			44,549,695
Total Governmental Funds	<u>\$ 314,766,603</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 314,766,603</u>

**Note 14 – 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 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.

**Chandler Unified School District No. 80**  
**Notes to Financial Statements**  
**June 30, 2025**

**Note 14 – Risk Management**

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.

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 three fiscal years are as follows:

	Claims Payable at Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Claims Payable at End of Year
Health Insurance in the General Fund				
2024-25	\$ 3,911,731	\$ 25,495,773	\$ 25,209,021	\$ 4,198,483
2023-24	3,023,776	28,337,779	27,449,824	3,911,731

**Note 15 – Pensions and Other Postemployment Benefits**

**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](http://www.azasrs.gov).

**Chandler Unified School District No. 80**  
**Notes to Financial Statements**  
**June 30, 2025**

**Note 15 – Pensions and Other Postemployment Benefits**

**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	\$	\$ 13,437,252	\$ 13,437,252
Net liability	359,166,587		359,166,587
Deferred outflows of resources	56,007,176	870,914	56,878,090
Deferred inflows of resources	30,209,447	4,393,833	34,603,280
Expense	31,558,516	(1,864,305)	29,694,211
Contributions	35,958,833	208,889	36,167,722

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

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

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

\*With actuarially reduced benefits

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

**Chandler Unified School District No. 80**  
**Notes to Financial Statements**  
**June 30, 2025**

**Note 15 – Pensions and Other Postemployment Benefits**

**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 (12.06 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 \$35,958,833.

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)
\$ 359,166,587	2.245	(0.031)

**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 \$31,558,516.

**Chandler Unified School District No. 80**  
**Notes to Financial Statements**  
**June 30, 2025**

**Note 15 – Pensions and Other Postemployment Benefits**

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	\$ 20,048,343	\$
Net difference between projected and actual earnings on pension investments		22,936,718
Changes in proportion and differences between contributions and proportionate share of contributions		7,272,729
Contributions subsequent to the measurement date	35,958,833	
Total	\$ 56,007,176	\$ 30,209,447

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	\$ (16,082,984)
2027	15,937,076
2028	(5,806,038)
2029	(4,209,158)

**Chandler Unified School District No. 80**  
**Notes to Financial Statements**  
**June 30, 2025**

**Note 15 – Pensions and Other Postemployment Benefits**

**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

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%	

**Chandler Unified School District No. 80**  
**Notes to Financial Statements**  
**June 30, 2025**

**Note 15 – Pensions and Other Postemployment Benefits**

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

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

	1% Decrease	Current Discount Rate	1% Increase
Rate	6.0%	7.0%	8.0%
Net liability	\$ 549,957,488	\$ 359,166,587	\$ 200,159,028

**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](http://www.azasrs.gov).

**Note 16 - Subsequent Events**

On November 4th, 2025, District voters approved the authorization of \$271.5 million in General Obligation Bonds to fund the purchase of pupil transportation vehicles, purchase of furniture, equipment and technology for instructional purposes, and the maintenance, improvements, and renovations to school facilities, including security enhancements, building renovations, and new construction. It is expected the first issue related to the authorization will occur in Spring 2026.

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**Required Supplementary Information**

**Chandler Unified School District No. 80**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**General**  
**For the Year Ended June 30, 2025**

	<u>Budget</u>		<u>Non-GAAP Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Other local	\$	\$	\$ 211,300	\$ 211,300
Property taxes			134,444,532	134,444,532
State aid and grants			219,068,498	219,068,498
<b>Total revenues</b>			<u>353,724,330</u>	<u>353,724,330</u>
<b>Expenditures</b>				
Current:				
Instruction	199,655,401	195,581,328	191,336,177	4,245,151
Support services - students and staff	54,054,761	50,091,118	47,504,272	2,586,846
Support services - administration	38,545,746	37,623,540	37,912,241	(288,701)
Operation and maintenance of plant services	47,376,979	52,337,152	52,653,547	(316,395)
Student transportation services	18,211,946	19,322,926	16,477,947	2,844,979
Operation of non-instructional services	1,278,465	1,284,581	1,389,781	(105,200)
<b>Total expenditures</b>	<u>359,123,298</u>	<u>356,240,645</u>	<u>347,273,965</u>	<u>8,966,680</u>
<b>Changes in fund balances</b>	<u>(359,123,298)</u>	<u>(356,240,645)</u>	<u>6,450,365</u>	<u>362,691,010</u>
<b>Fund balances, beginning of year</b>			<u>5,398,349</u>	<u>5,398,349</u>
<b>Fund balances, end of year</b>	<u>\$ (359,123,298)</u>	<u>\$ (356,240,645)</u>	<u>\$ 11,848,714</u>	<u>\$ 368,089,359</u>

**Chandler Unified School District No. 80**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Other Special Revenue**  
**For the Year Ended June 30, 2025**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Other local	\$	\$	\$ 36,202,522	\$ 36,202,522
State aid and grants			62,216	62,216
<b>Total revenues</b>			<u>36,264,738</u>	<u>36,264,738</u>
<b>Expenditures</b>				
Current:				
Instruction	9,855,451	9,941,514	8,365,811	1,575,703
Support services - students and staff	3,069,596	3,096,401	2,605,630	490,771
Support services - administration	870,471	878,072	738,900	139,172
Operation and maintenance of plant services	841,114	848,460	713,981	134,479
Student transportation services	2,562,684	2,585,062	2,175,337	409,725
Operation of non-instructional services	17,244,598	17,395,187	14,638,097	2,757,090
Capital outlay	<u>2,234,620</u>	<u>2,254,134</u>	<u>1,896,860</u>	<u>357,274</u>
<b>Total expenditures</b>	<u>36,678,533</u>	<u>36,998,831</u>	<u>31,134,616</u>	<u>5,864,215</u>
<b>Changes in fund balances</b>	<u>(36,678,533)</u>	<u>(36,998,831)</u>	<u>5,130,122</u>	<u>42,128,953</u>
<b>Fund balances, beginning of year, previously reported</b>			60,709,071	(60,709,071)
Adjustments to beginning fund balances			<u>(2,744,132)</u>	<u>2,744,132</u>
<b>Fund balances, beginning of year, as restated</b>			<u>57,964,939</u>	<u>(57,964,939)</u>
<b>Fund balances, end of year</b>	<u>\$ (36,678,533)</u>	<u>\$ (36,998,831)</u>	<u>\$ 63,095,061</u>	<u>\$ (15,835,986)</u>

**Chandler Unified School District No. 80**  
**Schedule of the Proportionate Share of the Net Pension Liability**  
**Arizona State Retirement System**  
**Last Ten Fiscal Years**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Measurement date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
District's proportion of the net pension (assets) liability	2.25%	2.28%	2.36%	2.23%
District's proportionate share of the net pension (assets) liability	\$ 359,166,587	\$ 368,344,704	\$ 385,364,371	\$ 293,356,355
District's covered payroll	\$ 314,019,451	\$ 303,751,862	\$ 273,069,958	\$ 251,860,704
District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	114.38%	121.27%	141.12%	116.48%
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**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Actuarially determined contribution	\$ 35,958,833	\$ 37,776,540	\$ 36,207,222	\$ 32,795,702
Contributions in relation to the actuarially determined contribution	<u>35,958,833</u>	<u>37,776,540</u>	<u>36,207,222</u>	<u>32,795,702</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 298,413,552	\$ 314,019,451	\$ 303,751,862	\$ 273,069,958
Contributions as a percentage of covered payroll	12.05%	12.03%	11.92%	12.01%

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
2.26%	2.24%	2.15%	2.09%	2.07%	1.94%
\$ 391,891,230	\$ 326,174,516	\$ 299,693,136	\$ 326,207,498	\$ 334,533,619	\$ 302,406,971
\$ 248,256,227	\$ 225,517,916	\$ 199,335,459	\$ 204,743,905	\$ 190,603,705	\$ 176,766,869
157.86%	144.63%	150.35%	159.32%	175.51%	171.08%
69.33%	73.24%	73.40%	69.92%	67.06%	68.35%

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ 29,341,772	\$ 28,425,338	\$ 25,212,903	\$ 21,727,565	\$ 22,071,393	\$ 20,680,502
<u>29,341,772</u>	<u>28,425,338</u>	<u>25,212,903</u>	<u>21,727,565</u>	<u>22,071,393</u>	<u>20,680,502</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 251,860,704	\$ 248,256,227	\$ 225,517,916	\$ 199,335,459	\$ 204,743,905	\$ 190,603,705
11.65%	11.45%	11.18%	10.90%	10.78%	10.85%

**Chandler Unified School District No. 80**  
**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.

- Self-insurance expenditures and other activity are budgeted for regardless of when the claims are paid.
- Prepaid items are budgeted in the year prepaid.
- Expenditures for claims and judgments are not budgeted.

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. Arizona Revised Statutes requires the 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 68.

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

	<u>Total</u>	<u>Fund</u>
	<u>Expenditures</u>	<u>Balances</u>
		<u>End of Year</u>
Statement of Revenues, Expenditures and		
Changes in Fund Balances - Governmental Funds	\$ 392,187,870	\$ 110,691,965
Other funds presented in the General Fund	(44,204,749)	(72,754,676)
Employee insurance account	(18,333)	(350,053)
Intergovernmental agreement activities	128,293	(1,016,932)
Current-year self-insurance expenditures	(819,116)	819,116
Other current-year self-insurance activity		(1,397,224)
Prior-year accumulated self-insurance activity		(24,143,482)
Schedule of Revenue, Expenditures and Changes in		
Fund Balances – Budget and Actual - General Fund	<u>\$ 347,273,965</u>	<u>\$ 11,848,714</u>

**Note 2 – Pension Plan Schedules**

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

**Factors that Affect Trends.** The actuarial assumptions used in the June 30, 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**

**Classroom Site** – to account for the financial activity for the portion of state sales tax collections and permanent state school fund earnings.

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

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

**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: insurance proceeds, litigation recovery, and building renewal grant.

**Chandler Unified School District No. 80**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2025**

**Special Revenue Funds**

	<b>Classroom Site</b>	<b>Instructional Improvement</b>	<b>Federal and State Grants</b>	<b>Food Service</b>
<b>Assets</b>				
Cash and investments	\$ 28,256,840	\$ 7,149,364	\$	\$ 96,348
Accounts receivable				48,780
Due from governmental entities		1,539,921	3,689,312	208,678
<b>Total assets</b>	<u>\$ 28,256,840</u>	<u>\$ 8,689,285</u>	<u>\$ 3,689,312</u>	<u>\$ 353,806</u>
<b>Liabilities</b>				
Accounts payable	\$ 110,290	\$	\$ 1,489,047	\$ 171,217
Due to other funds			321,815	
Accrued payroll and employee benefits	273			85,337
<b>Total liabilities</b>	<u>110,563</u>		<u>1,810,862</u>	<u>256,554</u>
<b>Deferred inflows of resources</b>				
Unavailable revenues - intergovernmental			2,610,213	
<b>Total deferred inflows of resources</b>			<u>2,610,213</u>	
<b>Fund balances</b>				
Restricted	28,146,277	8,689,285		97,252
Unassigned			(731,763)	
<b>Total fund balances</b>	<u>28,146,277</u>	<u>8,689,285</u>	<u>(731,763)</u>	<u>97,252</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 28,256,840</u>	<u>\$ 8,689,285</u>	<u>\$ 3,689,312</u>	<u>\$ 353,806</u>

<u>Capital Projects Funds</u>		<u>Total Non-Major</u>
<u>Adjacent Ways</u>	<u>Other Capital</u>	<u>Governmental</u>
	<u>Projects</u>	<u>Funds</u>
\$ 5,809,406	\$	\$ 41,311,958
		48,780
	3,854,317	9,292,228
<u>\$ 5,809,406</u>	<u>\$ 3,854,317</u>	<u>\$ 50,652,966</u>
\$	\$	\$ 1,770,554
	2,490,707	2,812,522
		85,610
	<u>2,490,707</u>	<u>4,668,686</u>
		<u>2,610,213</u>
		<u>2,610,213</u>
5,809,406	1,363,610	44,105,830
		(731,763)
<u>5,809,406</u>	<u>1,363,610</u>	<u>43,374,067</u>
<u>\$ 5,809,406</u>	<u>\$ 3,854,317</u>	<u>\$ 50,652,966</u>

**Chandler Unified School District No. 80**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2025**

**Special Revenue Funds**

	<b>Classroom Site</b>	<b>Instructional Improvement</b>	<b>Federal and State Grants</b>	<b>Food Service</b>
<b>Revenues</b>				
Other local	\$ 974,374	\$ 275,067	\$ 41	\$ 11,076,250
Property taxes				
State aid and grants	40,292,181	3,230,694	3,408,210	58,209
Federal aid, grants and reimbursements			15,161,460	12,056,323
<b>Total revenues</b>	<u>41,266,555</u>	<u>3,505,761</u>	<u>18,569,711</u>	<u>23,190,782</u>
<b>Expenditures</b>				
Current:				
Instruction	31,707,680	1,646,920	11,799,633	
Support services - students and staff	8,540,036	766,928	6,834,306	
Support services - administration		399,566	460,923	47,456
Operation and maintenance of plant services		80,308	254,852	150,253
Student transportation services			13,643	
Operation of non-instructional services			1,495,676	22,981,480
Capital outlay		15,612	471,820	
<b>Total expenditures</b>	<u>40,247,716</u>	<u>2,909,334</u>	<u>21,330,853</u>	<u>23,179,189</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>1,018,839</u>	<u>596,427</u>	<u>(2,761,142)</u>	<u>11,593</u>
<b>Other financing sources (uses)</b>				
Transfers out			(385,007)	
Insurance recoveries				
<b>Total other financing sources (uses)</b>			<u>(385,007)</u>	
<b>Changes in fund balances</b>	<u>1,018,839</u>	<u>596,427</u>	<u>(3,146,149)</u>	<u>11,593</u>
<b>Fund balances, beginning of year, previously reported</b>	27,127,438	8,092,858		85,659
Adjustments to beginning fund balances			2,414,386	
<b>Fund balances, beginning of year, as restated</b>	<u>27,127,438</u>	<u>8,092,858</u>	<u>2,414,386</u>	<u>85,659</u>
<b>Fund balances, end of year</b>	<u>\$ 28,146,277</u>	<u>\$ 8,689,285</u>	<u>\$ (731,763)</u>	<u>\$ 97,252</u>

<u>Capital Projects Funds</u>		<u>Total Non-Major</u>
<u>Adjacent Ways</u>	<u>Other Capital</u>	<u>Governmental</u>
	<u>Projects</u>	<u>Funds</u>
\$ 117,180	\$ 217,340	\$ 12,660,252
2,000,000		2,000,000
	7,848,271	54,837,565
		<u>27,217,783</u>
<u>2,117,180</u>	<u>8,065,611</u>	<u>96,715,600</u>
	2,408	45,156,641
	114,920	16,256,190
		907,945
	19,295	504,708
		13,643
		24,477,156
<u>1,828,800</u>	<u>7,977,511</u>	<u>10,293,743</u>
<u>1,828,800</u>	<u>8,114,134</u>	<u>97,610,026</u>
<u>288,380</u>	<u>(48,523)</u>	<u>(894,426)</u>
		(385,007)
	103,805	103,805
	<u>103,805</u>	<u>(281,202)</u>
<u>288,380</u>	<u>55,282</u>	<u>(1,175,628)</u>
5,521,026	1,308,328	42,135,309
		2,414,386
<u>5,521,026</u>	<u>1,308,328</u>	<u>44,549,695</u>
<u>\$ 5,809,406</u>	<u>\$ 1,363,610</u>	<u>\$ 43,374,067</u>

**Chandler Unified School District No. 80**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Classroom Site**  
**For the Year Ended June 30, 2025**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Other local	\$	\$	\$ 974,374	\$ 974,374
State aid and grants			40,292,181	40,292,181
<b>Total revenues</b>			<u>41,266,555</u>	<u>41,266,555</u>
<b>Expenditures</b>				
Current:				
Instruction	53,437,205	53,415,521	31,707,680	21,707,841
Support services - students and staff	13,985,097	14,004,097	8,540,036	5,464,061
<b>Total expenditures</b>	<u>67,422,302</u>	<u>67,419,618</u>	<u>40,247,716</u>	<u>27,171,902</u>
<b>Changes in fund balances</b>	<u>(67,422,302)</u>	<u>(67,419,618)</u>	<u>1,018,839</u>	<u>68,438,457</u>
<b>Fund balances, beginning of year</b>			<u>27,127,438</u>	<u>27,127,438</u>
<b>Fund balances, end of year</b>	<u>\$ (67,422,302)</u>	<u>\$ (67,419,618)</u>	<u>\$ 28,146,277</u>	<u>\$ 95,565,895</u>

**Chandler Unified School District No. 80**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Instructional Improvement**  
**For the Year Ended June 30, 2025**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Other local	\$	\$	\$ 275,067	\$ 275,067
State aid and grants			3,230,694	3,230,694
<b>Total revenues</b>			<u>3,505,761</u>	<u>3,505,761</u>
<b>Expenditures</b>				
Current:				
Instruction	1,214,811	1,868,069	1,646,920	221,149
Support services - students and staff	565,706	869,911	766,928	102,983
Support services - administration	294,730	453,220	399,566	53,654
Operation and maintenance of plant services	59,237	91,092	80,308	10,784
Capital outlay	11,516	17,708	15,612	2,096
<b>Total expenditures</b>	<u>2,146,000</u>	<u>3,300,000</u>	<u>2,909,334</u>	<u>390,666</u>
<b>Changes in fund balances</b>	<u>(2,146,000)</u>	<u>(3,300,000)</u>	<u>596,427</u>	<u>3,896,427</u>
<b>Fund balances, beginning of year</b>			<u>8,092,858</u>	<u>8,092,858</u>
<b>Fund balances, end of year</b>	<u>\$ (2,146,000)</u>	<u>\$ (3,300,000)</u>	<u>\$ 8,689,285</u>	<u>\$ 11,989,285</u>

**Chandler Unified School District No. 80**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Federal and State Grants**  
**For the Year Ended June 30, 2025**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Other local	\$	\$	\$ 41	\$ 41
State aid and grants			3,408,210	3,408,210
Federal aid, grants and reimbursements			15,161,460	15,161,460
<b>Total revenues</b>			<u>18,569,711</u>	<u>18,569,711</u>
<b>Expenditures</b>				
Current:				
Instruction	14,121,478	14,340,196	11,799,633	2,540,563
Support services - students and staff	8,179,110	8,305,791	6,834,306	1,471,485
Support services - administration	551,620	560,164	460,923	99,241
Operation and maintenance of plant services	305,000	309,724	254,852	54,872
Student transportation services	16,328	16,580	13,643	2,937
Operation of non-instructional services	1,789,984	1,817,708	1,495,676	322,032
Capital outlay	564,661	573,407	471,820	101,587
<b>Total expenditures</b>	<u>25,528,181</u>	<u>25,923,570</u>	<u>21,330,853</u>	<u>4,592,717</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(25,528,181)</u>	<u>(25,923,570)</u>	<u>(2,761,142)</u>	<u>23,162,428</u>
<b>Other financing sources (uses)</b>				
Transfers out			(385,007)	(385,007)
<b>Total other financing sources (uses)</b>			<u>(385,007)</u>	<u>(385,007)</u>
<b>Changes in fund balances</b>	<u>(25,528,181)</u>	<u>(25,923,570)</u>	<u>(3,146,149)</u>	<u>22,777,421</u>
<b>Fund balances, beginning of year</b>			<u>2,414,386</u>	<u>2,414,386</u>
<b>Fund balances, end of year</b>	<u>\$ (25,528,181)</u>	<u>\$ (25,923,570)</u>	<u>\$ (731,763)</u>	<u>\$ 25,191,807</u>

**Chandler Unified School District No. 80**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Food Service**  
**For the Year Ended June 30, 2025**

	<u>Budget</u>		Variance with Final Budget
	<u>Original and Final</u>	<u>Actual</u>	
<b>Revenues</b>			
Other local	\$	\$ 11,076,250	\$ 11,076,250
State aid and grants		58,209	58,209
Federal aid, grants and reimbursements		<u>12,056,323</u>	<u>12,056,323</u>
<b>Total revenues</b>		<u>23,190,782</u>	<u>23,190,782</u>
<b>Expenditures</b>			
Current:			
Support services - administration	53,297	47,456	5,841
Operation and maintenance of plant services	168,746	150,253	18,493
Operation of non-instructional services	<u>25,810,022</u>	<u>22,981,480</u>	<u>2,828,542</u>
<b>Total expenditures</b>	<u>26,032,065</u>	<u>23,179,189</u>	<u>2,852,876</u>
<b>Changes in fund balances</b>	<u>(26,032,065)</u>	<u>11,593</u>	<u>26,043,658</u>
<b>Fund balances, beginning of year</b>		<u>85,659</u>	<u>85,659</u>
<b>Fund balances, end of year</b>	<u>\$ (26,032,065)</u>	<u>\$ 97,252</u>	<u>\$ 26,129,317</u>

**Chandler Unified School District No. 80**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Debt Service**  
**For the Year Ended June 30, 2025**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Other local	\$	\$	\$ 2,027,129	\$ 2,027,129
Property taxes			52,226,351	52,226,351
Federal aid, grants and reimbursements			1,829,122	1,829,122
<b>Total revenues</b>			<u>56,082,602</u>	<u>56,082,602</u>
<b>Expenditures</b>				
Debt service:				
Principal retirement	32,020,000	32,020,000	57,020,000	(25,000,000)
Interest and fiscal charges	14,340,994	15,341,038	17,602,188	(2,261,150)
<b>Total expenditures</b>	<u>46,360,994</u>	<u>47,361,038</u>	<u>74,622,188</u>	<u>(27,261,150)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(46,360,994)</u>	<u>(47,361,038)</u>	<u>(18,539,586)</u>	<u>28,821,452</u>
<b>Other financing sources (uses)</b>				
Transfers in			1,648,019	1,648,019
<b>Total other financing sources (uses)</b>			<u>1,648,019</u>	<u>1,648,019</u>
<b>Changes in fund balances</b>	<u>(46,360,994)</u>	<u>(47,361,038)</u>	<u>(16,891,567)</u>	<u>30,469,471</u>
<b>Fund balances, beginning of year</b>			<u>26,859,977</u>	<u>26,859,977</u>
<b>Fund balances, end of year</b>	<u>\$ (46,360,994)</u>	<u>\$ (47,361,038)</u>	<u>\$ 9,968,410</u>	<u>\$ 57,329,448</u>

**Chandler Unified School District No. 80**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Adjacent Ways**  
**For the Year Ended June 30, 2025**

	<u>Budget</u>		Variance with Final Budget
	<u>Original and Final</u>	<u>Actual</u>	
<b>Revenues</b>			
Other local	\$	\$ 117,180	\$ 117,180
Property taxes		2,000,000	2,000,000
<b>Total revenues</b>		<u>2,117,180</u>	<u>2,117,180</u>
<b>Expenditures</b>			
Capital outlay	7,500,000	1,828,800	5,671,200
<b>Total expenditures</b>	<u>7,500,000</u>	<u>1,828,800</u>	<u>5,671,200</u>
<b>Changes in fund balances</b>	<u>(7,500,000)</u>	<u>288,380</u>	<u>7,788,380</u>
<b>Fund balances, beginning of year</b>		<u>5,521,026</u>	<u>5,521,026</u>
<b>Fund balances, end of year</b>	<u>\$ (7,500,000)</u>	<u>\$ 5,809,406</u>	<u>\$ 13,309,406</u>

**Chandler Unified School District No. 80**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Bond Building**  
**For the Year Ended June 30, 2025**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Other local	\$	\$	1,648,019	\$ 1,648,019
<b>Total revenues</b>			<u>1,648,019</u>	<u>1,648,019</u>
<b>Expenditures</b>				
Capital outlay	67,093,266	75,533,674	38,358,429	37,175,245
<b>Total expenditures</b>	<u>67,093,266</u>	<u>75,533,674</u>	<u>38,358,429</u>	<u>37,175,245</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(67,093,266)</u>	<u>(75,533,674)</u>	<u>(36,710,410)</u>	<u>38,823,264</u>
<b>Other financing sources (uses)</b>				
Transfers out			(1,648,019)	(1,648,019)
<b>Total other financing sources (uses)</b>			<u>(1,648,019)</u>	<u>(1,648,019)</u>
<b>Changes in fund balances</b>	<u>(67,093,266)</u>	<u>(75,533,674)</u>	<u>(38,358,429)</u>	<u>37,175,245</u>
<b>Fund balances, beginning of year</b>			<u>76,409,210</u>	<u>76,409,210</u>
<b>Fund balances, end of year</b>	<u>\$ (67,093,266)</u>	<u>\$ (75,533,674)</u>	<u>\$ 38,050,781</u>	<u>\$ 113,584,455</u>

**Chandler Unified School District No. 80**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Other Capital Projects**  
**For the Year Ended June 30, 2025**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Other local	\$	\$	\$ 217,340	\$ 217,340
State aid and grants			7,848,271	7,848,271
<b>Total revenues</b>			<u>8,065,611</u>	<u>8,065,611</u>
<b>Expenditures</b>				
Current:				
Instruction	3,475	3,678	2,408	1,270
Support services - students and staff	165,848	175,507	114,920	60,587
Operation and maintenance of plant services	27,846	29,468	19,295	10,173
Capital outlay	<u>11,512,831</u>	<u>12,183,369</u>	<u>7,977,511</u>	<u>4,205,858</u>
<b>Total expenditures</b>	<u>11,710,000</u>	<u>12,392,022</u>	<u>8,114,134</u>	<u>4,277,888</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(11,710,000)</u>	<u>(12,392,022)</u>	<u>(48,523)</u>	<u>12,343,499</u>
<b>Other financing sources (uses)</b>				
Insurance recoveries			103,805	103,805
<b>Total other financing sources (uses)</b>			<u>103,805</u>	<u>103,805</u>
<b>Changes in fund balances</b>	<u>(11,710,000)</u>	<u>(12,392,022)</u>	<u>55,282</u>	<u>12,447,304</u>
<b>Fund balances, beginning of year</b>			<u>1,308,328</u>	<u>1,308,328</u>
<b>Fund balances, end of year</b>	<u>\$ (11,710,000)</u>	<u>\$ (12,392,022)</u>	<u>\$ 1,363,610</u>	<u>\$ 13,755,632</u>

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**CITY OF CHANDLER AND  
TOWNS OF GILBERT AND QUEEN CREEK, ARIZONA**

*The following information regarding Chandler, Gilbert and Queen Creek 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 CHANDLER, 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 as described under the heading "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS."*

**City of Chandler, Arizona**

**General**

Chandler is located in the southeastern portion of the County, 19 miles from downtown Phoenix at an elevation of 1,213 feet above sea level. Chandler, which was founded in 1912 and incorporated in 1920, encompasses approximately 65 square miles and is one of the several major cities comprising the greater Phoenix metropolitan area. The following table illustrates population statistics for Chandler.

**POPULATION STATISTICS  
City of Chandler, Arizona**

	<u>City of Chandler</u>
2025 Estimate (a)	288,299
2020 Census	275,987
2010 Census	241,214
2000 Census	238,381
1990 Census	236,123
1980 Census	176,581

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(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**

Chandler adopted a City Charter in 1965. The City Charter provides for a Council-Manager form of government. The seven-member Council is elected at-large on a staggered basis and consists of the mayor and six council members. The mayor is elected for a two-year term while council members serve a four-year term.

The City Council appoints the City Manager who has full responsibility for carrying out council policies and administering City operations. The City Manager is responsible for appointment of department heads. Chandler employees are hired under merit system procedures as specified in the City Charter.

## Economy of the Area

The major economic sectors contributing to Chandler's economic base include government, manufacturing, financial services, commercial activities (including construction and commerce), agriculture and tourism. Electronic plants located in Chandler include: Microchip Technologies, producer of electronic circuitry; Intel Corporation, manufacturer of microcomputer components; Motorola Inc., producer of semiconductors and satellites; and Freescale Semiconductor Inc., a producer of semiconductors and satellites, among many others.

## Employment

A partial list of major employers located within Chandler is set forth in the following table.

### MAJOR EMPLOYERS City of Chandler, Arizona

Employer	Description	Approximate Number of Employees
Intel Corporation	Microprocessors	12,990
Wells Fargo	Corporate banking	5,610
Chandler Unified School District No. 80	Public education	3,930
Bank of America	Mortgage processing center	3,330
Dignity Health	Hospital	3,120
Northrop Grumman	Areospace launch systems	2,610
City of Chandler	Government	2,140
NXP USA Inc.	Semiconductors/Satelite systems	1,750
Microchip Technology Inc.	Microprocessors	1,660
Walmart	Retail	1,310

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

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The following table sets forth unemployment rate averages for Chandler.

**UNEMPLOYMENT RATE AVERAGES  
City of Chandler, Arizona**

Calendar Year	Unemployment Rate Average (a)
2026 (b)	3.7%
2025	3.3
2024	2.9
2023	2.9
2022	2.9
2021	4.0

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(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. Substate area data subsequently are revised to incorporate updated inputs, re-estimation, and controlling to new statewide totals.*

(b) *Data through March 2026.*

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

**Commerce**

Chandler’s retail shoppers are served by a central business district located in the downtown area. This downtown business district is a retail/office center. Several regional shopping complexes, Chandler Pavilions, Casa Paloma, Chandler Festival, Chandler Gateway, East Valley Mall, Paseo Del Oro Shopping Center, North Park Plaza Shopping Center, McRay Plaza Shopping Center and Granada Plaza, and a number of neighborhood shopping centers are dispersed throughout Chandler.

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

**TRANSACTION PRIVILEGE (SALES) TAX COLLECTIONS  
City of Chandler, Arizona**

Fiscal Year	Amount
2025/26 (a)	\$150,368,867
2024/25	205,573,541
2023/24	208,346,793
2022/23	205,391,313
2021/22	179,488,440
2020/21	156,293,595

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(a) *Data through March 2026.*

Source: Arizona Department of Revenue, Municipal Privilege Tax Collection Program.

**Town of Gilbert, Arizona**

**General**

Gilbert is located in the southeastern portion of the County, bounded on the north and east by the City of Mesa, Arizona (“Mesa”), on the west by Chandler, on the southeast by Queen Creek, and on the south by the Gila River Indian Reservation.

Founded in 1891 and incorporated in 1920, today Gilbert has a planning area of 72.6 square miles. The following table illustrates population statistics for Gilbert.

**POPULATION STATISTICS  
Town of Gilbert, Arizona**

	<u>Town of Gilbert</u>
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

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(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 the 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 council policies and administering Town operations. The Town Manager administers Gilbert’s functions through 12 department directors. Gilbert employees are hired under personnel rules adopted by the Town Council. Gilbert provides or administers a variety of services including public safety (police, fire, animal control and ambulance by contract), community development (planning, building and code enforcement and engineering), leisure services (parks, recreation and library), enterprise operations (water, wastewater, solid waste and irrigation), internal service funds (equipment maintenance and printing service), streets and public works, municipal court and management and administrative services.

**Economy of the Area**

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 feed and fertilizer production are also locally important.

## Employment

A partial list of major employers located within Gilbert is set forth in the following table.

### MAJOR EMPLOYERS Town of Gilbert, Arizona

Employer	Description	Approximate Number of Employees
Gilbert Unified School District No. 41	Education	2,900
Banner Health	Healthcare	2,480
Fry's Food Stores	Retail	1,510
Town of Gilbert	Government	1,500
Northrop Grumman	Defense	1,370
Higley Unified School District No. 60	Education	1,360
Dignity Health	Healthcare	1,030
Deloitte	Consultant	860
Silent Aire USA Inc.	Manufacturing	780
Walmart	Retail	750

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

The following table sets forth unemployment rate averages for Gilbert.

### UNEMPLOYMENT RATE AVERAGES Town of Gilbert, Arizona

Calendar Year	Unemployment Rate Average (a)
2026 (b)	3.6%
2025	3.2
2024	2.8
2023	2.8
2022	2.7
2021	3.5

(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 March 2026.

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

## Commerce

SanTan Village, a 500 acre site developed by Westcor into nearly 3 million square feet of retail, opened in 2007, making it the largest commercial development in Gilbert.

Total town privilege (sales) tax collections are an indicator of historic overall economic trends within Gilbert.

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

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

Fiscal Year	Amount
2025/26 (a)	\$157,022,563
2024/25	176,854,261
2023/24	157,413,453
2022/23	154,369,857
2021/22	141,464,412
2020/21	122,237,908

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(b) Data through March 2026.

Source: Arizona Department of Revenue, Municipal Privilege Tax Collection Program.

### Town of Queen Creek, Arizona

#### General

Queen Creek is located in the southeast corner of the County. Queen Creek shares borders with the Town of Gilbert, Arizona on the north and the City of Chandler, Arizona on the west. The southern portion of Queen Creek extends into Pinal County, Arizona. Queen Creek lies below the San Tan Mountains in a fertile valley that was first settled at the turn of the century by ranchers and farmers. Queen Creek encompasses 42 square miles and lies at an elevation of approximately 1,400 feet.

The following table illustrates 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

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(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 a Council-Manager form of government. The six council members are elected at large on a nonpartisan ballot for staggered, four-year terms. The Mayor is a council member elected at large on a nonpartisan ballot for a four-year term. The Council appoints a Town Manager who has full responsibility for carrying out council policies and administering town operations. Water and sewer is provided by Queen Creek, telephone service by CenturyLink, Inc., gas service by Southwest Gas Corporation and electricity by Salt River Project.

## Economy of the Area

The principal economic activity of Queen Creek and the outlying portions of Queen Creek is agriculture. Queen Creek is a partner in the Joint Powers Authority operating Phoenix-Mesa Gateway Airport, adjacent to Arizona State University East. Also within close proximity to Queen Creek is TRW Vehicle Safety Systems, Inc., a vehicle airbag manufacturer employing approximately 590 employees. Employment for the residents of Queen Creek can also be found in Mesa and in the other communities that make up the greater Phoenix metropolitan area. See APPENDIX E for information specific to the County.

## Employment

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

### MAJOR EMPLOYERS Town of Queen Creek, Arizona

<u>Employer</u>	<u>Description</u>	<u>Approximate Number of Employees</u>
Queen Creek Unified School District No. 95	Education	1,150
Town of Queen Creek	Government	515
Banner Health	Healthcare	467
Walmart	Retail	440
Chandler Unified School District No. 80	Education	310
Costco Wholesale	Retail	300
Target	Retail	250
Safeway	Grocery	230
Higley Unified School District No. 60	Education	220
American Leadership Academy	Education	200

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

The following table illustrates unemployment rate averages for Queen Creek.

**UNEMPLOYMENT RATE AVERAGES  
Town of Queen Creek, Arizona**

Calendar Year	Unemployment Rate Average (a)
2026 (b)	3.9%
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 March 2026.

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

**Commerce**

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

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

Fiscal Year	Amount
2025/26 (a)	\$ 83,107,090
2024/25	107,595,473
2023/24	101,625,316
2022/23	70,617,164
2021/22	72,850,799
2020/21	60,836,186

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(a) Data through March 2026.

Source: Arizona Department of Revenue, Municipal Privilege Tax Collections Program.

**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 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**

<u>Control/Ownership</u>	<u>Percent of Land in County</u>
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	<u>100%</u>

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	7.3%
Manufacturing	5.8
Trade, transportation and utilities	19.3
Information	1.7
Financial activities	8.6
Professional and Business Services	15.8
Educational and Health Services	17.5
Leisure and Hospitality	10.8
Services and miscellaneous	3.2
Government	10.0
Total	<u>100.0%</u>

(a) Data through March 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**

	<u>2026 (a)</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Mining and construction	175,400	176,700	177,800	168,200	152,400	139,100
Manufacturing	139,700	140,500	142,600	142,300	140,400	133,700
Trade, transportation, and utilities	460,000	463,000	456,800	454,700	447,400	427,100
Information	40,000	39,900	39,500	42,200	42,800	39,700
Financial activities	206,000	210,800	206,700	209,200	214,600	214,300
Professional and business services	376,800	375,700	379,000	385,200	383,500	367,400
Educational and health services	418,800	408,400	398,800	379,600	359,100	339,100
Leisure and hospitality	257,700	257,700	254,300	245,800	229,900	206,200
Other services	76,900	75,200	75,400	74,900	71,400	66,800
Government	238,400	230,800	231,300	225,900	218,500	216,500
	<u>2,389,700</u>	<u>2,378,700</u>	<u>2,362,200</u>	<u>2,328,000</u>	<u>2,260,000</u>	<u>2,149,900</u>

(a) Data through March 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**

<u>Calendar Year</u>	<u>Maricopa County (a)</u>	<u>State of Arizona (a)</u>	<u>United States of America</u>
2026 (b)	4.1%	4.6%	4.6%
2025	3.6	4.2	4.3
2024	3.1	3.6	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 March 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)	\$19,993,928
2025	74,794,453
2024	72,535,228
2023	73,072,528
2022	71,219,545
2021	66,043,105

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(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.

(a) Data through March 2026.

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

## Bank Deposits

The following table illustrates bank deposits for the County.

### BANK DEPOSITS Maricopa County, Arizona (\$ in millions)

Fiscal Year	Amount
2025	\$177,478
2024	168,514
2023	163,826
2022	178,327
2021	158,003

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Source: Federal Deposit Insurance Corporation.

**FORM OF APPROVING LEGAL OPINION**

[LETTERHEAD OF GREENBERG TRAUIG, LLP]

[Closing Date]

Governing Board  
Chandler Unified School District  
No. 80 of Maricopa County, Arizona

Re: Chandler Unified School District No. 80 of Maricopa County, Arizona School Improvement Bonds, Project of 2025, Series A (2026)

We have examined copies of the proceedings of the Governing Board of Chandler Unified School District No. 80 of Maricopa County, Arizona (the “District”), and other proofs submitted to us relative to the sale and issuance of the captioned Bonds (the “Bonds”). In addition, we have examined such other proceedings, proofs, instruments, certificates and other documents as well as such other materials and such matters of law as we have deemed necessary or appropriate for the purposes of the opinion rendered herein below. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion, we have, when relevant facts were not independently established, relied upon the aforesaid proceedings and proofs.

We are of the opinion that such proceedings and proofs show lawful authority for the sale and issuance of the Bonds pursuant to the Constitution and laws of the State of Arizona now in force, and particularly the provisions of Title 15, Chapter 9, Article 7, Arizona Revised Statutes, as amended, and that the Bonds are valid and legally binding obligations of the District, all of the taxable property within which is subject to the levy of a tax, without limitation as to rate or amount, to pay the principal of and interest on the Bonds.

Under existing statutes, regulations, rulings and court decisions, subject to the reliance and assumption stated in the last sentence of this paragraph, interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes, and interest on the Bonds is exempt from income taxation under the laws of the State of Arizona. Furthermore, interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. In the case of the alternative minimum tax imposed by Section 55(b)(2) of the Internal Revenue Code of 1986, as amended (hereinafter referred to as the “Code”) on applicable corporations (as defined in Section 59(k) of the Code), interest on the Bonds is not excluded from the determination of adjusted financial statement income. (We express no opinion regarding other federal or state tax consequences resulting from the ownership, receipt or accrual of interest on, or disposition of, the Bonds.) The Code includes requirements which the District must continue to meet after the issuance of the Bonds in order that interest on the Bonds not be included in gross income for federal income tax purposes. The failure of the District to meet these requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to their date of issuance. The Governing Board of the District has resolved in the resolution authorizing the issuance of the Bonds adopted by the Governing Board of the District on April 8, 2026, to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds. (Subject to the same limitations in the penultimate paragraph hereof, the District has full legal power and authority to comply with such covenants.) In rendering the opinion expressed above, we have assumed continuing compliance with the tax covenants referred to above that must be met after the issuance of the Bonds in order that interest on the Bonds not be included in gross income for federal tax purposes.

The rights of the holders of the Bonds and the enforceability of those rights may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights. The enforcement of such rights may also be subject to the exercise of judicial discretion in accordance with general principles of equity.

This opinion represents our legal judgment based upon our review of the law and the facts we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof, and we assume no obligation to review or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

**FORM OF CONTINUING DISCLOSURE UNDERTAKING**

CONTINUING DISCLOSURE UNDERTAKING

\$135,000,000\*

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80  
OF MARICOPA COUNTY, ARIZONA  
SCHOOL IMPROVEMENT BONDS, PROJECT OF 2025, SERIES A (2026)

(BASE CUSIP IDENTIFICATION NO. 567389)

This Continuing Disclosure Undertaking (this “Disclosure Undertaking”) is executed and delivered by Chandler Unified School District No. 80 of Maricopa County, Arizona (the “School District”), in connection with the \$135,000,000\* aggregate principal amount of School Improvement Bonds, Project of 2025, Series A (2026) (the “Series 2026 Bonds”). The Series 2026 Bonds are being issued pursuant to a resolution adopted by the Governing Board of the School District on April 8, 2026 (the “Bond Resolution”). The School District covenants and agrees as follows:

SECTION 1. Definitions. In addition to the definitions set forth hereinabove, which apply to any capitalized term used in this Disclosure Undertaking unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the School District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Undertaking.

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2026 Bonds (including persons holding Series 2026 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Series 2026 Bonds for federal income tax purposes.

“Dissemination Agent” shall mean the School District, or any successor Dissemination Agent designated in writing by the School District and which has filed with the School District a written acceptance of such designation.

“EMMA” shall mean the Electronic Municipal Market Access system of the MSRB. As of the date of this Disclosure Undertaking, information regarding submissions to EMMA is available at <http://emma.msrb.org>.

“Financial Obligation” shall mean a (i) debt obligation; (ii) 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). The term Financial Obligation shall 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(a) of this Disclosure Undertaking.

“MSRB” shall mean Municipal Securities Rulemaking Board.

“Official Statement” shall mean the final Official Statement, dated \_\_\_\_\_, 2026, for the Series 2026 Bonds.

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\* *Subject to change.*

“Participating Underwriters” shall mean the original underwriters of the Series 2026 Bonds required to comply with the Rule in connection with the offering of the Series 2026 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.

“State” shall mean the State of Arizona.

SECTION 2. Purpose of the Disclosure Undertaking. This Disclosure Undertaking is being executed and delivered by the School District for the benefit of the Beneficial Owners and in order to assist the Participating Underwriters in complying with the Rule.

SECTION 3. Provision of Annual Reports.

(a) Subject to annual appropriation to cover the costs of preparation and mailing thereof, the School District shall, or shall cause the Dissemination Agent to, not later than February 1 following the end of the School District’s fiscal year (presently June 30), commencing with the Annual Report for the 2025/26 Fiscal Year, provide through EMMA an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Undertaking. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Undertaking; provided that the audited financial statements of the School District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the School District’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(a).

(b) Not later than fifteen (15) business days prior to the date on which the Annual Report shall be provided through EMMA pursuant to subsection (a), the School District shall provide the Annual Report to the Dissemination Agent (if other than the School District). If the School District is unable to provide through EMMA an Annual Report by the date required in subsection (a), the School District shall send a notice on the form provided through EMMA for such purpose not more than ten (10) business days after the date on which the Annual Report is due.

(c) The Dissemination Agent shall, if the Dissemination Agent is other than the School District, file a report with the School District certifying that the Annual Report has been provided pursuant to this Disclosure Undertaking, stating the date it was provided.

SECTION 4. Content of Annual Reports. The School District’s Annual Report shall contain or include by reference the following:

(a) If available at the time of such filing, the audited financial statements of the School District for the prior fiscal year, prepared in accordance with generally accepted auditing standards. If the School District’s audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report within 30 days of the date they become available.

(b) Additional financial information and operating data of the type included with respect to the School District in the following tables in APPENDIX A – “THE DISTRICT – DISTRICT INFORMATION” and APPENDIX B – “THE DISTRICT – FINANCIAL INFORMATION” to the Official Statement:

- TABLE 2 – Average Daily Membership;
- TABLE 6 – Property Taxes Levied and Collected;
- TABLE 8 – Net Limited Assessed Property Value by Property Classification;
- TABLE 9 – Net Limited Assessed Property Value of Major Taxpayers; and
- TABLES 14 and 15 – Constitutional / Statutory Debt Limit / Unused Borrowing Capacity after Bond Issuance.

SECTION 5. Reporting of Listed Events.

(a) Pursuant to the provisions of this Section 5, but subject to annual appropriation to cover the costs of preparation and mailing thereof, the School District shall give, or cause to be given in a timely manner, but not more than ten (10) business days thereafter, through EMMA notice of the occurrence of any of the following events with respect to the Series 2026 Bonds:

1. Principal and interest payment delinquencies,
2. Nonpayment related defaults, if material,
3. Unscheduled draws on debt service reserves, if any, reflecting financial difficulties,
4. Unscheduled draws on credit enhancements reflecting financial difficulties,
5. Substitution of the credit or liquidity providers or their failure to perform,
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations, in each case, with respect to the tax status of the Series 2026 Bonds or other material events affecting the tax status of the Series 2026 Bonds,
7. Modifications to rights of holders of the Series 2026 Bonds, if material,
8. Bond calls, if material, or tender offers,
9. Defeasances,
10. Release, substitution or sale of property securing repayment of the Series 2026 Bonds, if material,
11. Rating changes,
12. Bankruptcy, insolvency, receivership or similar events of the School District, being if any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the School 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 School 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 School District,
13. The consummation of a merger, consolidation or acquisition involving the School District or the sale of all or substantially all of the assets of the School 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,
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material,

15. Incurrence of a Financial Obligation of the School District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the School District, any of which affect security holders, if material,

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the School District, any of which reflect financial difficulties, and

17. Notice of a failure of the School District to provide required annual financial information on or before the date specified in Section 3 above, including any non-appropriation to cover applicable costs.

(b) Whether events subject to the standard “material” would be material shall be determined under applicable federal securities laws.

SECTION 6. Termination of Reporting Obligation. The School District’s obligations under this Disclosure Undertaking shall terminate (A) upon the legal defeasance, prior redemption or payment in full of all of the Series 2026 Bonds, or (B) upon the termination of the continuing disclosure requirements of the Rule by legislative, judicial or administrative action. If termination pursuant to (A) occurs prior to the final maturity of the Series 2026 Bonds, the School District shall give notice of such termination in the same manner as for a Listed Event under Section 5(a).

SECTION 7. Dissemination Agent. The School District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Undertaking, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the School District pursuant to this Disclosure Undertaking.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Undertaking, the School District may amend this Disclosure Undertaking, and any provision of this Disclosure Undertaking may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Series 2026 Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized securities law counsel, have complied with the requirements of the Rule at the time of the original issuance of the Series 2026 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized securities law counsel, materially impair the interests of the Beneficial Owners.

In the event of any amendment or waiver of a provision of this Disclosure Undertaking, the School District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the School District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(a), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Undertaking shall be deemed to prevent the School District from disseminating any other information, using the means of dissemination set forth in this

Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Undertaking. If the School District chooses to 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 Undertaking, the School District shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the School District to comply with any provision of this Disclosure Undertaking, any Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the School District to comply with its obligations under this Disclosure Undertaking. A default under this Disclosure Undertaking shall not be deemed an event of default under the Bond Resolution, and the sole remedy under this Disclosure Undertaking in the event of any failure of the School District to comply with this Disclosure Undertaking shall be an action to compel performance.

SECTION 11. Non-Appropriation. The performance by the School District of its obligations in this Disclosure Undertaking shall be subject to the annual appropriation of any funds that may be necessary to permit such performance. In the event of a failure by the School District to comply with its covenants under this Disclosure Undertaking due to a failure to appropriate the necessary funds, the School District covenants to provide prompt notice of such fact to the MSRB through EMMA.

SECTION 12. Beneficiaries. This Disclosure Undertaking shall inure solely to the benefit of the School District, the Dissemination Agent, the Participating Underwriters and the Beneficial Owners from time to time of the Series 2026 Bonds, and shall create no rights in any other person or entity.

Dated: [Closing Date]

CHANDLER UNIFIED SCHOOL DISTRICT NO. 80 OF  
MARICOPA COUNTY, ARIZONA

By .....  
President, Governing Board

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### 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](http://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 will be made 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.