
**AVONDALE ELEMENTARY
SCHOOL DISTRICT NO. 44**

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2021



295 West Western Avenue ▪ Avondale, Arizona 85323

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44

AVONDALE, ARIZONA

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Issued by:
Business & Finance Department

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44

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INTRODUCTORY SECTION

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December 8, 2021

Citizens and Governing Board
Avondale Elementary School District No. 44
295 West Western Avenue
Avondale, Arizona 85323

State law mandates that school districts required to undergo an annual single audit publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States of America by a certified public accounting firm licensed in the State of Arizona. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the Avondale Elementary School District No. 44 (District) for the fiscal year ended June 30, 2021.

This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with accounting principles generally accepted in the United States of America. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free of material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The District's financial statements have been audited by Heinfeld, Meech & Co., P.C., a certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2021, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2021, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

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

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE DISTRICT

The District is one of 58 public school districts located in Maricopa County, Arizona. It provides a program of public education from preschool through grade eight, with an estimated current enrollment of 5,387 students.

The mission of the District is to develop thinkers, problem solvers and communicators on their path to college, career, and life, and will continue to guide the strategic planning for the operations budget in the future.

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

The membership of the Governing Board consists of five members elected by the public. Under existing statutes, the Governing Board's duties and powers include, but are not limited to, the acquisition, maintenance and disposition of school property; the development and adoption of a school program; and the establishment, organization and operation of schools. The Board also has broad financial responsibilities, including the approval of the annual budget, and the establishment of a system of accounting and budgetary controls.

The financial reporting entity consists of a primary government and its component units. A component unit is a legally separate entity that must be included in the reporting entity in conformity with generally accepted accounting principles. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Furthermore, there are no component units combined with the District for financial statement presentation purpose, and the District is not included in any other governmental reporting entity. Consequently, the District's financial statements include 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, and food services.

The District is located 17 miles west of downtown Phoenix. A portion of the City of Goodyear and the City of Avondale are included within the area served by the District. The District encompasses an area of approximately 30 square miles, and has set its vision as “Passion and Commitment for Educational Excellence”. The District consists of 9 school sites, serving grades kindergarten through eighth, as well as preschool. The average age of the school buildings is 27 years.

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

The expenditure budget is prepared by fund for all Governmental Funds, and includes function and object code detail for the General Fund and some Special Revenue and Capital Projects Funds. The legal level of budgetary control (that is, the level at which expenditures cannot exceed the appropriated amount) is established at the individual fund level for all funds. Funds that are not required to legally adopt a budget may have over expenditures of budgeted funds. The budget for these funds is simply an estimate and does not prevent the District from exceeding the budget as long as the necessary revenue is earned. The District is not required to prepare an annual budget of revenue, therefore a deficit budgeted fund balance may be presented. However, this does not affect the District’s ability to expend monies.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the District operates.

Local Economy. The economy of the cities of Goodyear and Avondale and of Maricopa County, in general, is stable. Because of the District’s close proximity to Phoenix, it is located in the direct path of the westward expansion of the City. Although agriculture has been the economic mainstay of the area for many years, commerce, light manufacturing and residential development continue to expand and contribute to the District’s growth and economic diversity. Some of the firms operating within the District’s boundaries include Abrazo; Cancer Treatment Centers of America; McLane Company, Inc.; Cavco Industries, Inc.; Macy’s-Bloomingdales; Amazon; Wal-Mart Superstores and other retail stores. The area is experiencing steady expansion in retail service centers and commercial facilities. In the past, new housing starts for both the cities of Goodyear and Avondale have experienced a slowdown from prior years. However a combination of warm climate, a substantial, well-educated labor pool, a wide range of support industries, and positive governmental climate supports the potential for great economic growth and investment. Goodyear was named All-American City in 2008.

Only 10 cities nationwide won that year. Right on the heels of being named an All-American City, Goodyear has also been named one of the five “Most Livable cities” in America with populations fewer than 100,000 people. For 2019, Money magazine ranked Goodyear 22nd in its annual list of the 50 best American cities to live in. The City of Avondale’s current focus on commercial development is a natural next step after a decade of record-setting population growth. Avondale has the economic impact of the fall and spring NASCAR auto-racing events at Phoenix International Raceway, one of the biggest events in Arizona. The City of Avondale is able to parlay this economic engine to capture tax revenue from this fan base.

In addition, the metropolitan area provides excellent educational and training opportunities through seven community colleges, four private colleges and graduate schools, and one state university.

Maricopa County is located in the south-central portion of Arizona and encompasses an area of approximately 9,226 square miles. Its boundaries encompass the cities of Phoenix, Scottsdale, Mesa, Tempe, Glendale, Chandler, and such towns as Gilbert, Paradise Valley and Fountain Hills. Maricopa County is currently the nation’s fourth largest county in terms of population size and the 14th in land area. The County’s 2018 population was estimated at 4,410,824 and expected to reach 6 million by 2030. Maricopa County has a very wide range of economic sectors supporting its potential growth.

The service industry is the largest employment sector in the County, partly fueled by the \$2+ billion per year tourist industry. The County has excellent accommodations, diverse cultural and recreational activities, and a favorable climate attracting millions to the area annually. Wholesale and retail trade is the second largest employment category, employing over a quarter million people.

Manufacturing, consisting primarily of high technology companies is the third largest employment sector. Other factors aiding economic growth include major expansions of the international airport serving the area, a favorable business climate and the presence of a well-developed and expanding transportation infrastructure.

Long-term Financial Planning. For locally assessed property (i.e., excluding mines, utilities, etc.), Proposition 117, approved by voters in 2012, amended the Arizona Constitution to require that all property taxes after fiscal year 2014-15 be based upon property values limited to five percent in annual growth. The aggregate assessed value of all taxable properties within a taxing jurisdiction (i.e. after applying assessment ratios based on the use of a property), including property values with a growth limit, is currently referred to as net limited assessed value (LAV) and formerly as primary assessed value. In accordance with Proposition 117, this value is used for all taxing purposes beginning fiscal year 2015-16. Aggregate assessed value without a growth limit is currently referred to as net full cash assessed value (FCAV) and formerly as secondary assessed value. This remains the value utilized for determining debt capacity limits.

The LAV for the District for fiscal year 2020-21 represented 11.2 percent growth from fiscal year 2019-20 and the FCAV for the District for fiscal year 2020-21 represented 16.2 percent growth from fiscal year 2019-20. The District anticipates annual growth in LAV over the next several years to approximate five percent.

AWARDS AND ACKNOWLEDGMENTS

Awards. The Association of School Business Officials (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its annual comprehensive financial report for the fiscal year ended June 30, 2020. This was the 27th consecutive year that the District has received this prestigious award. In addition, the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its annual comprehensive financial report for the fiscal year ended June 30, 2020. In order to be awarded these certificates, the District published an easily readable and efficiently organized annual comprehensive financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

These certificates are valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the programs' requirements and we are submitting it to ASBO and GFOA to determine its eligibility for the fiscal year ended June 30, 2021 certificates.

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

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

Respectfully submitted,



Dr. Betsy Hargrove
Superintendent



Kimberly Dugdale
Executive Director of Business Services



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Avondale Elementary School District No. 44

for its Comprehensive Annual Financial Report
for the Fiscal Year Ended June 30, 2020.

The district report meets the criteria established for
ASBO International's Certificate of Excellence.



A handwritten signature in blue ink that reads 'W. Edward Chabal'.

W. Edward Chabal
President

A handwritten signature in blue ink that reads 'David J. Lewis'.

David J. Lewis
Executive Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Avondale Elementary School District No. 44
Arizona**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

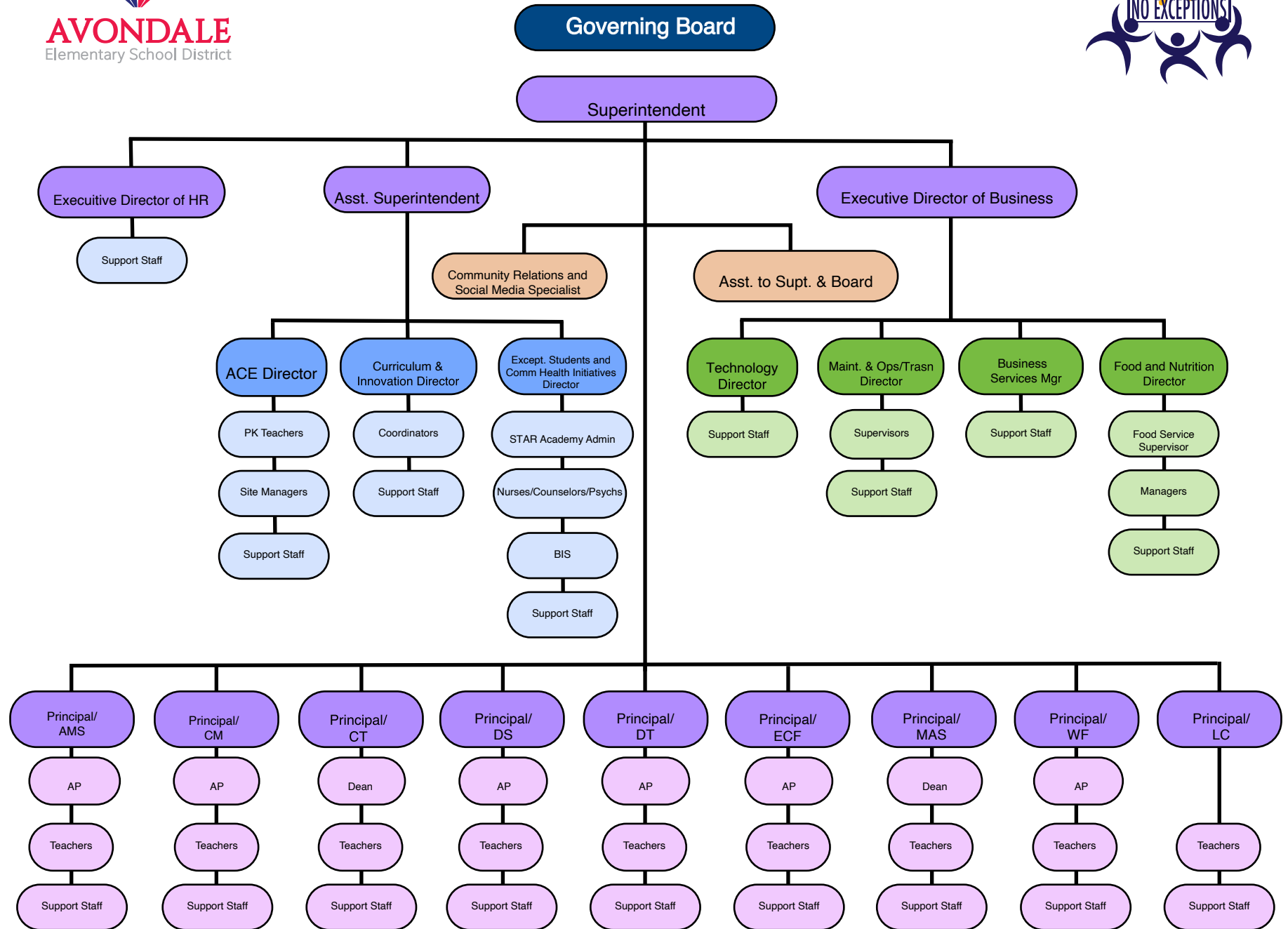
June 30, 2020

Christopher P. Morill

Executive Director/CEO



Avondale Elementary School District 2020-2021 Organizational Chart



AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44

LIST OF PRINCIPAL OFFICIALS

GOVERNING BOARD

Mark Gonzales, President

Megan Griego, Vice President

Amy Lowe, Member

Elizabeth Canchola, Member

Robert Vernier, Member

ADMINISTRATIVE STAFF

Dr. Betsy Hargrove, Superintendent

Kellie Duguid, Assistant Superintendent

Kimberly Dugdale, Executive Director of Business Services

Laura Elizondo, Executive Director of Human Resources

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FINANCIAL SECTION

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Independent Auditor's Report

Governing Board
Avondale Elementary School District No. 44

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 Avondale Elementary School District No. 44 (District), as of and for the year ended June 30, 2021, 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 Avondale Elementary School District No. 44, as of June 30, 2021, 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 Avondale Elementary School District No. 44 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.

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, 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 8, 2021, on our consideration of Avondale Elementary School District No. 44'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 Avondale Elementary School District No. 44'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 Avondale Elementary School District No. 44's internal control over financial reporting and compliance.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Scottsdale, Arizona
December 8, 2021

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MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
(Required Supplementary Information)

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**AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2021**

As management of the Avondale Elementary School District No. 44 (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, 2021. 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 \$54,473.
- General revenues accounted for \$46.2 million in revenue, or 77 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$13.9 million or 23 percent of total current fiscal year revenues.
- The District had approximately \$60.1 million in expenses related to governmental activities, a decrease of less than one percent from the prior fiscal year.
- Among major funds, the General Fund had \$35.2 million current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$34.2 million in expenditures. The General Fund's fund balance decreased from \$10.8 million at the prior fiscal year end, to \$8.4 million at the end of the current fiscal year as a result of a change in the allocation of state aid revenues between funds.

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.

**AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2021**

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.

**AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2021**

OVERVIEW OF FINANCIAL STATEMENTS

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Classroom Site, Other Federal Projects, Debt Service, Bond Building, and Building Renewal Grant 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, Classroom Site Fund, and Other Federal Projects Fund as required supplementary information. Schedules for the pension plan have also been provided as required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities by \$38.8 million at the current fiscal year end.

The largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, and furniture and equipment), 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 may be used to meet the District's ongoing obligations to its citizens and creditors.

**AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2021**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table presents a summary of the District's net position for the fiscal years ended June 30, 2021 and June 30, 2020.

	As of June 30, 2021	As of June 30, 2020
Current and other assets	\$ 43,629,220	\$ 46,878,017
Capital assets, net	75,584,372	74,143,199
Total assets	<u>119,213,592</u>	<u>121,021,216</u>
Deferred outflows	<u>9,368,709</u>	<u>6,098,185</u>
Current and other liabilities	3,103,180	3,279,807
Long-term liabilities	86,663,119	82,521,563
Total liabilities	<u>89,766,299</u>	<u>85,801,370</u>
Deferred inflows	<u></u>	<u>2,556,502</u>
Net position:		
Net investment in capital assets	41,955,985	41,017,492
Restricted	24,621,421	21,211,861
Unrestricted	(27,761,404)	(23,467,824)
Total net position	<u>\$ 38,816,002</u>	<u>\$ 38,761,529</u>

At the end of the current fiscal year the District reported positive balances in two categories of net position. Unrestricted net position, which is normally used to meet the District's mission reported a deficit of \$27.8 million. The deficit is 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 results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets. The following are significant current year transactions that had an impact on the Statement of Net Position.

- The principal retirement of \$2.7 million of bonds.
- The addition of \$6.3 million in capital assets through various school improvements.
- The increase of \$7.6 million in pension liabilities.

**AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2021**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

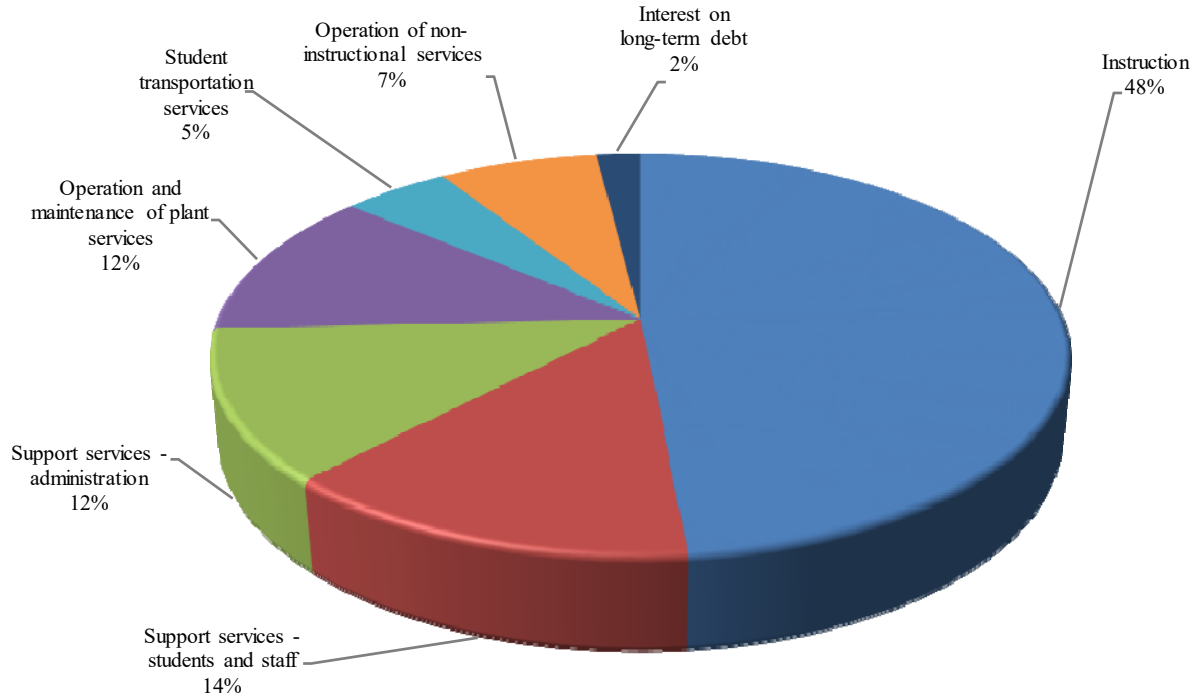
Changes in net position. The District's total revenues for the current fiscal year were \$60.1 million. The total cost of all programs and services was \$60.1 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2021 and June 30, 2020.

	Fiscal Year Ended June 30, 2021	Fiscal Year Ended June 30, 2020
Revenues:		
Program revenues:		
Charges for services	\$ 1,256,592	\$ 2,087,227
Operating grants and contributions	11,242,183	7,361,527
Capital grants and contributions	1,449,107	2,012,492
General revenues:		
Property taxes	16,435,881	17,197,417
Investment income	421,120	640,737
Unrestricted county aid	2,443,932	2,260,355
Unrestricted state aid	26,602,694	27,278,183
Unrestricted federal aid	297,309	514,432
Total revenues	60,148,818	59,352,370
Expenses:		
Instruction	29,141,940	30,446,113
Support services - students and staff	8,194,687	7,217,040
Support services - administration	7,252,673	6,711,775
Operation and maintenance of plant services	7,169,170	6,167,735
Student transportation services	2,884,992	2,992,415
Operation of non-instructional services	4,280,546	5,397,052
Interest on long-term debt	1,170,337	1,247,324
Total expenses	60,094,345	60,179,454
Changes in net position	54,473	(827,084)
Net position, beginning	38,761,529	39,588,613
Net position, ending	\$ 38,816,002	\$ 38,761,529

**AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2021**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Expenses - Fiscal Year 2021



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

- Operating grants and contributions increased \$3.9 million primarily due to increased grant funding related to the COVID-19 pandemic.
- Support services-students and staff expenses increased \$1.0 million primarily due to an increase in wages and additional funding from new state grants.
- Operation of non-instructional services expenses decreased \$1.1 million primarily due to a decrease in food service related expenses due to the COVID-19 pandemic.

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

**AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2021**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

	Year Ended June 30, 2021		Year Ended June 30, 2020	
	Total	Net (Expense)/	Total	Net (Expense)/
	Expenses	Revenue	Expenses	Revenue
Instruction	\$ 29,141,940	\$ (23,222,453)	\$ 30,446,113	\$ (26,176,594)
Support services - students and staff	8,194,687	(6,428,103)	7,217,040	(5,793,574)
Support services - administration	7,252,673	(6,946,569)	6,711,775	(6,466,259)
Operation and maintenance of plant services	7,169,170	(5,968,110)	6,167,735	(5,701,128)
Student transportation services	2,884,992	(2,221,154)	2,992,415	(2,943,908)
Operation of non-instructional services	4,280,546	(311,480)	5,397,052	(533,298)
Interest on long-term debt	1,170,337	(1,048,594)	1,247,324	(1,103,447)
Total	\$ 60,094,345	\$ (46,146,463)	\$ 60,179,454	\$ (48,718,208)

- The cost of all governmental activities this year was \$60.1 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$13.9 million.
- Net cost of governmental activities of \$46.1 million was partially financed by general revenues, which are made up of primarily property taxes of \$16.4 million and state and county aid of \$29.0 million.

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 \$37.0 million, a decrease of \$3.5 million due primarily to a decrease in reserve for prepaid items.

**AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2021**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The General Fund comprises 23 percent of the total fund balance. Approximately \$8.2 million, or 98 percent of the General Fund's fund balance is unassigned.

The General Fund is the principal operating fund of the District. The fund balance decreased from \$10.8 million to \$8.4 million as of fiscal year end. General Fund revenues decreased \$3.9 million primarily due to the allocation of state aid revenues between funds. General Fund expenditures decreased \$4.3 million due to the shifting of expenditures to the Other Federal Projects Fund due to the receipt of COVID-19 federal grants.

The fund balance increased \$165,591 in the Classroom Site Fund, which is insignificant.

The fund balance increased \$39,377 in the Other Federal Projects, which is insignificant.

The fund balance decreased \$72,094 in the Debt Service Fund, primarily due to changes in bonded debt requirements.

The decrease in fund balance of \$4.0 million in the Bond Building Fund was due to the utilization of bond proceeds to finance District construction projects.

The decrease in fund balance of \$649,732 in the Building Renewal Grant Fund was due to pending grant reimbursements.

BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the General Fund annual expenditure budget as a result of a decrease in the budget balance carryforward. The difference between the original budget and the final amended budget was a \$1.7 million decrease, or four 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 favorable variances of \$1.9 million in instruction, \$295,435 in student transportation services, and \$353,814 in operation of non-instructional expenditures were due to decreased enrollment due to COVID-19.

**AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2021**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District had invested \$131.7 million in capital assets, including school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. This amount represents a net increase prior to depreciation of \$4.9 million from the prior fiscal year, primarily due to various improvements to buildings and construction projects. Total depreciation expense for the current fiscal year was \$4.7 million.

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2021 and June 30, 2020.

	As of June 30, 2021	As of June 30, 2020
Capital assets - non-depreciable	\$ 4,333,933	\$ 5,188,688
Capital assets - depreciable, net	71,250,439	68,954,511
Total	\$ 75,584,372	\$ 74,143,199

The estimated cost to complete construction projects is \$569,558.

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

Debt Administration. At year-end, the District had \$38.6 million in long-term debt outstanding, \$3.1 million due within one year. Long-term debt decreased by \$3.5 million due primarily to repayment of debt according to the District's debt agreements.

The District's general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds (up to 15 percent) of the total net full cash assessed valuation) and the statutory debt limit on Class B bonds (the greater of 10 percent of the net full cash assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$99.9 million and the Class B debt limit is \$66.6 million 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 8 through 10.

**AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2021**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Many factors were considered by the District's administration during the process of developing the fiscal year 2021-22 budget. Among them:

- Fiscal year 2020-21 budget balance carry forward (estimated \$1.0 million).
- District student population (estimated 5,425).
- Employee salaries.

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

Budgeted expenditures in the General Fund increased seven percent to \$40.6 million in fiscal year 2021-22. An increase in the budget balance carryforward is the primary reason for the increase. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2020-21 budget.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Business and Finance Department, Avondale Elementary School District No. 44, 295 West Western Avenue, Avondale, Arizona 85323.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 33,741,685
Property taxes receivable	368,299
Deposits	112,056
Accounts receivable	51,592
Due from governmental entities	8,933,298
Prepaid items	200,000
Inventory	222,290
Total current assets	43,629,220
Noncurrent assets:	
Capital assets not being depreciated	4,333,933
Capital assets, net of accumulated depreciation	71,250,439
Total noncurrent assets	75,584,372
Total assets	119,213,592
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred charge on refunding	263,478
Pension plan items	9,105,231
Total deferred outflows of resources	9,368,709
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	1,167,618
Accrued payroll and employee benefits	1,039,639
Compensated absences payable	132,555
Accrued interest payable	649,038
Unearned revenues	246,885
Obligations under capital leases	496,618
Bonds payable	2,595,000
Total current liabilities	6,327,353
Noncurrent liabilities:	
Non-current portion of long-term obligations	83,438,946
Total noncurrent liabilities	83,438,946
Total liabilities	89,766,299
<u>NET POSITION</u>	
Net investment in capital assets	41,955,985
Restricted for:	
Instruction	10,204,457
Food service	2,716,207
Non-instructional purposes	2,404,457
Debt service	298,415
Capital outlay	8,997,885
Unrestricted	(27,761,404)
Total net position	\$ 38,816,002

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

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Instruction	\$ 29,141,940	\$ 215,763	\$ 5,094,238	\$ 609,486	\$ (23,222,453)
Support services - students and staff	8,194,687		1,766,584		(6,428,103)
Support services - administration	7,252,673		306,104		(6,946,569)
Operation and maintenance of plant services	7,169,170	243,434	239,748	717,878	(5,968,110)
Student transportation services	2,884,992		663,838		(2,221,154)
Operation of non-instructional services	4,280,546	797,395	3,171,671		(311,480)
Interest on long-term debt	1,170,337			121,743	(1,048,594)
Total governmental activities	<u>\$ 60,094,345</u>	<u>\$ 1,256,592</u>	<u>\$ 11,242,183</u>	<u>\$ 1,449,107</u>	<u>(46,146,463)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes	11,399,387
Property taxes, levied for debt service	3,722,250
Property taxes, levied for capital outlay	1,314,244
Investment income	421,120
Unrestricted county aid	2,443,932
Unrestricted state aid	26,602,694
Unrestricted federal aid	297,309
Total general revenues	<u>46,200,936</u>

Changes in net position

54,473

Net position, beginning of year

38,761,529

Net position, end of year

\$ 38,816,002

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

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FUND FINANCIAL STATEMENTS

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021

	General	Classroom Site	Other Federal Projects
<u>ASSETS</u>			
Cash and investments	\$ 2,890,747	\$ 8,281,597	\$
Property taxes receivable	274,296		
Deposits			
Accounts receivable	51,592		
Due from governmental entities	4,615,701		1,290,556
Due from other funds	1,270,924		
Prepaid items	200,000		
Inventory			
Total assets	\$ 9,303,260	\$ 8,281,597	\$ 1,290,556
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES</u>			
<u>AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 452,588	\$	\$ 39,464
Due to other funds			478,342
Accrued payroll and employee benefits	205,974	10,380	760,763
Unearned revenues			11,897
Bonds payable			
Bond interest payable			
Total liabilities	658,562	10,380	1,290,466
Deferred inflows of resources:			
Unavailable revenues - property taxes	195,311		
Unavailable revenues - intergovernmental			17,870
Total deferred inflows of resources	195,311		17,870
Fund balances (deficits):			
Nonspendable	200,000		
Restricted		8,271,217	90
Unassigned	8,249,387		(17,870)
Total fund balances	8,449,387	8,271,217	(17,780)
 Total liabilities, deferred inflows of resources and fund balances	 \$ 9,303,260	 \$ 8,281,597	 \$ 1,290,556

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

<u>Debt Service</u>	<u>Bond Building</u>	<u>Building Renewal Grant</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 3,480,149 62,304	\$ 4,980,524	\$	\$ 14,108,668 31,699 112,056	\$ 33,741,685 368,299 112,056 51,592
		652,638	2,374,403	8,933,298 1,270,924 200,000
			222,290	222,290
<u>\$ 3,542,453</u>	<u>\$ 4,980,524</u>	<u>\$ 652,638</u>	<u>\$ 16,849,116</u>	<u>\$ 44,900,144</u>
\$	\$ 315,603	\$	\$ 359,963	\$ 1,167,618
		652,638	139,944 62,522 234,988	1,270,924 1,039,639 246,885
2,595,000 649,038				2,595,000 649,038
<u>3,244,038</u>	<u>315,603</u>	<u>652,638</u>	<u>797,417</u>	<u>6,969,104</u>
40,962			20,721	256,994
		649,732	23,169	690,771
<u>40,962</u>	<u></u>	<u>649,732</u>	<u>43,890</u>	<u>947,765</u>
			222,290	422,290
257,453	4,664,921		15,808,688	29,002,369
		(649,732)	(23,169)	7,558,616
<u>257,453</u>	<u>4,664,921</u>	<u>(649,732)</u>	<u>16,007,809</u>	<u>36,983,275</u>
<u>\$ 3,542,453</u>	<u>\$ 4,980,524</u>	<u>\$ 652,638</u>	<u>\$ 16,849,116</u>	<u>\$ 44,900,144</u>

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**AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021**

Total governmental fund balances **\$ 36,983,275**

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	\$ 131,723,434	
Less accumulated depreciation	<u>(56,139,062)</u>	75,584,372

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

Property taxes	256,994	
Intergovernmental	<u>690,771</u>	947,765

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. 263,478

Deferred outflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds. 9,105,231

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

Compensated absences payable	(1,426,955)	
Obligations under capital leases	(2,414,204)	
Net pension liability	(46,679,378)	
Bonds payable	<u>(33,547,582)</u>	<u>(84,068,119)</u>

Net position of governmental activities **\$ 38,816,002**

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

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	General	Classroom Site	Other Federal Projects
Revenues:			
Other local	\$ 2,778,217	\$ 77,382	\$
Property taxes	11,464,244		
State aid and grants	20,659,665	2,672,538	
Federal aid, grants and reimbursements	297,309		4,431,644
Total revenues	35,199,435	2,749,920	4,431,644
Expenditures:			
Current -			
Instruction	15,256,295	2,276,610	2,604,697
Support services - students and staff	5,364,079	297,720	4,367
Support services - administration	6,247,299	9,999	13,609
Operation and maintenance of plant services	5,407,764		144,824
Student transportation services	1,425,092		608,300
Operation of non-instructional services	370,031		547,232
Capital outlay	87,592		428,234
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	34,158,152	2,584,329	4,351,263
Excess (deficiency) of revenues over expenditures	1,041,283	165,591	80,381
Other financing sources (uses):			
Transfers in	328,897		
Transfers out	(475,000)		(41,004)
Insurance recoveries	17,859		
Total other financing sources (uses)	(128,244)		(41,004)
Changes in fund balances	913,039	165,591	39,377
Fund balances (deficits), beginning of year	10,787,483	8,105,626	(57,157)
Increase (decrease) in reserve for prepaid items	(3,251,135)		
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ 8,449,387	\$ 8,271,217	\$ (17,780)

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

<u>Debt Service</u>	<u>Bond Building</u>	<u>Building Renewal Grant</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 29,838	\$ 55,302	\$ 144	\$ 1,322,940	\$ 4,263,823
3,737,641		68,146	1,324,141	16,526,026
			4,395,904	27,796,253
			6,225,537	10,954,490
<u>3,767,479</u>	<u>55,302</u>	<u>68,290</u>	<u>13,268,522</u>	<u>59,540,592</u>
			2,449,628	22,587,230
			1,715,293	7,381,459
			283,328	6,554,235
			326,551	5,879,139
			29,144	2,062,536
			2,741,496	3,658,759
	3,980,115	718,022	1,742,898	6,956,861
2,595,000			506,579	3,101,579
1,299,875			126,318	1,426,193
<u>3,894,875</u>	<u>3,980,115</u>	<u>718,022</u>	<u>9,921,235</u>	<u>59,607,991</u>
<u>(127,396)</u>	<u>(3,924,813)</u>	<u>(649,732)</u>	<u>3,347,287</u>	<u>(67,399)</u>
55,302			475,000	859,199
	(55,302)		(287,893)	(859,199)
<u>55,302</u>	<u>(55,302)</u>		<u>187,107</u>	<u>17,859</u>
<u>(72,094)</u>	<u>(3,980,115)</u>	<u>(649,732)</u>	<u>3,534,394</u>	<u>(49,540)</u>
329,547	8,645,036		12,715,277	40,525,812
			(291,574)	(3,542,709)
			49,712	49,712
<u>\$ 257,453</u>	<u>\$ 4,664,921</u>	<u>\$ (649,732)</u>	<u>\$ 16,007,809</u>	<u>\$ 36,983,275</u>

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

Changes in fund balances - total governmental funds **\$ (49,540)**

Amounts reported for *governmental activities* in the Statement of Activities are different because:

Governmental funds report the portion of capital outlay for capitalized assets as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense.

Expenditures for capitalized assets	\$ 6,297,767	
Less current year depreciation	<u>(4,677,551)</u>	1,620,216

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

Property taxes	(90,145)	
Intergovernmental	<u>680,512</u>	590,367

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.

Capital lease principal retirement	506,579	
Bond principal retirement	<u>2,595,000</u>	3,101,579

Governmental funds report pension contributions as expenditures. However, they are reported as deferred outflows of resources in the Statement of Net Position. The change in the net pension liability, adjusted for deferred items, is reported as pension expense in the Statement of Activities.

Current year pension contributions	3,576,365	
Pension expense	<u>(5,310,565)</u>	(1,734,200)

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.

Prepaid items	(3,542,709)	
Inventory	49,712	
Deferred bond items on issuance of refunding debt	(43,913)	
Loss on disposal of assets	(179,043)	
Amortization of deferred bond items	299,769	
Compensated absences	<u>(57,765)</u>	<u>(3,473,949)</u>

Changes in net position in governmental activities **\$ 54,473**

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

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Avondale Elementary School District No. 44 (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.

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, and food services.

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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. 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 and county 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.

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. As permitted by generally accepted accounting principles the District applies the “early recognition” option for debt service payments. Property tax resources are provided in the Debt Service Fund during the current year for the payment of debt service principal and interest due early in the following year (less than one month). Therefore, the expenditures and related liabilities have been recognized in the current period.

Property taxes, federal, state and county aid, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Food services and miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash. Grants and similar awards are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. Unearned revenues arise when resources are received by the District before it has a 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 certain activities budgeted in separate funds in accordance with A.R.S. These funds are maintained as separate funds for budgetary purposes but do not meet the criteria for separate reporting in the financial statements.

Classroom Site Fund – The Classroom Site Fund accounts for the financial activity for the portion of state sales tax collections and permanent state school fund earnings as approved by the voters in 2000.

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Other Federal Projects – The Other Federal Projects Fund accounts for financial assistance received for other supplemental federal projects.

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

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

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

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.

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

E. Investment Income

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

F. Receivables and Payables

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

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

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.

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

H. Inventory

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories consist of expendable supplies held for consumption. Inventories are recorded as expenses when consumed on the government-wide financial statements and as expenditures when purchased on the fund financial statements.

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.

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. Prepaid items are recorded as expenses when consumed in the government-wide financial statements and as expenditures when purchased in the fund financial statements.

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 following estimated useful lives:

Land improvements	15 - 25 years
Buildings and improvements	7 - 50 years
Vehicles, furniture and equipment	5 - 30 years

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 position 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 position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

L. Compensated Absences

The District's employee vacation and sick leave policies generally provide for granting vacation and sick leave with pay in varying amounts. Only benefits considered vested are recognized in the financial statements. The liability for vacation and sick leave is reported in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee leave, resignations and retirements. Generally, resources from the General Fund are used to pay for compensated absences.

M. Pensions

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

N. Long-term Obligations

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

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

O. Interfund Activity

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

P. Net Position Flow Assumption

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

Q. Estimates

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

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.

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

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

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

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

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 – FUND BALANCE CLASSIFICATIONS

The table below provides detail of the major components of the District’s fund balance classifications at year end. Voter approved initiatives include monies restricted in the Classroom Site and Instructional Improvement Funds.

	<u>General Fund</u>	<u>Classroom Site Fund</u>	<u>Other Federal Projects Fund</u>	<u>Debt Service Fund</u>	<u>Bond Building Fund</u>	<u>Building Renewal Grant Fund</u>	<u>Non-Major Governmental Funds</u>
Fund Balances:							
Nonspendable:							
Inventory	\$	\$	\$	\$	\$	\$	\$ 222,290
Prepaid items	200,000						
Restricted:							
Debt Service				257,453			
Capital projects							8,977,164
Bond building projects					4,664,921		
Voter approved initiatives		8,271,217					496,800
Federal and state projects			90				1,244,221
Food service							2,493,917
Civic center							322,990
Community school							1,972,107
Extracurricular activities							96,309
Insurance refund							109,360
Student activities							68,565
Other purposes							27,255
Unassigned	8,249,387		(17,870)			(649,732)	(23,169)
Total fund balances	<u>\$ 8,449,387</u>	<u>\$8,271,217</u>	<u>\$ (17,780)</u>	<u>\$ 257,453</u>	<u>\$ 4,664,921</u>	<u>\$ (649,732)</u>	<u>\$ 16,007,809</u>

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Individual Deficit Fund Balances – At year end, the following individual non-major governmental funds reported deficits in fund balance.

	<u>Deficit</u>
Major Funds:	
Other Federal Projects	\$ 17,780
Building Renewal Grant	649,732
Non-Major Governmental Funds:	
Professional Development and Technology Grants	19,589
Special Education Grants	3,580

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The deficits arose because of pending grant reimbursements. Additional revenues received in fiscal year 2021-22 are expected to eliminate the deficits.

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

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 \$477,806 and the bank balance was \$1,082,764. At year end, \$733,807 of the District’s deposits was covered by collateral held by the pledging financial institution’s trust department or agent but not in the District’s name.

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

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

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

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

	<u>Average Maturities</u>	<u>Fair Value</u>
County Treasurer’s investment pool	842 days	\$33,263,879

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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 the County Treasurer’s investment pool did not receive a credit quality rating from a national rating agency.

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

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 Fund	Other Federal Projects Fund	Building Renewal Grant Fund	Non-Major Governmental Funds
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Due from other governmental entities:				
Due from federal government	\$	\$ 1,290,556	\$	\$ 788,004
Due from state government	4,615,701		652,638	1,586,399
Net due from governmental entities	<u>\$ 4,615,701</u>	<u>\$ 1,290,556</u>	<u>\$ 652,638</u>	<u>\$ 2,374,403</u>

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6 – CAPITAL ASSETS

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

<u>Governmental Activities</u>	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 3,938,768	\$	\$	\$ 3,938,768
Construction in progress	1,249,920	4,527,032	5,381,787	395,165
Total capital assets, not being depreciated	<u>5,188,688</u>	<u>4,527,032</u>	<u>5,381,787</u>	<u>4,333,933</u>
Capital assets, being depreciated:				
Land improvements	10,341,553	1,594,204		11,935,757
Buildings and improvements	101,303,554	4,690,023	84,984	105,908,593
Vehicles, furniture and equipment	9,967,429	868,295	1,290,573	9,545,151
Total capital assets being depreciated	<u>121,612,536</u>	<u>7,152,522</u>	<u>1,375,557</u>	<u>127,389,501</u>
Less accumulated depreciation for:				
Land improvements	(4,111,777)	(517,298)		(4,629,075)
Buildings and improvements	(42,709,659)	(3,269,693)	(46,106)	(45,933,246)
Vehicles, furniture and equipment	(5,836,589)	(890,560)	(1,150,408)	(5,576,741)
Total accumulated depreciation	<u>(52,658,025)</u>	<u>(4,677,551)</u>	<u>(1,196,514)</u>	<u>(56,139,062)</u>
Total capital assets, being depreciated, net	<u>68,954,511</u>	<u>2,474,971</u>	<u>179,043</u>	<u>71,250,439</u>
Governmental activities capital assets, net	<u>\$ 74,143,199</u>	<u>\$ 7,002,003</u>	<u>\$ 5,560,830</u>	<u>\$75,584,372</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 3,211,765
Support services – students and staff	75,183
Support services – administration	105,273
Operation and maintenance of plant services	564,430
Student transportation services	505,369
Operation of non-instructional services	215,531
Total depreciation expense – governmental activities	<u>\$ 4,677,551</u>

Construction Commitments – At year end, the District had contractual commitments related to various capital projects for playground and various school renovation projects. At year end the District had spent \$395,165 on the projects and had estimated remaining contractual commitments of \$569,558. These projects are being funded with bond proceeds.

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 7 – SHORT TERM DEBT – REVOLVING LINE OF CREDIT

The District has a revolving line of credit to provide cash flow during the year to mitigate the impact of timing differences of expenditures and the receipt of state aid and property tax revenues. At year end, the District had \$5.0 million in unused line of credit.

NOTE 8 – OBLIGATIONS UNDER CAPITAL LEASES

Capital Leases – The District has acquired copiers and energy saving building improvements under the provisions of long-term lease agreements classified as capital leases. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. Revenues from the Unrestricted Capital Outlay Fund are used to pay the capital lease obligations for the copiers. Revenues from the General Fund are transferred to the Energy and Water Savings Fund to pay the capital lease obligations for the energy project. The District receives a federal subsidy to fund the interest payments for the District-wide energy project. Amortization of assets recorded under capital leases is included with depreciation expense.

The assets acquired through capital leases that meet the District’s capitalization threshold are as follows:

	Governmental Activities
Asset:	
Building improvements	\$ 4,750,000
Vehicles, furniture and equipment	160,255
Less: Accumulated depreciation	969,607
Total	\$ 3,940,648

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

		Governmental Activities
Year Ending June 30:		
2022		\$ 598,774
2023		571,191
2024		530,338
2025		508,203
2026		486,065
Total minimum lease payments		2,694,571
Less: amount representing interest		280,367
Present value of minimum lease payments		2,414,204
Due within one year		\$ 496,618

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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, \$9,365,000 remains 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.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2021	Due Within One Year
Governmental activities:					
School Improvement Bonds, Project of 2013, Series A (2014)	\$ 3,760,000	4.00%	7/1/27-29	\$ 2,535,000	\$
School Improvement Bonds, Project of 2013, Series B (2015)	5,075,000	3.75-4.0%	7/1/30-33	4,300,000	
School Improvement Bonds, Project of 2013, Series C (2016)	5,000,000	2.5-3.5%	7/1/27-35	4,050,000	
Refunding Bonds, Series 2017	14,135,000	5.0%	7/1/21-26	9,740,000	2,270,000
School Improvement Bonds, Project of 2013, Series D (2018)	7,585,000	3.0-4.0%	7/1/21-33	7,285,000	225,000
School Improvement Bonds, Project of 2013, Series E (2020)	5,600,000	3.0-4.0%	7/1/21-33	5,600,000	100,000
Total				<u>\$ 33,510,000</u>	<u>\$ 2,595,000</u>

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
2022	\$ 2,595,000	\$ 1,236,451
2023	2,365,000	1,125,951
2024	2,290,000	1,024,576
2025	2,290,000	922,326
2026	2,550,000	829,326
2027-31	12,145,000	2,802,640
2032-36	9,275,000	563,400
Total	<u>\$ 33,510,000</u>	<u>\$ 8,504,670</u>

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 9 – GENERAL OBLIGATION BONDS PAYABLE

In prior years, the District defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the defeased bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District’s financial statements. At year end, the defeased bonds are no longer outstanding.

NOTE 10 – CHANGES IN LONG-TERM LIABILITIES

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 36,225,000	\$	\$ 2,715,000	\$ 33,510,000	\$ 2,595,000
Premium	2,932,351		299,769	2,632,582	
Total bonds payable	<u>39,157,351</u>		<u>3,014,769</u>	<u>36,142,582</u>	<u>2,595,000</u>
Obligations under capital leases	2,920,783		506,579	2,414,204	496,618
Net pension liability	39,074,239	7,605,139		46,679,378	
Compensated absences payable	<u>1,369,190</u>	<u>285,728</u>	<u>227,963</u>	<u>1,426,955</u>	<u>132,555</u>
Governmental activity long-term liabilities	<u>\$ 82,521,563</u>	<u>\$ 7,890,867</u>	<u>\$ 3,749,311</u>	<u>\$ 86,663,119</u>	<u>\$ 3,224,173</u>

NOTE 11 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At year end, interfund balances were as follows:

Due to/from other funds:

	<u>General Fund</u>
Other Federal Projects Fund	\$ 478,342
Building Renewal Grant Fund	652,638
Non-Major Governmental Funds	<u>139,944</u>
Total Due from Other Funds	<u>\$ 1,270,924</u>

At year end, several governmental funds had negative cash balances in the Treasurer’s pooled cash accounts. Negative cash on deposit with the County Treasurer was reduced by interfund borrowing. All interfund balances are expected to be paid within one year.

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 11 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund transfers:

	Transfers in			Total
	General Fund	Debt Service Fund	Non-Major Governmental Funds	
Transfers out				
General Fund	\$	\$	\$ 475,000	\$ 475,000
Other Federal Programs Fund	41,004			41,004
Bond Building Fund		55,302		55,302
Non-Major Governmental Funds	287,893			287,893
Total	<u>\$ 328,897</u>	<u>\$ 55,302</u>	<u>\$ 475,000</u>	<u>\$ 859,199</u>

Transfers between funds were used to (1) move investment income and premium earned in the Bond Building Fund, that are required by statute to be expended in the Debt Service Fund, and (2) to move federal grant funds restricted for indirect costs, and (3) move energy and water savings repayments from the General Fund.

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.

NOTE 13 – RISK MANAGEMENT

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

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 13 – RISK MANAGEMENT

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

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

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

NOTE 14 – PENSIONS

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

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

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 14 – PENSIONS

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

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

*With actuarially reduced benefits

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

Contributions. In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 12.22 percent (12.04 percent for retirement and 0.18 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 12.22 percent (11.65 percent for retirement, 0.39 percent for health insurance premium benefit, and 0.18 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, 2021 were \$3,576,365.

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 14 – PENSIONS

Employers are also required to pay an Alternate Contribution Rate (ACR), for retired members who return to work in positions that would typically be filled by an employee who contributes to ASRS. The District was required by statute to contribute at the actuarially determined rate of 10.21 percent (10.14 for retirement and 0.07 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 components coming from the General, Other Federal Projects, Classroom Site, and Title I Grants Funds.

Pension Liability. The net pension liability was measured as of June 30, 2020. 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, 2019, to the measurement date of June 30, 2020. 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, 2020.

At June 30, 2021, the District reported the following amounts for its proportionate share of the pension plan net liability. In addition, at June 30, 2020, the District’s percentage proportion for the plan and the related change from its proportion measured as of June 30, 2019 was:

Net Liability	District % Proportion	Increase (Decrease)
\$ 46,679,378	0.269	0.001

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, 2021 was \$5,310,565.

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 14 – PENSIONS

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 422,296	\$
Changes of assumptions or other inputs		
Net difference between projected and actual earnings on pension investments	4,502,281	
Changes in proportion and differences between contributions and proportionate share of contributions	604,289	
Contributions subsequent to the measurement date	3,576,365	
Total	\$ 9,105,231	\$

The District did not have deferred inflows of resources related to pensions during the year.

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, 2022. 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:		
2022	\$	1,088,544
2023		1,419,267
2024		1,628,523
2025		1,392,532

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

Actuarial valuation date	June 30, 2019
Actuarial roll forward date	June 30, 2020
Actuarial cost method	Entry age normal
Investment rate of return	7.5%
Inflation	2.3%
Projected salary increases	2.7-7.2%
Permanent base increases	Included
Mortality rates	2017 SRA Scale U-MP

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 14 – PENSIONS

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2016. 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, 2017, actuarial valuation.

The long-term expected rate of return on ASRS plan investments was determined to be 7.5 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.

On June 29, 2018, the ASRS Board approved updated strategic asset allocation targets, to be effective July 2018. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
Equity	50%	6.39%
Credit	20	5.44
Interest rate sensitive bonds	10	0.22
Real estate	20	5.85
Total	100%	

Discount Rate. The discount rate used to measure the total pension liability was 7.5 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.

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 14 – PENSIONS

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.5 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	6.5%	7.5%	8.5%
Net liability	\$ 63,833,416	\$ 46,679,378	\$ 32,339,483

Contributions payable. The District’s accrued payroll and employee benefits included \$109,132 of outstanding pension contribution amounts payable to ASRS for the year ended June 30, 2021.

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.

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REQUIRED SUPPLEMENTARY INFORMATION

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other local	\$	\$	\$ 2,503,179	\$ 2,503,179
Property taxes			11,464,244	11,464,244
State aid and grants			20,659,665	20,659,665
Total revenues			<u>34,627,088</u>	<u>34,627,088</u>
Expenditures:				
Current -				
Instruction	21,664,849	20,531,381	18,638,066	1,893,315
Support services - students and staff	5,256,000	5,355,350	5,261,666	93,684
Support services - administration	5,256,500	5,210,250	5,307,139	(96,889)
Operation and maintenance of plant services	5,355,000	5,195,000	5,231,628	(36,628)
Student transportation services	2,139,411	1,701,000	1,405,565	295,435
Operation of non-instructional services	25,000	15,000	368,814	(353,814)
Total expenditures	<u>39,696,760</u>	<u>38,007,981</u>	<u>36,212,878</u>	<u>1,795,103</u>
Excess (deficiency) of revenues over expenditures	<u>(39,696,760)</u>	<u>(38,007,981)</u>	<u>(1,585,790)</u>	<u>36,422,191</u>
Other financing sources (uses):				
Transfers out			(475,000)	(475,000)
Total other financing sources (uses)			<u>(475,000)</u>	<u>(475,000)</u>
Changes in fund balances	<u>(39,696,760)</u>	<u>(38,007,981)</u>	<u>(2,060,790)</u>	<u>35,947,191</u>
Fund balances, beginning of year			7,703,348	7,703,348
Increase (decrease) in reserve for prepaid items			404,635	404,635
Fund balances (deficits), end of year	<u>\$ (39,696,760)</u>	<u>\$ (38,007,981)</u>	<u>\$ 6,047,193</u>	<u>\$ 44,055,174</u>

**AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CLASSROOM SITE
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
	Original & Final		(Negative)
Revenues:			
Other local	\$	\$ 77,382	\$ 77,382
State aid and grants		2,672,538	2,672,538
Total revenues		<u>2,749,920</u>	<u>2,749,920</u>
Expenditures:			
Current -			
Instruction	4,304,000	2,276,610	2,027,390
Support services - students and staff	273,225	297,720	(24,495)
Support services - administration		9,999	(9,999)
Total expenditures	<u>4,577,225</u>	<u>2,584,329</u>	<u>1,992,896</u>
Changes in fund balances	<u>(4,577,225)</u>	<u>165,591</u>	<u>4,742,816</u>
Fund balances, beginning of year		8,105,626	8,105,626
Fund balances (deficits), end of year	<u>\$ (4,577,225)</u>	<u>\$ 8,271,217</u>	<u>\$ 12,848,442</u>

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
OTHER FEDERAL PROJECTS
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal aid, grants and reimbursements	\$	\$	\$ 4,431,644	\$ 4,431,644
Total revenues			<u>4,431,644</u>	<u>4,431,644</u>
Expenditures:				
Current -				
Instruction	1,000,000	3,000,000	2,604,697	395,303
Support services - students and staff			4,367	(4,367)
Support services - administration			13,609	(13,609)
Operation and maintenance of plant services			144,824	(144,824)
Student transportation services			608,300	(608,300)
Operation of non-instructional services			547,232	(547,232)
Capital outlay			428,234	(428,234)
Total expenditures	<u>1,000,000</u>	<u>3,000,000</u>	<u>4,351,263</u>	<u>(1,351,263)</u>
Excess (deficiency) of revenues over expenditures	<u>(1,000,000)</u>	<u>(3,000,000)</u>	<u>80,381</u>	<u>3,080,381</u>
Other financing sources (uses):				
Transfers out			(41,004)	(41,004)
Total other financing sources (uses)			<u>(41,004)</u>	<u>(41,004)</u>
Changes in fund balances	<u>(1,000,000)</u>	<u>(3,000,000)</u>	<u>39,377</u>	<u>3,039,377</u>
Fund balances (deficits), beginning of year			(57,157)	(57,157)
Fund balances (deficits), end of year	<u>\$ (1,000,000)</u>	<u>\$ (3,000,000)</u>	<u>\$ (17,780)</u>	<u>\$ 2,982,220</u>

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AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
ARIZONA STATE RETIREMENT SYSTEM
LAST SEVEN FISCAL YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Measurement date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
District's proportion of the net pension (assets) liability	0.27%	0.26%	0.26%	0.25%
District's proportionate share of the net pension (assets) liability	\$ 46,679,378	\$ 39,074,239	\$ 35,863,375	\$ 38,727,034
District's covered payroll	\$ 29,429,878	\$ 28,273,220	\$ 25,613,413	\$ 24,385,436
District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	158.61%	138.20%	140.02%	158.81%
Plan fiduciary net position as a percentage of the total pension liability	69.33%	73.24%	73.40%	69.92%

SCHEDULE OF PENSION CONTRIBUTIONS
ARIZONA STATE RETIREMENT SYSTEM
LAST SEVEN FISCAL YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 3,576,365	\$ 3,369,721	\$ 3,160,946	\$ 2,791,862
Contributions in relation to the actuarially determined contribution	<u>3,576,365</u>	<u>3,369,721</u>	<u>3,160,946</u>	<u>2,791,862</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 30,698,412	\$ 29,429,878	\$ 28,273,220	\$ 25,613,413
Contributions as a percentage of covered payroll	11.65%	11.45%	11.18%	10.90%

NOTE: The pension schedules in the required supplementary information are intended to show information for ten years, and additional information will be displayed as it becomes available.

See accompanying notes to this schedule.

<u>2017</u>	<u>2016</u>	<u>2015</u>
June 30, 2016	June 30, 2015	June 30, 2014
0.26%	0.24%	0.23%
\$ 41,947,243	\$ 37,816,709	\$ 34,587,046
\$ 24,311,346	\$ 22,334,931	\$ 21,059,318
172.54%	169.32%	164.24%
67.06%	68.35%	69.49%

<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 2,628,750	\$ 2,637,781	\$ 2,432,274
<u>2,628,750</u>	<u>2,637,781</u>	<u>2,432,274</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 24,385,436	\$ 24,311,346	\$ 22,334,931
10.78%	10.85%	10.89%

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

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

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

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

	Total Expenditures	Fund Balances End of Year
Statement of Revenues, Expenditures and Changes in		
Fund Balances – Governmental Funds	\$ 34,158,152	\$ 8,449,387
Activity budgeted as special revenue funds	(1,169,903)	(2,034,630)
Current-year prepaid items	3,655,770	
Prior-year prepaid items	(161,370)	
Employee insurance account	(269,771)	(367,564)
Schedule of Revenues, Expenditures and Changes in Fund		
Balances – Budget and Actual – General Fund	\$ 36,212,878	\$ 6,047,193

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, 2019, valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2016. 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, 2017, actuarial valuation.

**COMBINING AND INDIVIDUAL
FUND FINANCIAL STATEMENTS
AND SCHEDULES**

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GOVERNMENTAL FUNDS

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2021

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
<u>ASSETS</u>			
Cash and investments	\$ 6,475,449	\$ 7,633,219	\$ 14,108,668
Property taxes receivable		31,699	31,699
Deposits	112,056		112,056
Due from governmental entities	788,004	1,586,399	2,374,403
Inventory	222,290		222,290
Total assets	<u>\$ 7,597,799</u>	<u>\$ 9,251,317</u>	<u>\$ 16,849,116</u>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 106,531	\$ 253,432	\$ 359,963
Due to other funds	139,944		139,944
Accrued payroll and employee benefits	62,522		62,522
Unearned revenues	234,988		234,988
Total liabilities	<u>543,985</u>	<u>253,432</u>	<u>797,417</u>
Deferred inflows of resources:			
Unavailable revenues - property taxes		20,721	20,721
Unavailable revenues - intergovernmental	23,169		23,169
Total deferred inflows of resources	<u>23,169</u>	<u>20,721</u>	<u>43,890</u>
Fund balances (deficits):			
Nonspendable	222,290		222,290
Restricted	6,831,524	8,977,164	15,808,688
Unassigned	(23,169)		(23,169)
Total fund balances	<u>7,030,645</u>	<u>8,977,164</u>	<u>16,007,809</u>
 Total liabilities, deferred inflows of resources and fund balances	 <u>\$ 7,597,799</u>	 <u>\$ 9,251,317</u>	 <u>\$ 16,849,116</u>

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
YEAR ENDED JUNE 30, 2021

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
Revenues:			
Other local	\$ 964,161	\$ 358,779	\$ 1,322,940
Property taxes		1,324,141	1,324,141
State aid and grants	1,358,532	3,037,372	4,395,904
Federal aid, grants and reimbursements	<u>6,103,794</u>	<u>121,743</u>	<u>6,225,537</u>
Total revenues	<u>8,426,487</u>	<u>4,842,035</u>	<u>13,268,522</u>
Expenditures:			
Current -			
Instruction	2,449,628		2,449,628
Support services - students and staff	1,715,293		1,715,293
Support services - administration	283,328		283,328
Operation and maintenance of plant services	326,551		326,551
Student transportation services	29,144		29,144
Operation of non-instructional services	2,741,496		2,741,496
Capital outlay	408,936	1,333,962	1,742,898
Debt service -			
Principal retirement		506,579	506,579
Interest and fiscal charges		<u>126,318</u>	<u>126,318</u>
Total expenditures	<u>7,954,376</u>	<u>1,966,859</u>	<u>9,921,235</u>
Excess (deficiency) of revenues over expenditures	<u>472,111</u>	<u>2,875,176</u>	<u>3,347,287</u>
Other financing sources (uses):			
Transfers in		475,000	475,000
Transfers out	<u>(287,893)</u>		<u>(287,893)</u>
Total other financing sources (uses)	<u>(287,893)</u>	<u>475,000</u>	<u>187,107</u>
Changes in fund balances	<u>184,218</u>	<u>3,350,176</u>	<u>3,534,394</u>
Fund balances, beginning of year	7,088,289	5,626,988	12,715,277
Increase (decrease) in reserve for prepaid items	(291,574)		(291,574)
Increase (decrease) in reserve for inventory	49,712		49,712
Fund balances, end of year	<u>\$ 7,030,645</u>	<u>\$ 8,977,164</u>	<u>\$ 16,007,809</u>

SPECIAL REVENUE FUNDS

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

County, City, and Town Grants - to account for monies received from county, city and town grants.

English Language Learner - to account for monies received to provide for the incremental cost of instruction to English language learners.

Title I Grants - to account for financial assistance received for the purpose of improving the teaching and learning of children failing, or most at-risk of failing, to meet challenging State academic standards.

Professional Development and Technology Grants - to account for financial assistance received to increase student academic achievement through improving teacher quality.

Title IV Grants - to account for financial assistance received for chemical abuse awareness programs and expanding projects that benefit educational and health needs of the communities.

Limited English & Immigrant Students - to account for financial assistance received for educational services and costs for limited English and immigrant children.

Special Education Grants - to account for supplemental financial assistance received to provide a free, appropriate public education to disabled children.

Homeless Education - to account for financial assistance received for the education of homeless students.

Medicaid Reimbursement - to account for reimbursements related to specific health services provided to eligible students.

E-Rate - to account for financial assistance received for broadband internet and telecommunication costs.

Gifted - to account for financial assistance received for programs for gifted students.

Results-based Funding - to account for financial assistance received for academic performance results in accordance with A.R.S. §15-249.08.

Other State Projects - to account for financial assistance received for other State projects.

School Plant - to account for proceeds from the sale or lease of school property.

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.

Civic Center - to account for monies received from the rental of school facilities for civic activities.

Community School - to account for activity related to academic and skill development for all citizens.

Auxiliary Operations - to account for activity arising from bookstore, athletic and miscellaneous District related operation.

Extracurricular Activities Fees Tax Credit - to account for activity related to monies collected in support of extracurricular activities to be taken as a tax credit by the tax payer in accordance with A.R.S. §43-1089.01.

Gifts and Donations - to account for activity related to gifts, donations, bequests and private grants made to the District.

Career, Technical and Vocational Education - to account for activity related to the production and subsequent sale of items produced in an instructional program by career and technical education pupils.

Fingerprint - to account for activity of fingerprinting employees as mandated by the State.

Insurance Proceeds - to account for the monies received from insurance claims.

Textbooks - to account for monies received from students to replace or repair lost or damaged textbooks.

Litigation Recovery - to account for monies received for and derived from litigation.

Indirect Costs - to account for monies received from Federal projects for administrative costs.

Insurance Refund - to account for insurance premium payments that are refunded to the District.

Grants and Gifts to Teachers - to account for grants and gifts under \$1,500 received from private sources that are restricted for use by a teacher for instructional purposes.

Advertisement - to account for monies received from the sale of advertising.

Student Activities - to account for monies raised by students to finance student clubs and organizations.

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2021

	Instructional Improvement	County, City, and Town Grants	Title I Grants
<u>ASSETS</u>			
Cash and investments	\$ 496,800	\$ 17,910	\$
Deposits			
Due from governmental entities			143,363
Inventory			
Total assets	\$ 496,800	\$ 17,910	\$ 143,363
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$ 25,860
Due to other funds			92,310
Accrued payroll and employee benefits			25,193
Unearned revenues			
Total liabilities			143,363
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Fund balances (deficits):			
Nonspendable			
Restricted	496,800	17,910	
Unassigned			
Total fund balances	496,800	17,910	
 Total liabilities, deferred inflows of resources and fund balances	\$ 496,800	\$ 17,910	\$ 143,363

<u>Professional Development and Technology Grants</u>	<u>Title IV Grants</u>	<u>Limited English & Immigrant Students</u>	<u>Special Education Grants</u>	<u>E-Rate</u>	<u>Results-based Funding</u>
\$	\$	\$ 5,144	\$	\$ 629,110	\$ 533,456
23,042	27,984		3,580	88,229	
<u>\$ 23,042</u>	<u>\$ 27,984</u>	<u>\$ 5,144</u>	<u>\$ 3,580</u>	<u>\$ 717,339</u>	<u>\$ 533,456</u>
\$	\$	\$	\$	\$ 6,574	\$
16,070 6,972	27,984		3,580		
<u>23,042</u>	<u>27,984</u>	<u>5,144</u> <u>5,144</u>	<u>3,580</u>	<u>6,574</u>	
<u>19,589</u>			<u>3,580</u>		
(19,589)			(3,580)	710,765	533,456
<u>(19,589)</u>			<u>(3,580)</u>	<u>710,765</u>	<u>533,456</u>
<u>\$ 23,042</u>	<u>\$ 27,984</u>	<u>\$ 5,144</u>	<u>\$ 3,580</u>	<u>\$ 717,339</u>	<u>\$ 533,456</u>

(Continued)

**AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2021**

	Other State Projects	Food Service	Civic Center
<u>ASSETS</u>			
Cash and investments	\$ 185,380	\$ 2,003,210	\$ 332,877
Deposits		112,056	
Due from governmental entities		501,806	
Inventory		222,290	
Total assets	\$ 185,380	\$ 2,839,362	\$ 332,877
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$ 69,222	\$
Due to other funds			
Accrued payroll and employee benefits		9,469	9,887
Unearned revenues	185,380	44,464	
Total liabilities	185,380	123,155	9,887
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Fund balances (deficits):			
Nonspendable		222,290	
Restricted		2,493,917	322,990
Unassigned			
Total fund balances		2,716,207	322,990
 Total liabilities, deferred inflows of resources and fund balances	 \$ 185,380	 \$ 2,839,362	 \$ 332,877

<u>Community School</u>	<u>Extracurricular Activities Fees Tax Credit</u>	<u>Textbooks</u>	<u>Insurance Refund</u>	<u>Grants and Gifts to Teachers</u>	<u>Student Activities</u>
\$ 1,987,983	\$ 96,309	\$ 9,099	\$ 109,360	\$ 246	\$ 68,565
<u>\$ 1,987,983</u>	<u>\$ 96,309</u>	<u>\$ 9,099</u>	<u>\$ 109,360</u>	<u>\$ 246</u>	<u>\$ 68,565</u>
\$ 4,875	\$	\$	\$	\$	\$
11,001					
<u>15,876</u>					
1,972,107	96,309	9,099	109,360	246	68,565
<u>1,972,107</u>	<u>96,309</u>	<u>9,099</u>	<u>109,360</u>	<u>246</u>	<u>68,565</u>
<u>\$ 1,987,983</u>	<u>\$ 96,309</u>	<u>\$ 9,099</u>	<u>\$ 109,360</u>	<u>\$ 246</u>	<u>\$ 68,565</u>

(Continued)

**AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2021**

	Totals
<u>ASSETS</u>	
Cash and investments	\$ 6,475,449
Deposits	112,056
Due from governmental entities	788,004
Inventory	222,290
Total assets	\$ 7,597,799
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>	
Liabilities:	
Accounts payable	\$ 106,531
Due to other funds	139,944
Accrued payroll and employee benefits	62,522
Unearned revenues	234,988
Total liabilities	543,985
Deferred inflows of resources:	
Unavailable revenues - intergovernmental	23,169
Fund balances (deficits):	
Nonspendable	222,290
Restricted	6,831,524
Unassigned	(23,169)
Total fund balances	7,030,645
 Total liabilities, deferred inflows of resources and fund balances	 \$ 7,597,799

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AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Instructional Improvement	County, City, and Town Grants	English Language Learner
Revenues:			
Other local	\$ 1,066	\$ 795	\$
State aid and grants	233,119		90,295
Federal aid, grants and reimbursements		120,000	
Total revenues	234,185	120,795	90,295
Expenditures:			
Current -			
Instruction	245,265		90,295
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay		120,784	
Total expenditures	245,265	120,784	90,295
Excess (deficiency) of revenues over expenditures	(11,080)	11	
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	(11,080)	11	
Fund balances (deficits), beginning of year	507,880	17,899	
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ 496,800	\$ 17,910	\$

<u>Title I Grants</u>	<u>Professional Development and Technology Grants</u>	<u>Title IV Grants</u>	<u>Limited English & Immigrant Students</u>	<u>Special Education Grants</u>	<u>Homeless Education</u>
\$	\$	\$	\$	\$	\$
1,944,937	218,419	218,601	113,368	798,378	2,138
<u>1,944,937</u>	<u>218,419</u>	<u>218,601</u>	<u>113,368</u>	<u>798,378</u>	<u>2,138</u>
711,346		160,185	27,988	697,570	
865,309	222,488	22,580	79,664	90,862	
228,630	7,050	16,192	200	7,001	
25,873		1,133			2,138
44,573		14,823		1,072	
<u>1,875,731</u>	<u>229,538</u>	<u>214,913</u>	<u>107,852</u>	<u>796,505</u>	<u>2,138</u>
<u>69,206</u>	<u>(11,119)</u>	<u>3,688</u>	<u>5,516</u>	<u>1,873</u>	
<u>(69,206)</u>	<u>(8,470)</u>	<u>(3,610)</u>	<u>(5,516)</u>	<u>(1,091)</u>	
<u>(69,206)</u>	<u>(8,470)</u>	<u>(3,610)</u>	<u>(5,516)</u>	<u>(1,091)</u>	
	<u>(19,589)</u>	<u>78</u>		<u>782</u>	
		<u>(78)</u>		<u>(4,362)</u>	
<u>\$</u>	<u>\$ (19,589)</u>	<u>\$</u>	<u>\$</u>	<u>\$ (3,580)</u>	<u>\$</u>

(Continued)

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	E-Rate	Gifted	Results-based Funding
Revenues:			
Other local	\$ 9,356	\$	\$
State aid and grants		679	385,682
Federal aid, grants and reimbursements	88,229		
Total revenues	97,585	679	385,682
Expenditures:			
Current -			
Instruction	59,874		203,516
Support services - students and staff			4,739
Support services - administration		679	20,572
Operation and maintenance of plant services	215,957		671
Student transportation services			
Operation of non-instructional services			1,975
Capital outlay	38,151		
Total expenditures	313,982	679	231,473
Excess (deficiency) of revenues over expenditures	(216,397)		154,209
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	(216,397)		154,209
Fund balances (deficits), beginning of year	927,162		379,247
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances, end of year	\$ 710,765	\$	\$ 533,456

<u>Other State Projects</u>	<u>Food Service</u>	<u>Civic Center</u>	<u>Community School</u>	<u>Extracurricular Activities Fees Tax Credit</u>	<u>Textbooks</u>
\$ 648,757	\$ 40,336	\$ 136,110	\$ 724,928	\$ 24,732	\$ 513
<u>648,757</u>	<u>2,599,724</u> <u>2,640,060</u>	<u>136,110</u>	<u>724,928</u>	<u>24,732</u>	<u>513</u>
242,421	435		9,248		
406,336	1,425	1,475	104	21,051	2,264
	9,835	100,088			
	1,903,765		795,570		
	99,730	89,803			
<u>648,757</u>	<u>2,015,190</u>	<u>191,366</u>	<u>804,922</u>	<u>21,051</u>	<u>2,264</u>
	<u>624,870</u>	<u>(55,256)</u>	<u>(79,994)</u>	<u>3,681</u>	<u>(1,751)</u>
	(200,000)				
	<u>(200,000)</u>				
	<u>424,870</u>	<u>(55,256)</u>	<u>(79,994)</u>	<u>3,681</u>	<u>(1,751)</u>
	2,491,992	387,032	2,084,522	92,628	10,850
	(250,367)	(8,786)	(32,421)		
	49,712				
<u>\$</u>	<u>\$ 2,716,207</u>	<u>\$ 322,990</u>	<u>\$ 1,972,107</u>	<u>\$ 96,309</u>	<u>\$ 9,099</u>

(Continued)

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Insurance Refund	Grants and Gifts to Teachers	Student Activities
Revenues:			
Other local	\$	\$	\$ 26,325
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues			26,325
Expenditures:			
Current -			
Instruction		1,485	
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			40,186
Capital outlay			
Total expenditures		1,485	40,186
Excess (deficiency) of revenues over expenditures		(1,485)	(13,861)
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances		(1,485)	(13,861)
Fund balances (deficits), beginning of year	109,360	1,731	82,426
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances, end of year	\$ 109,360	\$ 246	\$ 68,565

Totals

\$ 964,161
1,358,532
6,103,794
8,426,487

2,449,628
1,715,293
283,328
326,551
29,144
2,741,496
408,936
7,954,376

472,111

(287,893)
(287,893)

184,218

7,088,289

(291,574)
49,712

\$ 7,030,645

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Instructional Improvement		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 1,066	\$ 1,066
State aid and grants		233,119	233,119
Federal aid, grants and reimbursements			
Total revenues		234,185	234,185
Expenditures:			
Current -			
Instruction	260,000	245,265	14,735
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	260,000	245,265	14,735
Excess (deficiency) of revenues over expenditures	(260,000)	(11,080)	248,920
Other financing sources (uses):			
Transfers in			
Transfers out			
Insurance recoveries			
Total other financing sources (uses)			
Changes in fund balances	(260,000)	(11,080)	248,920
Fund balances (deficits), beginning of year		507,880	507,880
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (260,000)	\$ 496,800	\$ 756,800

County, City, and Town Grants			English Language Learner		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 795	\$ 795	\$	\$ 90,295	\$ 90,295
	120,000	120,000		90,295	90,295
	120,795	120,795		90,295	90,295
				90,295	(90,295)
5,000	120,784	(115,784)			
5,000	120,784	(115,784)		90,295	(90,295)
(5,000)	11	5,011			
(5,000)	11	5,011			
	17,899	17,899			
\$ (5,000)	\$ 17,910	\$ 22,910	\$	\$	\$

(Continued)

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Title I Grants		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		1,944,937	1,944,937
Total revenues		<u>1,944,937</u>	<u>1,944,937</u>
Expenditures:			
Current -			
Instruction	975,000	711,346	263,654
Support services - students and staff	1,000,000	865,309	134,691
Support services - administration		228,630	(228,630)
Operation and maintenance of plant services			
Student transportation services		25,873	(25,873)
Operation of non-instructional services			
Capital outlay		44,573	(44,573)
Total expenditures	<u>1,975,000</u>	<u>1,875,731</u>	<u>99,269</u>
Excess (deficiency) of revenues over expenditures	<u>(1,975,000)</u>	<u>69,206</u>	<u>2,044,206</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(69,206)	(69,206)
Insurance recoveries			
Total other financing sources (uses)		<u>(69,206)</u>	<u>(69,206)</u>
Changes in fund balances	<u>(1,975,000)</u>		<u>1,975,000</u>
Fund balances (deficits), beginning of year			
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (1,975,000)</u>	<u>\$</u>	<u>\$ 1,975,000</u>

<u>Professional Development and Technology Grants</u>			<u>Title IV Grants</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
\$	\$	\$	\$	\$	\$
	218,419	218,419		218,601	218,601
	<u>218,419</u>	<u>218,419</u>		<u>218,601</u>	<u>218,601</u>
225,000	222,488	2,512	350,000	160,185	189,815
	7,050	(7,050)		22,580	(22,580)
				16,192	(16,192)
				1,133	(1,133)
				14,823	(14,823)
<u>225,000</u>	<u>229,538</u>	<u>(4,538)</u>	<u>350,000</u>	<u>214,913</u>	<u>135,087</u>
<u>(225,000)</u>	<u>(11,119)</u>	<u>213,881</u>	<u>(350,000)</u>	<u>3,688</u>	<u>353,688</u>
	(8,470)	(8,470)		(3,610)	(3,610)
	<u>(8,470)</u>	<u>(8,470)</u>		<u>(3,610)</u>	<u>(3,610)</u>
<u>(225,000)</u>	<u>(19,589)</u>	<u>205,411</u>	<u>(350,000)</u>	<u>78</u>	<u>350,078</u>
				(78)	(78)
<u>\$ (225,000)</u>	<u>\$ (19,589)</u>	<u>\$ 205,411</u>	<u>\$ (350,000)</u>	<u>\$</u>	<u>\$ 350,000</u>

(Continued)

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Limited English & Immigrant Students		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		113,368	113,368
Total revenues		113,368	113,368
Expenditures:			
Current -			
Instruction		27,988	(27,988)
Support services - students and staff	190,000	79,664	110,336
Support services - administration		200	(200)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	190,000	107,852	82,148
Excess (deficiency) of revenues over expenditures	(190,000)	5,516	195,516
Other financing sources (uses):			
Transfers in			
Transfers out		(5,516)	(5,516)
Insurance recoveries			
Total other financing sources (uses)		(5,516)	(5,516)
Changes in fund balances	(190,000)		190,000
Fund balances (deficits), beginning of year			
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (190,000)	\$	\$ 190,000

Special Education Grants			Homeless Education		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	798,378	798,378		2,138	2,138
	798,378	798,378		2,138	2,138
925,000	697,570	227,430			
	90,862	(90,862)			
	7,001	(7,001)			
				2,138	(2,138)
	1,072	(1,072)			
925,000	796,505	128,495		2,138	(2,138)
(925,000)	1,873	926,873			
	(1,091)	(1,091)			
	(1,091)	(1,091)			
(925,000)	782	925,782			
	(4,362)	(4,362)			
\$ (925,000)	\$ (3,580)	\$ 921,420	\$	\$	\$

(Continued)

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Medicaid Reimbursement		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 1,704	\$ 1,704
State aid and grants			
Federal aid, grants and reimbursements		297,309	297,309
Total revenues		299,013	299,013
Expenditures:			
Current -			
Instruction	600,000	187,554	412,446
Support services - students and staff		14,060	(14,060)
Support services - administration		12,482	(12,482)
Operation and maintenance of plant services		150,000	(150,000)
Student transportation services		256	(256)
Operation of non-instructional services			
Capital outlay			
Total expenditures	600,000	364,352	235,648
Excess (deficiency) of revenues over expenditures	(600,000)	(65,339)	534,661
Other financing sources (uses):			
Transfers in			
Transfers out			
Insurance recoveries			
Total other financing sources (uses)			
Changes in fund balances	(600,000)	(65,339)	534,661
Fund balances (deficits), beginning of year		884,422	884,422
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (600,000)	\$ 819,083	\$ 1,419,083

E-Rate			Gifted		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 9,356	\$ 9,356	\$	\$	\$
	88,229	88,229		679	679
	<u>97,585</u>	<u>97,585</u>		<u>679</u>	<u>679</u>
	59,874	(59,874)			
500,000	215,957	284,043	15,000	679	14,321
	38,151	(38,151)			
<u>500,000</u>	<u>313,982</u>	<u>186,018</u>	<u>15,000</u>	<u>679</u>	<u>14,321</u>
<u>(500,000)</u>	<u>(216,397)</u>	<u>283,603</u>	<u>(15,000)</u>		<u>15,000</u>
<u>(500,000)</u>	<u>(216,397)</u>	<u>283,603</u>	<u>(15,000)</u>		<u>15,000</u>
	927,162	927,162			
<u>\$ (500,000)</u>	<u>\$ 710,765</u>	<u>\$ 1,210,765</u>	<u>\$ (15,000)</u>	<u>\$</u>	<u>\$ 15,000</u>

(Continued)

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Results-based Funding		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants		385,682	385,682
Federal aid, grants and reimbursements			
Total revenues		385,682	385,682
Expenditures:			
Current -			
Instruction	150,000	203,516	(53,516)
Support services - students and staff		4,739	(4,739)
Support services - administration		20,572	(20,572)
Operation and maintenance of plant services		671	(671)
Student transportation services			
Operation of non-instructional services		1,975	(1,975)
Capital outlay			
Total expenditures	150,000	231,473	(81,473)
Excess (deficiency) of revenues over expenditures	(150,000)	154,209	304,209
Other financing sources (uses):			
Transfers in			
Transfers out			
Insurance recoveries			
Total other financing sources (uses)			
Changes in fund balances	(150,000)	154,209	304,209
Fund balances (deficits), beginning of year		379,247	379,247
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (150,000)	\$ 533,456	\$ 683,456

Other State Projects			School Plant		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	648,757	648,757		110,960	110,960
	<u>648,757</u>	<u>648,757</u>		<u>110,960</u>	<u>110,960</u>
450,000	242,421 406,336	(242,421) 43,664			
			75,000		75,000
<u>450,000</u>	<u>648,757</u>	<u>(198,757)</u>	<u>75,000</u>		<u>75,000</u>
<u>(450,000)</u>		<u>450,000</u>	<u>(75,000)</u>	<u>110,960</u>	<u>185,960</u>
<u>(450,000)</u>		<u>450,000</u>	<u>(75,000)</u>	<u>110,960</u>	<u>185,960</u>
				350,378	350,378
<u>\$ (450,000)</u>	<u>\$</u>	<u>\$ 450,000</u>	<u>\$ (75,000)</u>	<u>\$ 461,338</u>	<u>\$ 536,338</u>

(Continued)

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Food Service		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
Revenues:			
Other local	\$	\$ 40,264	\$ 40,264
State aid and grants			
Federal aid, grants and reimbursements		2,599,724	2,599,724
Total revenues		<u>2,639,988</u>	<u>2,639,988</u>
Expenditures:			
Current -			
Instruction		435	(435)
Support services - students and staff			
Support services - administration		1,425	(1,425)
Operation and maintenance of plant services		9,835	(9,835)
Student transportation services			
Operation of non-instructional services	3,800,000	1,903,765	1,896,235
Capital outlay		99,730	(99,730)
Total expenditures	<u>3,800,000</u>	<u>2,015,190</u>	<u>1,784,810</u>
Excess (deficiency) of revenues over expenditures	<u>(3,800,000)</u>	<u>624,798</u>	<u>4,424,798</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(200,000)	(200,000)
Insurance recoveries			
Total other financing sources (uses)		<u>(200,000)</u>	<u>(200,000)</u>
Changes in fund balances	<u>(3,800,000)</u>	<u>424,798</u>	<u>4,224,798</u>
Fund balances (deficits), beginning of year		2,129,641	2,129,641
Increase (decrease) in reserve for prepaid items		(252,948)	(252,948)
Increase (decrease) in reserve for inventory		49,712	49,712
Fund balances (deficits), end of year	<u>\$ (3,800,000)</u>	<u>\$ 2,351,203</u>	<u>\$ 6,151,203</u>

Civic Center			Community School		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 136,110	\$ 136,110	\$	\$ 662,635	\$ 662,635
	<u>136,110</u>	<u>136,110</u>		<u>662,635</u>	<u>662,635</u>
				9,248	(9,248)
175,000	100,088	(1,475) 74,912		104	(104)
	<u>89,803</u>	<u>(89,803)</u>	1,200,000	795,570	404,430
<u>175,000</u>	<u>191,366</u>	<u>(16,366)</u>	<u>1,200,000</u>	<u>804,922</u>	<u>395,078</u>
<u>(175,000)</u>	<u>(55,256)</u>	<u>119,744</u>	<u>(1,200,000)</u>	<u>(142,287)</u>	<u>1,057,713</u>
<u>(175,000)</u>	<u>(55,256)</u>	<u>119,744</u>	<u>(1,200,000)</u>	<u>(142,287)</u>	<u>1,057,713</u>
	387,032	387,032		2,084,522	2,084,522
	(8,786)	(8,786)		(32,421)	(32,421)
<u>\$ (175,000)</u>	<u>\$ 322,990</u>	<u>\$ 497,990</u>	<u>\$ (1,200,000)</u>	<u>\$ 1,909,814</u>	<u>\$ 3,109,814</u>

(Continued)

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Auxiliary Operations		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 24,430	\$ 24,430
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		24,430	24,430
Expenditures:			
Current -			
Instruction	25,000	1,029	23,971
Support services - students and staff		5,474	(5,474)
Support services - administration		762	(762)
Operation and maintenance of plant services			
Student transportation services		1,599	(1,599)
Operation of non-instructional services			
Capital outlay			
Total expenditures	25,000	8,864	16,136
Excess (deficiency) of revenues over expenditures	(25,000)	15,566	40,566
Other financing sources (uses):			
Transfers in			
Transfers out			
Insurance recoveries			
Total other financing sources (uses)			
Changes in fund balances	(25,000)	15,566	40,566
Fund balances (deficits), beginning of year		86,506	86,506
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (25,000)	\$ 102,072	\$ 127,072

<u>Extracurricular Activities Fees Tax Credit</u>			<u>Gifts and Donations</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>	<u>Budget</u>	<u>Non-GAAP Actual</u>	<u>Variance - Positive (Negative)</u>
\$	\$ 24,732	\$ 24,732	\$	\$ 135,306	\$ 135,306
	<u>24,732</u>	<u>24,732</u>		<u>135,306</u>	<u>135,306</u>
40,000	21,051	18,949	75,000	6,041	68,959
				64,155	(64,155)
				4,576	(4,576)
<u>40,000</u>	<u>21,051</u>	<u>18,949</u>	<u>75,000</u>	<u>71,592</u>	<u>(71,592)</u>
<u>(40,000)</u>	<u>3,681</u>	<u>43,681</u>	<u>(75,000)</u>	<u>146,364</u>	<u>(71,364)</u>
<u>(40,000)</u>	<u>3,681</u>	<u>43,681</u>	<u>(75,000)</u>	<u>(11,058)</u>	<u>63,942</u>
	92,628	92,628		180,464	180,464
<u>\$ (40,000)</u>	<u>\$ 96,309</u>	<u>\$ 136,309</u>	<u>\$ (75,000)</u>	<u>\$ 169,406</u>	<u>\$ 244,406</u>

(Continued)

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Career, Technical and Vocational Education		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues			
Expenditures:			
Current -			
Instruction			
Support services - students and staff	5,000		5,000
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	5,000		5,000
Excess (deficiency) of revenues over expenditures	(5,000)		5,000
Other financing sources (uses):			
Transfers in			
Transfers out			
Insurance recoveries			
Total other financing sources (uses)			
Changes in fund balances	(5,000)		5,000
Fund balances (deficits), beginning of year			
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (5,000)	\$	\$ 5,000

Fingerprint			Insurance Proceeds		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
6,000		6,000	37,000		37,000
				16,000	(16,000)
<u>6,000</u>	<u></u>	<u>6,000</u>	<u>37,000</u>	<u>16,000</u>	<u>21,000</u>
<u>(6,000)</u>	<u></u>	<u>6,000</u>	<u>(37,000)</u>	<u>(16,000)</u>	<u>21,000</u>
				17,859	17,859
				<u>17,859</u>	<u>17,859</u>
<u>(6,000)</u>	<u></u>	<u>6,000</u>	<u>(37,000)</u>	<u>1,859</u>	<u>38,859</u>
				56,854	56,854
<u>\$ (6,000)</u>	<u>\$</u>	<u>\$ 6,000</u>	<u>\$ (37,000)</u>	<u>\$ 58,713</u>	<u>\$ 95,713</u>

(Continued)

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Textbooks		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 513	\$ 513
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>513</u>	<u>513</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff	4,000	2,264	1,736
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>4,000</u>	<u>2,264</u>	<u>1,736</u>
Excess (deficiency) of revenues over expenditures	<u>(4,000)</u>	<u>(1,751)</u>	<u>2,249</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Insurance recoveries			
Total other financing sources (uses)			
Changes in fund balances	<u>(4,000)</u>	<u>(1,751)</u>	<u>2,249</u>
Fund balances (deficits), beginning of year		10,850	10,850
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (4,000)</u>	<u>\$ 9,099</u>	<u>\$ 13,099</u>

<u>Litigation Recovery</u>			<u>Indirect Costs</u>		
<u>Budget</u>	<u>Non-GAAP Actual</u>	<u>Variance - Positive (Negative)</u>	<u>Budget</u>	<u>Non-GAAP Actual</u>	<u>Variance - Positive (Negative)</u>
\$	\$ 14	\$ 14	\$	\$ 2,624	\$ 2,624
	<u>14</u>	<u>14</u>		<u>2,624</u>	<u>2,624</u>
2,000		2,000	580,000		580,000
				634,323	(634,323)
<u>2,000</u>	<u></u>	<u>2,000</u>	<u>580,000</u>	<u>634,323</u>	<u>(54,323)</u>
<u>(2,000)</u>	<u>14</u>	<u>2,014</u>	<u>(580,000)</u>	<u>(631,699)</u>	<u>(51,699)</u>
				328,897	328,897
				<u>328,897</u>	<u>328,897</u>
<u>(2,000)</u>	<u>14</u>	<u>2,014</u>	<u>(580,000)</u>	<u>(302,802)</u>	<u>277,198</u>
	1,412	1,412		722,103	722,103
<u>\$ (2,000)</u>	<u>\$ 1,426</u>	<u>\$ 3,426</u>	<u>\$ (580,000)</u>	<u>\$ 419,301</u>	<u>\$ 999,301</u>

(Continued)

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Insurance Refund		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues			
Expenditures:			
Current -			
Instruction	1,000		1,000
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	1,000		1,000
Excess (deficiency) of revenues over expenditures	(1,000)		1,000
Other financing sources (uses):			
Transfers in			
Transfers out			
Insurance recoveries			
Total other financing sources (uses)			
Changes in fund balances	(1,000)		1,000
Fund balances (deficits), beginning of year		109,360	109,360
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (1,000)	\$ 109,360	\$ 110,360

<u>Grants and Gifts to Teachers</u>			<u>Advertisement</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>	<u>Budget</u>	<u>Non-GAAP Actual</u>	<u>Variance - Positive (Negative)</u>
\$	\$	\$	\$	\$	\$
6,000	1,485	4,515	9,000		9,000
<u>6,000</u>	<u>1,485</u>	<u>4,515</u>	<u>9,000</u>		<u>9,000</u>
<u>(6,000)</u>	<u>(1,485)</u>	<u>4,515</u>	<u>(9,000)</u>		<u>9,000</u>
<u>(6,000)</u>	<u>(1,485)</u>	<u>4,515</u>	<u>(9,000)</u>		<u>9,000</u>
	1,731	1,731		3,291	3,291
<u>\$ (6,000)</u>	<u>\$ 246</u>	<u>\$ 6,246</u>	<u>\$ (9,000)</u>	<u>\$ 3,291</u>	<u>\$ 12,291</u>

(Continued)

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Student Activities		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 26,325	\$ 26,325
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		26,325	26,325
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services		40,186	(40,186)
Capital outlay			
Total expenditures		40,186	(40,186)
Excess (deficiency) of revenues over expenditures		(13,861)	(13,861)
Other financing sources (uses):			
Transfers in			
Transfers out			
Insurance recoveries			
Total other financing sources (uses)			
Changes in fund balances		(13,861)	(13,861)
Fund balances (deficits), beginning of year		82,426	82,426
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$	\$ 68,565	\$ 68,565

Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 1,176,834	\$ 1,176,834
	1,358,532	1,358,532
	6,401,103	6,401,103
	<u>8,936,469</u>	<u>8,936,469</u>
4,001,000	2,644,252	1,356,748
1,914,000	1,798,982	115,018
15,000	935,471	(920,471)
750,000	476,551	273,449
	30,999	(30,999)
5,000,000	2,741,496	2,258,504
5,000	496,528	(491,528)
<u>11,685,000</u>	<u>9,124,279</u>	<u>2,560,721</u>
<u>(11,685,000)</u>	<u>(187,810)</u>	<u>11,497,190</u>
	328,897	328,897
	(287,893)	(287,893)
	17,859	17,859
	<u>58,863</u>	<u>58,863</u>
<u>(11,685,000)</u>	<u>(128,947)</u>	<u>11,556,053</u>
	9,011,368	9,011,368
	(294,155)	(294,155)
	49,712	49,712
<u>\$ (11,685,000)</u>	<u>\$ 8,637,978</u>	<u>\$ 20,322,978</u>

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DEBT SERVICE FUND

Debt Service - to account for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs.

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2021

	Debt Service		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 29,838	\$ 29,838
Property taxes		3,737,641	3,737,641
Total revenues		<u>3,767,479</u>	<u>3,767,479</u>
Expenditures:			
Debt service -			
Principal retirement	2,595,000	2,595,000	
Interest and fiscal charges	1,905,000	1,299,875	605,125
Total expenditures	<u>4,500,000</u>	<u>3,894,875</u>	<u>605,125</u>
Excess (deficiency) of revenues over expenditures	<u>(4,500,000)</u>	<u>(127,396)</u>	<u>4,372,604</u>
Other financing sources (uses):			
Transfers in		55,302	55,302
Total other financing sources (uses)		<u>55,302</u>	<u>55,302</u>
Changes in fund balances	<u>(4,500,000)</u>	<u>(72,094)</u>	<u>4,427,906</u>
Fund balances, beginning of year		329,547	329,547
Fund balances (deficits), end of year	<u>\$ (4,500,000)</u>	<u>\$ 257,453</u>	<u>\$ 4,757,453</u>

CAPITAL PROJECTS FUNDS

Unrestricted Capital Outlay - to account for transactions relating to the acquisition of capital items.

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

Bond Building - to account 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.

Gifts and Donations - Capital - to account for gifts and donations to be expended for capital acquisitions.

Energy and Water Savings - to account for capital investment monies, energy related rebate, or grant monies, and monies from other funding sources to fund energy or water savings projects in school facilities in accordance with A.R.S. §15-910.02.

Emergency Deficiencies Correction - to account for monies received from the School Facilities Board to correct emergency deficiencies.

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

**AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2021**

	Unrestricted Capital Outlay	Adjacent Ways	Gifts and Donations - Capital
<u>ASSETS</u>			
Cash and investments	\$ 2,002,564	\$ 4,328,461	\$ 549,737
Property taxes receivable	31,699		
Due from governmental entities	1,586,399		
Total assets	\$ 3,620,662	\$ 4,328,461	\$ 549,737
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 253,432	\$ _____	\$ _____
Total liabilities	253,432		
Deferred inflows of resources:			
Unavailable revenues - property taxes	20,721		
Fund balances:			
Restricted	3,346,509	4,328,461	549,737
Total fund balances	3,346,509	4,328,461	549,737
 Total liabilities, deferred inflows of resources and fund balances	 \$ 3,620,662	 \$ 4,328,461	 \$ 549,737

<u>Energy and Water Savings</u>	<u>Emergency Deficiencies Correction</u>	<u>Totals</u>
\$ 743,554	\$ 8,903	\$ 7,633,219
		31,699
		1,586,399
<u>\$ 743,554</u>	<u>\$ 8,903</u>	<u>\$ 9,251,317</u>

<u>\$</u>	<u>\$</u>	<u>\$ 253,432</u>
		<u>253,432</u>

		<u>20,721</u>
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<u>743,554</u>	<u>8,903</u>	<u>8,977,164</u>
<u>743,554</u>	<u>8,903</u>	<u>8,977,164</u>

<u>\$ 743,554</u>	<u>\$ 8,903</u>	<u>\$ 9,251,317</u>
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AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2021

	Unrestricted Capital Outlay	Adjacent Ways	Gifts and Donations - Capital
Revenues:			
Other local	\$ 181,690	\$ 40,473	\$ 2,153
Property taxes	1,324,141		
State aid and grants	3,037,372		
Federal aid, grants and reimbursements			
Total revenues	4,543,203	40,473	2,153
Expenditures:			
Capital outlay	1,300,248	33,714	
Debt service -			
Principal retirement	31,579		
Interest and fiscal charges	4,575		
Total expenditures	1,336,402	33,714	
Excess (deficiency) of revenues over expenditures	3,206,801	6,759	2,153
Other financing sources (uses):			
Transfers in			
Total other financing sources (uses)			
Changes in fund balances	3,206,801	6,759	2,153
Fund balances, beginning of year	139,708	4,321,702	547,584
Fund balances, end of year	\$ 3,346,509	\$ 4,328,461	\$ 549,737

Energy and Water Savings	Emergency Deficiencies Correction	Totals
\$ 134,378	\$ 85	\$ 358,779
		1,324,141
121,743		3,037,372
<u>256,121</u>	<u>85</u>	<u>4,842,035</u>
		1,333,962
475,000		506,579
121,743		126,318
<u>596,743</u>		<u>1,966,859</u>
<u>(340,622)</u>	<u>85</u>	<u>2,875,176</u>
475,000		475,000
<u>475,000</u>		<u>475,000</u>
134,378	85	3,350,176
609,176	8,818	5,626,988
<u>\$ 743,554</u>	<u>\$ 8,903</u>	<u>\$ 8,977,164</u>

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2021

	Unrestricted Capital Outlay		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 181,690	\$ 181,690
Property taxes		1,324,141	1,324,141
State aid and grants		3,037,372	3,037,372
Federal aid, grants and reimbursements			
Total revenues		4,543,203	4,543,203
Expenditures:			
Capital outlay	4,671,923	1,300,248	3,371,675
Debt service -			
Principal retirement		31,579	(31,579)
Interest and fiscal charges		4,575	(4,575)
Total expenditures	4,671,923	1,336,402	3,335,521
Excess (deficiency) of revenues over expenditures	(4,671,923)	3,206,801	7,878,724
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	(4,671,923)	3,206,801	7,878,724
Fund balances, beginning of year		139,708	139,708
Fund balances (deficits), end of year	\$ (4,671,923)	\$ 3,346,509	\$ 8,018,432

<u>Adjacent Ways</u>			<u>Bond Building</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
\$	\$ 40,473	\$ 40,473	\$	\$ 55,302	\$ 55,302
	<u>40,473</u>	<u>40,473</u>		<u>55,302</u>	<u>55,302</u>
2,200,000	33,714	2,166,286	8,500,000	3,980,115	4,519,885
<u>2,200,000</u>	<u>33,714</u>	<u>2,166,286</u>	<u>8,500,000</u>	<u>3,980,115</u>	<u>4,519,885</u>
<u>(2,200,000)</u>	<u>6,759</u>	<u>2,206,759</u>	<u>(8,500,000)</u>	<u>(3,924,813)</u>	<u>4,575,187</u>
				<u>(55,302)</u>	<u>(55,302)</u>
				<u>(55,302)</u>	<u>(55,302)</u>
<u>(2,200,000)</u>	<u>6,759</u>	<u>2,206,759</u>	<u>(8,500,000)</u>	<u>(3,980,115)</u>	<u>4,519,885</u>
	4,321,702	4,321,702		8,645,036	8,645,036
<u>\$ (2,200,000)</u>	<u>\$ 4,328,461</u>	<u>\$ 6,528,461</u>	<u>\$ (8,500,000)</u>	<u>\$ 4,664,921</u>	<u>\$ 13,164,921</u>

(Continued)

**AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL
 ALL CAPITAL PROJECTS FUNDS
 YEAR ENDED JUNE 30, 2021**

	Gifts and Donations - Capital		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 2,153	\$ 2,153
Property taxes			
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		2,153	2,153
Expenditures:			
Capital outlay	55,000		55,000
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	55,000		55,000
Excess (deficiency) of revenues over expenditures	(55,000)	2,153	57,153
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	(55,000)	2,153	57,153
Fund balances, beginning of year		547,584	547,584
Fund balances (deficits), end of year	\$ (55,000)	\$ 549,737	\$ 604,737

<u>Energy and Water Savings</u>			<u>Emergency Deficiencies Correction</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
\$	\$ 134,378	\$ 134,378	\$	\$ 85	\$ 85
	121,743	121,743			
	<u>256,121</u>	<u>256,121</u>		<u>85</u>	<u>85</u>
475,000	475,000				
	121,743	(121,743)			
<u>475,000</u>	<u>596,743</u>	<u>(121,743)</u>			
<u>(475,000)</u>	<u>(340,622)</u>	<u>134,378</u>		<u>85</u>	<u>85</u>
	475,000	475,000			
	<u>475,000</u>	<u>475,000</u>			
<u>(475,000)</u>	<u>134,378</u>	<u>609,378</u>		<u>85</u>	<u>85</u>
	609,176	609,176		8,818	8,818
<u>\$ (475,000)</u>	<u>\$ 743,554</u>	<u>\$ 1,218,554</u>	<u>\$</u>	<u>\$ 8,903</u>	<u>\$ 8,903</u>

(Continued)

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2021

	Building Renewal Grant		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 144	\$ 144
Property taxes			
State aid and grants		68,146	68,146
Federal aid, grants and reimbursements			
Total revenues		68,290	68,290
Expenditures:			
Capital outlay		718,022	(718,022)
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures		718,022	(718,022)
Excess (deficiency) of revenues over expenditures		(649,732)	(649,732)
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances		(649,732)	(649,732)
Fund balances, beginning of year			
Fund balances (deficits), end of year	\$	\$ (649,732)	\$ (649,732)

Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 414,225	\$ 414,225
	1,324,141	1,324,141
	3,105,518	3,105,518
	121,743	121,743
	<u>4,965,627</u>	<u>4,965,627</u>
15,426,923	6,032,099	9,394,824
475,000	506,579	(31,579)
	126,318	(126,318)
<u>15,901,923</u>	<u>6,664,996</u>	<u>9,236,927</u>
<u>(15,901,923)</u>	<u>(1,699,369)</u>	<u>14,202,554</u>
	475,000	475,000
	(55,302)	(55,302)
	<u>419,698</u>	<u>419,698</u>
<u>(15,901,923)</u>	<u>(1,279,671)</u>	<u>14,622,252</u>
	14,272,024	14,272,024
<u>\$ (15,901,923)</u>	<u>\$ 12,992,353</u>	<u>\$ 28,894,276</u>

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STATISTICAL SECTION

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

Note: For locally assessed property (i.e., excluding mines, utilities, etc.) Proposition 117, approved by voters in 2012, amended the Arizona Constitution to require that all property taxes after fiscal year 2014-15 be based upon property values limited to five percent in annual growth. The aggregate assessed value of all taxable properties within a taxing jurisdiction (i.e., after applying assessment ratios based on the use of a property), including property values with a growth limit, is currently referred to as net limited assessed value and formerly as primary assessed value. In accordance with Proposition 117, this value is used for all taxing purposes beginning fiscal year 2015-16. Aggregate assessed value without a growth limit is currently referred to as net full cash assessed value and formerly as secondary assessed value. This remains the value utilized for determining debt capacity limits.

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AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Net Position:					
Net investment in capital assets	\$ 41,955,985	\$ 41,017,492	\$ 39,380,043	\$ 39,378,530	\$ 38,754,575
Restricted	24,621,421	21,211,861	22,367,860	24,481,295	18,232,427
Unrestricted	<u>(27,761,404)</u>	<u>(23,467,824)</u>	<u>(23,208,341)</u>	<u>(25,184,444)</u>	<u>(24,875,595)</u>
Total net position	<u><u>\$ 38,816,002</u></u>	<u><u>\$ 38,761,529</u></u>	<u><u>\$ 38,539,562</u></u>	<u><u>\$ 38,675,381</u></u>	<u><u>\$ 32,111,407</u></u>
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Net Position:					
Net investment in capital assets	\$ 39,269,088	\$ 39,252,171	\$ 40,037,477	\$ 40,647,874	\$ 41,523,186
Restricted	14,421,791	13,955,694	11,539,484	10,715,766	6,295,417
Unrestricted	<u>(25,438,699)</u>	<u>(29,340,565)</u>	<u>10,363,608</u>	<u>5,682,511</u>	<u>9,850,048</u>
Total net position	<u><u>\$ 28,252,180</u></u>	<u><u>\$ 23,867,300</u></u>	<u><u>\$ 61,940,569</u></u>	<u><u>\$ 57,046,151</u></u>	<u><u>\$ 57,668,651</u></u>

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

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Expenses					
Instruction	\$ 29,141,940	\$ 30,446,113	\$ 29,391,906	\$ 25,043,949	\$ 25,919,121
Support services - students and staff	8,194,687	7,217,040	7,131,219	6,024,164	6,223,729
Support services - administration	7,252,673	6,711,775	6,130,927	5,695,127	5,030,294
Operation and maintenance of plant services	7,169,170	6,167,735	6,183,257	5,784,299	5,434,029
Student transportation services	2,884,992	2,992,415	2,702,138	1,939,618	2,137,122
Operation of non-instructional services	4,280,546	5,397,052	4,960,867	4,051,993	3,837,868
Interest on long-term debt	1,170,337	1,247,324	1,412,642	1,226,464	1,311,410
Total expenses	<u>60,094,345</u>	<u>60,179,454</u>	<u>57,912,956</u>	<u>49,765,614</u>	<u>49,893,573</u>
Program Revenues					
Charges for services:					
Instruction	215,763	443,256	1,542,223	3,104,512	292,545
Operation of non-instructional services	797,395	1,494,327	1,521,421	1,618,150	1,202,855
Other activities	243,434	149,644	792,334	1,828,610	236,558
Operating grants and contributions	11,242,183	7,361,527	7,763,396	7,791,263	8,431,639
Capital grants and contributions	1,449,107	2,012,492	560,403	712,736	635,883
Total program revenues	<u>13,947,882</u>	<u>11,461,246</u>	<u>12,179,777</u>	<u>15,055,271</u>	<u>10,799,480</u>
Net (Expense)/Revenue	<u>\$ (46,146,463)</u>	<u>\$ (48,718,208)</u>	<u>\$ (45,733,179)</u>	<u>\$ (34,710,343)</u>	<u>\$ (39,094,093)</u>

(Continued)

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Expenses					
Instruction	\$ 24,506,161	\$ 26,571,545	\$ 20,549,120	\$ 22,179,056	\$ 21,159,014
Support services - students and staff	6,068,704	5,958,568	4,763,765	5,253,482	5,366,843
Support services - administration	5,101,786	4,877,810	3,895,745	4,137,547	3,943,648
Operation and maintenance of plant services	5,307,069	5,500,032	5,035,257	5,178,684	4,748,626
Student transportation services	1,974,022	1,905,259	1,547,085	1,544,588	1,657,723
Operation of non-instructional services	3,780,066	3,773,881	3,149,792	3,227,756	2,974,976
Interest on long-term debt	1,287,227	1,283,895	1,171,160	1,223,424	1,300,473
Total expenses	<u>48,025,035</u>	<u>49,870,990</u>	<u>40,111,924</u>	<u>42,744,537</u>	<u>41,151,303</u>
Program Revenues					
Charges for services:					
Instruction	346,755	344,264	149,466	36,229	37,091
Operation of non-instructional services	976,542	903,725	986,889	885,619	545,929
Other activities	129,509	116,276	118,086	146,966	134,718
Operating grants and contributions	7,905,106	6,619,957	6,289,094	6,328,738	5,750,328
Capital grants and contributions	321,740	195,259	164,016	270,564	149,052
Total program revenues	<u>9,679,652</u>	<u>8,179,481</u>	<u>7,707,551</u>	<u>7,668,116</u>	<u>6,617,118</u>
Net (Expense)/Revenue	<u>\$ (38,345,383)</u>	<u>\$ (41,691,509)</u>	<u>\$ (32,404,373)</u>	<u>\$ (35,076,421)</u>	<u>\$ (34,534,185)</u>

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

(Concluded)

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Net (Expense)/Revenue	\$ (46,146,463)	\$ (48,718,208)	\$ (45,733,179)	\$ (34,710,343)	\$ (39,094,093)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	11,399,387	11,516,610	9,161,388	11,092,554	11,140,919
Property taxes, levied for debt service	3,722,250	3,789,225	4,356,897	4,113,259	4,108,431
Property taxes, levied for capital outlay	1,314,244	1,891,582	3,781,400	1,700,976	4,489,044
Investment income	421,120	640,737	760,632	280,024	137,004
Unrestricted county aid	2,443,932	2,260,355	2,228,654	2,084,393	1,957,792
Unrestricted state aid	26,602,694	27,278,183	24,933,549	21,642,300	20,936,305
Unrestricted federal aid	297,309	514,432	374,840	354,324	183,653
Total general revenues	<u>46,200,936</u>	<u>47,891,124</u>	<u>45,597,360</u>	<u>41,267,830</u>	<u>42,953,148</u>
Changes in Net Position	<u>\$ 54,473</u>	<u>\$ (827,084)</u>	<u>\$ (135,819)</u>	<u>\$ 6,557,487</u>	<u>\$ 3,859,055</u>

(Continued)

**AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Net (Expense)/Revenue	\$ (38,345,383)	\$ (41,691,509)	\$ (32,404,373)	\$ (35,076,421)	\$ (34,534,185)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	12,803,152	9,812,004	9,473,168	6,596,343	11,901,568
Property taxes, levied for debt service	3,995,658	4,177,430	3,218,850	3,105,425	2,992,513
Property taxes, levied for capital outlay	1,875,573	3,558,811	438,307	3,794,488	2,415,132
Investment income	106,995	65,500	52,524	45,463	58,931
Unrestricted county aid	1,976,241	1,909,823	1,808,810	1,824,926	1,996,031
Unrestricted state aid	21,696,402	20,131,785	19,893,179	18,953,522	19,467,436
Unrestricted federal aid	276,242	291,356	88,133	133,754	107,830
Total general revenues	<u>42,730,263</u>	<u>39,946,709</u>	<u>34,972,971</u>	<u>34,453,921</u>	<u>38,939,441</u>
Changes in Net Position	<u>\$ 4,384,880</u>	<u>\$ (1,744,800)</u>	<u>\$ 2,568,598</u>	<u>\$ (622,500)</u>	<u>\$ 4,405,256</u>

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

(Concluded)

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
General Fund:					
Nonspendable	\$ 200,000	\$ 3,451,135	\$ 3,431,953	\$ 1,369,465	\$ 2,908,154
Restricted					
Unassigned	8,249,387	7,336,348	5,756,876	7,884,722	6,549,742
Total General Fund	\$ 8,449,387	\$ 10,787,483	\$ 9,188,829	\$ 9,254,187	\$ 9,457,896
All Other Governmental Funds:					
Nonspendable	\$ 222,290	\$ 438,928	\$ 311,950	\$ 5,185,568	\$ 232,337
Restricted	29,002,369	29,360,998	28,183,983	27,224,191	18,546,356
Unassigned	(690,771)	(61,597)	(170,058)	(1,282,227)	
Total all other governmental funds	\$ 28,533,888	\$ 29,738,329	\$ 28,325,875	\$ 31,127,532	\$ 18,778,693

(Continued)

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General Fund:					
Nonspendable	\$ 2,162,391	\$ 2,269,679	\$ 6,468,148	\$ 3,240,432	\$ 3,278,747
Restricted	41,672	29,743	8,647	39,092	32,241
Unassigned	5,831,855	2,067,093	1,906,169	1,063,441	5,222,513
Total General Fund	<u>\$ 8,035,918</u>	<u>\$ 4,366,515</u>	<u>\$ 8,382,964</u>	<u>\$ 4,342,965</u>	<u>\$ 8,533,501</u>
All Other Governmental Funds:					
Restricted	\$ 19,811,523	\$ 17,775,114	\$ 12,689,832	\$ 10,325,053	\$ 6,429,697
Unassigned	(103,576)	(13,501)	(58,047)	(469,256)	(469,256)
Total all other governmental funds	<u>\$ 20,039,907</u>	<u>\$ 17,761,613</u>	<u>\$ 12,631,785</u>	<u>\$ 10,325,053</u>	<u>\$ 5,960,441</u>

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

(Concluded)

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Federal sources:					
Federal grants	\$ 8,354,766	\$ 4,196,607	\$ 5,278,309	\$ 4,080,129	\$ 4,777,341
National School Lunch Program	2,599,724	3,367,672	3,433,901	3,282,398	3,390,747
Total federal sources	<u>10,954,490</u>	<u>7,564,279</u>	<u>8,712,210</u>	<u>7,362,527</u>	<u>8,168,088</u>
State sources:					
State equalization assistance	23,697,037	24,100,911	21,909,238	19,047,471	18,684,310
State grants	1,035,118	965,079	468,289	590,187	360,929
School Facilities Board	68,146				
Other revenues	2,995,952	3,177,272	3,024,311	2,594,829	2,251,995
Total state sources	<u>27,796,253</u>	<u>28,243,262</u>	<u>25,401,838</u>	<u>22,232,487</u>	<u>21,297,234</u>
Local sources:					
Property taxes	16,526,026	17,437,983	17,418,524	16,786,105	19,818,172
County aid	2,443,932	2,260,355	2,228,654	2,084,393	1,957,792
Food service sales	21,721	410,026	483,971	445,734	517,450
Investment income	421,120	640,737	760,632	280,024	137,004
Other revenues	1,377,050	2,017,644	3,488,978	6,239,263	2,144,795
Total local sources	<u>20,789,849</u>	<u>22,766,745</u>	<u>24,380,759</u>	<u>25,835,519</u>	<u>24,575,213</u>
Total revenues	<u><u>\$ 59,540,592</u></u>	<u><u>\$ 58,574,286</u></u>	<u><u>\$ 58,494,807</u></u>	<u><u>\$ 55,430,533</u></u>	<u><u>\$ 54,040,535</u></u>

(Continued)

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Federal sources:					
Federal grants	\$ 4,831,448	\$ 4,538,084	\$ 3,632,714	\$ 4,339,568	\$ 3,069,354
State Fiscal Stabilization (ARRA) Education Jobs					233,201
National School Lunch Program	3,056,873	2,723,817	2,546,495	2,396,813	2,527,562
Total federal sources	<u>7,888,321</u>	<u>7,261,901</u>	<u>6,179,209</u>	<u>6,736,381</u>	<u>5,830,117</u>
State sources:					
State equalization assistance	19,186,142	17,993,589	17,835,829	17,156,744	17,804,260
State grants	213,994		6,250	65,573	49,101
School Facilities Board	8,331				
Other revenues	2,501,929	2,138,196	2,117,614	1,730,264	1,663,176
Total state sources	<u>21,910,396</u>	<u>20,131,785</u>	<u>19,959,693</u>	<u>18,952,581</u>	<u>19,516,537</u>
Local sources:					
Property taxes	18,927,534	17,468,173	13,033,951	13,758,140	17,242,539
County aid	801,643	1,939,823	1,838,810	1,824,926	1,996,031
Food service sales	403,948	382,956	466,274	524,351	532,789
Investment income	106,995	65,500	52,524	45,463	58,931
Other revenues	2,344,714	1,027,804	830,854	695,066	299,629
Total local sources	<u>22,584,834</u>	<u>20,884,256</u>	<u>16,222,413</u>	<u>16,847,946</u>	<u>20,129,919</u>
Total revenues	<u>\$ 52,383,551</u>	<u>\$ 48,277,942</u>	<u>\$ 42,361,315</u>	<u>\$ 42,536,908</u>	<u>\$ 45,476,573</u>

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

(Concluded)

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Expenditures:					
Current -					
Instruction	\$ 22,587,230	\$ 24,564,322	\$ 24,421,393	\$ 23,210,750	\$ 20,386,197
Support services - students and staff	7,381,459	6,828,825	6,889,490	6,336,771	5,921,950
Support services - administration	6,554,235	5,912,335	5,476,609	5,779,299	4,856,491
Operation and maintenance of plant services	5,879,139	5,392,982	5,531,742	5,298,152	4,983,614
Student transportation services	2,062,536	1,952,648	1,895,298	1,440,306	1,751,607
Operation of non-instructional services	3,658,759	5,138,967	4,573,759	4,071,693	3,700,588
Capital outlay	6,956,861	8,645,304	4,849,872	3,702,155	8,135,606
Debt service -					
Principal retirement	3,101,579	3,219,675	3,387,939	3,484,092	3,694,450
Interest, premium and fiscal charges	1,426,193	1,442,206	1,607,524	1,385,014	1,343,518
Bond issuance costs		130,711		148,635	258,474
Total expenditures	<u>\$ 59,607,991</u>	<u>\$ 63,227,975</u>	<u>\$ 58,633,626</u>	<u>\$ 54,856,867</u>	<u>\$ 55,032,495</u>
Expenditures for capitalized assets	\$ 6,297,767	\$ 5,769,682	\$ 2,753,138	\$ 2,113,140	\$ 5,672,549
Debt service as a percentage of noncapital expenditures	8%	8%	9%	9%	10%

(Continued)

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Expenditures:					
Current -					
Instruction	\$ 20,628,828	\$ 19,395,633	\$ 18,066,518	\$ 17,862,723	\$ 18,555,444
Support services - students and staff	5,504,977	5,147,220	4,662,874	5,025,220	5,035,281
Support services - administration	4,712,299	4,062,193	3,745,149	3,856,594	3,934,871
Operation and maintenance of plant services	4,766,995	4,852,579	4,710,762	4,782,186	4,448,071
Student transportation services	1,464,643	1,426,625	1,259,444	1,202,012	1,129,113
Operation of non-instructional services	3,698,928	3,374,770	2,999,109	3,152,941	2,679,633
Capital outlay	6,931,441	5,684,252	4,334,151	3,391,732	9,356,718
Debt service -					
Principal retirement	2,860,587	2,925,367	2,129,734	1,850,260	1,906,756
Interest, premium and fiscal charges	1,321,055	1,305,036	1,185,245	1,223,424	1,300,473
Bond issuance costs	125,702	119,455	106,578		
Total expenditures	<u>\$ 52,015,455</u>	<u>\$ 48,293,130</u>	<u>\$ 43,199,564</u>	<u>\$ 42,347,092</u>	<u>\$ 48,346,360</u>
Expenditures for capitalized assets	\$ 4,338,688	\$ 2,885,079	\$ 3,139,525	\$ 799,561	\$ 5,472,438
Debt service as a percentage of noncapital expenditures	9%	9%	8%	7%	7%

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

(Concluded)

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
OTHER FINANCING SOURCES AND USES AND NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Excess (deficiency) of revenues over expenditures	\$ (67,399)	\$ (4,653,689)	\$ (138,819)	\$ 573,666	\$ (991,960)
Other financing sources (uses):					
General obligation bonds issued		5,600,000		7,585,000	
Refunding bonds issued					14,135,000
Premium on sale of bonds		853,637		544,985	1,703,545
Capital lease agreements			82,934	23,942	53,348
Transfers in	859,199	1,038,340	1,068,401	889,650	939,138
Transfers out	(859,199)	(1,038,340)	(1,068,401)	(889,650)	(939,138)
Payment to refunded bond escrow agent					(15,580,071)
Insurance recoveries	17,859	15,949		2,995	8,909
Total other financing sources (uses)	<u>17,859</u>	<u>6,469,586</u>	<u>82,934</u>	<u>8,156,922</u>	<u>320,731</u>
Changes in fund balances	<u>\$ (49,540)</u>	<u>\$ 1,815,897</u>	<u>\$ (55,885)</u>	<u>\$ 8,730,588</u>	<u>\$ (671,229)</u>
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Excess (deficiency) of revenues over expenditures	\$ 368,096	\$ (15,188)	\$ (838,249)	\$ 189,816	\$ (2,869,787)
Other financing sources (uses):					
General obligation bonds issued	5,000,000	5,075,000	3,760,000		
Premium on sale of bonds	234,929	228,372	105,843		
Capital lease agreements		23,664	91,421	22,575	
Transfers in	616,686	480,909	336,483	2,021,691	300,100
Transfers out	(616,686)	(480,909)	(336,483)	(2,021,691)	(300,100)
Capital contributions	120,000				
Total other financing sources (uses)	<u>5,354,929</u>	<u>5,327,036</u>	<u>3,957,264</u>	<u>22,575</u>	<u></u>
Changes in fund balances	<u>\$ 5,723,025</u>	<u>\$ 5,311,848</u>	<u>\$ 3,119,015</u>	<u>\$ 212,391</u>	<u>\$ (2,869,787)</u>

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

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
NET LIMITED ASSESSED VALUE AND FULL CASH VALUE OF TAXABLE PROPERTY BY CLASS
LAST TEN FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Commercial, Industrial, Utilities and Mining	\$ 238,606,799	\$ 216,874,387	\$ 186,220,939	\$ 176,624,432	\$ 168,656,397
Agricultural and Vacant	25,794,861	18,525,198	19,485,721	17,968,202	18,241,330
Residential (Owner Occupied)	123,113,439	113,442,312	105,413,892	96,803,094	87,862,274
Residential (Rental)	65,786,625	58,387,289	54,196,123	51,897,162	50,667,662
Railroad, Private Cars and Airlines	746,587	793,307	819,822	848,774	783,572
Historical Property	1,098,074	1,124,000	1,062,896	1,384,385	1,169,414
Certain Government Property Improvements	53,020	117,234	111,651	113,859	144,335
Total	\$ 455,199,405	\$ 409,263,727	\$ 367,311,044	\$ 345,639,908	\$ 327,524,984
Gross Full Cash Value	\$ 5,912,232,261	\$ 5,157,178,692	\$ 4,568,057,091	\$ 4,210,664,315	\$ 3,900,598,814
Ratio of Net Limited Assessed Value to Gross Full Cash Value	8%	8%	8%	8%	8%
Total Direct Rate	4.26	4.54	5.02	5.22	6.40

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Commercial, Industrial, Utilities and Mining	\$ 166,218,419	\$ 165,188,051	\$ 168,976,112	\$ 187,698,401	\$ 215,008,744
Agricultural and Vacant	17,004,547	16,894,143	18,840,840	20,042,696	33,522,794
Residential (Owner Occupied)	81,574,123	77,849,562	71,580,577	85,951,976	94,560,505
Residential (Rental)	47,955,888	44,319,393	37,864,499	30,362,161	32,640,302
Railroad, Private Cars and Airlines	832,409	877,406	912,358	871,214	730,083
Historical Property	1,319,321	717,125	556,467	1,351,795	
Total	\$ 314,961,281	\$ 305,845,680	\$ 298,730,853	\$ 326,278,243	\$ 376,462,428
Gross Full Cash Value	\$ 3,465,978,906	\$ 2,855,323,300	\$ 2,591,959,874	\$ 2,739,188,340	\$ 3,107,134,567
Ratio of Net Limited Assessed Value to Gross Full Cash Value	9%	11%	12%	12%	12%
Total Direct Rate	6.23	5.80	4.64	4.33	4.77

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

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

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
NET FULL CASH ASSESSED VALUE OF TAXABLE PROPERTY BY CLASS
LAST TEN FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Commercial, Industrial, Utilities and Mining	\$ 314,172,018	\$ 278,453,009	\$ 231,377,169	\$ 218,738,683	\$ 202,253,493
Agricultural and Vacant	45,473,536	31,257,111	29,271,288	27,959,629	28,237,236
Residential (Owner Occupied)	193,015,247	168,561,279	152,464,760	132,425,289	119,374,736
Residential (Rental)	110,459,387	91,952,110	84,536,993	74,259,645	69,065,902
Railroad, Private Cars and Airlines	940,749	976,444	984,789	985,792	837,244
Historical Property	1,804,385	1,791,460	1,666,235		
Certain Government Property Improvements	74,251	165,364			
Total	\$ 665,939,573	\$ 573,156,777	\$ 500,457,872	\$ 456,409,425	\$ 421,451,751
Gross Full Cash Value	5,912,232,261	5,157,178,692	4,568,057,091	4,210,664,315	3,900,598,814
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	11%	11%	11%	11%	11%
Estimated Net Full Cash Value	5,010,626,360	\$ 3,911,801,255	\$ 3,786,760,248	\$ 3,418,812,694	\$ 3,145,066,853
Total Direct Rate	4.26	4.54	5.02	5.22	6.40

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Commercial, Industrial, Utilities and Mining	\$ 178,851,032	\$ 169,712,927	\$ 169,479,125	\$ 187,878,745	\$ 218,147,800
Agricultural and Vacant	21,334,406	17,670,329	19,518,098	20,412,282	34,404,582
Residential (Owner Occupied)	110,490,593	85,117,615	71,726,970	85,967,786	94,604,899
Residential (Rental)	63,729,723	48,267,993	38,993,207	30,487,969	32,645,372
Railroad, Private Cars and Airlines	847,799	885,278	679,926	886,503	808,440
Historical Property		824,981	920,396	1,351,795	
Certain Government Property Improvements					
Total	\$ 376,812,519	\$ 322,479,123	\$ 301,317,722	\$ 326,985,080	\$ 380,611,093
Gross Full Cash Value	3,465,978,906	2,855,323,300	2,591,959,874	2,739,188,340	3,107,134,567
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	11%	11%	12%	12%	12%
Estimated Net Full Cash Value	2,762,654,109	\$ 2,282,275,992	\$ 2,055,666,321	\$ 2,208,338,604	\$ 2,531,545,393
Total Direct Rate	6.23	5.80	4.64	4.33	4.77

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

Note: On November 6, 2012, voters approved Proposition 117, an amendment to the Arizona Constitution. Beginning with Tax Year 2015 (Fiscal Year 2016), both primary and secondary taxes are levied against the net limited assessed value. The net full cash assessed value is used for determining the District's bonding capacity and as the ceiling for net limited assessed value.

**AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
PROPERTY TAX ASSESSMENT RATIOS
LAST TEN FISCAL YEARS**

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Commercial, Industrial, Utilities and Mining	18 %	18 %	18 %	18 %	18 %
Agricultural and Vacant	15	15	15	15	15
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	15	15	14	15	14

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Commercial, Industrial, Utilities and Mining	19 %	19 %	20 %	20 %	20 %
Agricultural and Vacant	16	16	16	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	15	16	15	15	15

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

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

**AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Overlapping Rates									District Direct Rates		
	State Equalization	County	Community College District	Flood Control District	Central Arizona Water	City of Avondale	City of Goodyear	Agua Fria Union High School District No. 216	West-MEC No. 402	Primary	Secondary	Total
2021	0.44	1.40	1.29	0.18	0.14	1.42	1.73	3.35	0.17	1.94	2.33	4.26
2020	0.44	1.40	1.29	0.18	0.14	1.42	1.73	3.35	0.17	1.99	2.55	4.54
2019	0.47	1.40	1.37	0.18	0.14	1.76	1.74	3.48	0.15	2.12	2.90	5.02
2018	0.49	1.40	1.41	0.18	0.14	1.60	1.73	3.71	0.18	2.28	2.94	5.22
2017	0.50	1.40	1.47	0.18	0.14	1.70	1.86	3.47	0.08	3.31	3.09	6.40
2016	0.51	1.36	1.49	0.16	0.14	1.75	1.87	3.27	0.07	3.11	3.12	6.23
2015	0.51	1.32	1.52	0.14	0.14	1.75	1.87	4.20	0.08	2.74	3.06	5.80
2014	0.51	1.28	1.53	0.14	0.14	1.81	1.90	3.57	0.06	2.31	2.33	4.64
2013	0.47	1.24	1.38	0.18	0.10	1.33	1.78	3.17	0.06	2.02	2.31	4.33
2012	0.43	1.24	1.21	0.18	0.10	1.33	1.60	2.68	0.05	2.74	2.03	4.77

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

**AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
PRINCIPAL PROPERTY TAXPAYERS
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR**

Taxpayer	2021		2012	
	Net Limited Assessed Valuation	Percentage of District's Net Limited Assessed Valuation	Net Full Cash Assessed Valuation	Percentage of District's Net Full Cash Assessed Valuation
VHS Of South Phoenix Inc	\$ 15,354,577	3.37 %	\$ 10,274,957	2.05 %
Arizona Public Service Company	13,995,169	3.07	27,019,038	5.40
Macys Corporate Services Inc	8,960,018	1.97	9,129,596	1.83
Huhtamaki, Inc.	4,968,621	1.09		
Nike IHM Inc	6,592,815	1.45		
Andersen Regional Manufacturing Inc	5,981,859	1.31		
HCL Goodyear Centerpointe LLC	6,099,018	1.34		
ILPT Properties LLC	5,681,363	1.25		
W/C Bullard Owner VIII LLC	4,940,719	1.09		
Lex Goodyear LP	6,122,636	1.35		
Wigwam (Inn inc.) Country Development Co.			6,800,000	1.36
Southwest Gas Corp			6,450,200	1.29
The Market at Estrella Falls LLC			5,985,139	1.20
Mirabella Avondale Apartments LLC			5,850,000	1.17
First American Title Ins. Co.			5,417,193	1.08
DH Ventures LLC			7,883,781	1.58
Cardinal Capital Co.			5,306,645	1.06
Total	\$ 78,696,795	17.29 %	\$ 90,116,549	18.02 %

Source: The source of this information is the Maricopa County Assessor

Note: On November 6, 2012, voters approved Proposition 117, an amendment to the Arizona Constitution. Beginning with Tax Year 2015 (Fiscal Year 2016), both primary and secondary taxes are levied against the net limited assessed value.

**AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Fiscal Years	Collected to the End of the Current Fiscal Year	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2021	\$ 19,483,482	18,958,404	97.31 %		18,958,404	97.31 %
2020	18,547,546	17,931,505	96.68	607,795	18,539,300	99.96
2019	18,477,633	17,915,662	96.96	556,521	18,472,183	99.97
2018	17,879,387	17,302,897	96.78	573,382	17,876,279	99.98
2017	20,356,138	19,699,627	96.77	652,434	20,352,061	99.98
2016	19,763,823	19,410,050	98.21	350,341	19,760,391	99.98
2015	18,352,737	17,666,569	96.26	683,141	18,349,710	99.98
2014	13,785,773	13,294,880	96.44	469,925	13,764,805	99.85
2013	14,171,729	13,662,111	96.40	508,879	14,170,990	99.99
2012	18,297,041	17,273,627	94.41	967,915	18,241,542	99.70

Source: The source of this information is the 2019 Maricopa County Treasurer's records.

Notes: 1) Amounts collected are on a cash basis.

2) Unsecured personal property taxes are not included in this schedule because the dates of the monthly rolls vary each year. On the average, 90% of unsecured property taxes are collected within 90 days after the due date.

**AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	General Obligation Bonds					Total Outstanding Debt				
	General Obligation Bonds	Less: Amounts Restricted for Principal	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Capital Leases	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Percentage of Personal Income
2021	\$ 36,142,582	\$ 298,415	\$ 35,844,167	0.61 %	689	\$ 2,414,204	\$ 38,556,786	0.65 %	735	0.02 %
2020	39,157,351	385,900	38,771,451	0.75	751	2,920,783	42,078,134	0.82	815	0.02
2019	35,817,509	391,227	35,426,282	0.78	733	3,425,458	39,242,967	0.86	812	0.02
2018	39,026,304	165,968	38,860,336	0.92	783	3,855,463	42,881,767	1.02	864	0.02
2017	34,278,782	172,361	34,106,421	0.87	699	4,345,613	38,624,395	0.99	792	0.02
2016	36,448,286	344,400	36,103,886	1.04	718	56,715	36,505,001	1.05	726	0.02
2015	34,147,185	322,878	33,824,307	1.18	642	82,302	34,229,487	1.20	650	0.02
2014	30,969,954	140,637	30,829,317	1.19	603	84,002	31,053,956	1.20	607	0.02
2013	28,840,000	176,372	28,663,628	1.05	600	17,315	28,857,315	1.05	604	0.02
2012	30,740,000	97,864	30,642,136	0.99	686		30,740,000	0.99	688	0.02

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

AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2021

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Overlapping:			
Maricopa County Community College District	\$ 250,065,000	0.95 %	\$ 2,375,618
Maricopa County Special Health Care District	429,125,000	0.95	4,076,688
Centerra Community Facilities District	2,910,000	100.00	2,910,000
Community Facilities General District No. 1 of the City of Goodyear	7,740,000	30.59	2,367,666
Community Facilities Utilities District No. 1 of the City of Goodyear	31,350,000	10.51	3,294,885
Cortina Community Facilities District	1,745,000	100.00	1,745,000
Cottonflower Community Facilities District	1,700,000	100.00	1,700,000
Palm Valley Community Facilities District #3	5,320,000	1.60	85,120
Wildflower Ranch Community Facilities District No. 1	390,000	100.00	390,000
Wildflower Ranch Community Facilities District No. 2	625,000	100.00	625,000
City of Avondale	37,695,000	13.32	5,020,974
City of Goodyear	109,517,110	37.27	40,817,027
Western Maricopa Education Center	169,545,000	2.57	4,357,307
Agua Fria Union High School District No. 216	138,175,000	31.20	43,110,600
Subtotal, Overlapping Debt			<u>112,875,885</u>
Direct:			
Avondale Elementary School District No. 44			<u>38,556,786</u>
Total Direct and Overlapping Governmental Activities Debt			<u>\$ 151,432,671</u>

DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation		5.38 %
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 2,834	
As a Percentage of Net Limited Assessed Valuation		22.33 %
As a Percentage of Gross Full Cash Value		2.52 %

Source: The source of this information is the District's records and the State and County Abstract of the Assessment Roll, Arizona Department of Revenue and the applicable governmental unit.

- Notes:** 1) Estimated percentage of debt outstanding applicable to the District is calculated based on a portion of the District's net limited assessed valuation as a percentage of the net limited assessed valuation of the overlapping jurisdiction.
- 2) Outstanding debt as of June 30, 2020 is presented for the overlapping governments as this is the most recent available information.

**AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

Class B Bond Legal Debt Margin Calculation for Fiscal Year 2021:

Net full cash assessed valuation	\$ 665,939,573
Debt limit (10% of assessed value)	66,593,957
Debt applicable to limit	<u>35,245,975</u>
Legal debt margin	<u><u>\$ 31,347,982</u></u>

Total Legal Debt Margin Calculation for Fiscal Year 2021:

Net full cash assessed valuation	\$ 665,939,573
Debt limit (15% of assessed value)	99,890,936
Debt applicable to limit	<u>35,245,975</u>
Legal debt margin	<u><u>\$ 64,644,961</u></u>

Fiscal Year Ended June 30

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Debt Limit	\$ 99,890,936	\$ 85,973,517	\$ 75,068,681	\$ 68,461,414	\$ 63,217,763
Total net debt applicable to limit	<u>35,245,975</u>	<u>38,118,118</u>	<u>34,830,511</u>	<u>37,800,511</u>	<u>32,990,000</u>
Legal debt margin	<u><u>\$ 64,644,961</u></u>	<u><u>\$ 47,855,399</u></u>	<u><u>\$ 40,238,170</u></u>	<u><u>\$ 30,660,903</u></u>	<u><u>\$ 30,227,763</u></u>

Total net debt applicable to the limit as a percentage of debt limit	35%	44%	46%	55%	52%
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	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Debt Limit	\$ 56,521,878	\$ 48,371,868	\$ 45,198,658	\$ 49,047,762	\$ 57,091,664
Total net debt applicable to limit	<u>35,825,000</u>	<u>33,725,000</u>	<u>30,755,000</u>	<u>28,840,000</u>	<u>30,740,000</u>
Legal debt margin	<u><u>\$ 20,696,878</u></u>	<u><u>\$ 14,646,868</u></u>	<u><u>\$ 14,443,658</u></u>	<u><u>\$ 20,207,762</u></u>	<u><u>\$ 26,351,664</u></u>

Total net debt applicable to the limit as a percentage of debt limit	63%	70%	68%	59%	54%
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Source: The source of this information is the District's financial records.

- Notes:** 1) The District's general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds outstanding and the statutory debt limit on Class B bonds outstanding. The calculations of the debt margins are presented in detail for the current fiscal year only.
- 2) Prior to FY17, net bond premium was restricted by amount and not subject to the statutory debt limit. Beginning with FY17, any additional net premium used for capital projects, bond counsel, printing and preparation of offering documents, a financial advisor, paying agent costs or to pay down debt is counted against both debt limits with the exception of amounts of premium deposited into the Debt Service Fund or a refunding escrow to pay interest payments.

**AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
COUNTY-WIDE DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands)</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>	<u>Estimated District Population</u>
2020	4,579,081	\$ 245,077,753	\$ 53,521	6.6 %	52,474
2019	4,367,835	222,943,072	49,704	3.6	51,602
2018	4,294,460	210,370,180	40,415	4.1	48,312
2017	4,221,684	196,286,191	45,573	4.2	49,639
2016	4,137,076	185,111,698	43,628	4.5	48,761
2015	4,076,438	184,784,917	42,092	5.5	50,305
2014	4,008,651	168,483,421	27,256	5.9	52,665
2013	3,944,859	147,700,000	27,552	6.7	51,131
2012	3,824,058	147,374,500	38,538	9.1	47,786
2011	3,843,370	142,864,275	37,352	8.4	44,659

Sources: The source of the "Personal Income" and "Per Capita" information is the Bureau of Economic Analysis. The source of the "Population" and "Unemployment Rate" is the Arizona Office of Employment and Population Statistics.

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

**AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
PRINCIPAL EMPLOYERS
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR**

<u>Employer</u>	<u>2021</u>		<u>2012</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Banner Health	27,650	1.60 %		
State of Arizona	23,950	1.38		
Frys Food Stores	15,170	0.88		
Wells Fargo	13,790	0.80		
Maricopa County	13,350	0.77	552	1.39
City of Phoenix	12,190	0.70		
Intel Corporation	11,410	0.66		
Arizona State University	10,950	0.63	550	1.38
HonorHealth	9,430	0.54		
Wal-Mart Stores	16,870	0.97	560	1.41
Sunbridge Estrella Care & Rehabilitation			355	0.89
Avondale Automotive Inc.			200	0.50
City of Avondale			400	1.00
Costco			175	0.44
Universal Technical Institute			150	0.38
Gateway Chevrolet			50	0.13
Beam Corporation			50	0.13
Total	<u>154,760</u>	<u>8.93 %</u>	<u>3,042</u>	<u>7.65 %</u>
Total employment	<u>1,731,840</u>		<u>39,847</u>	

Source: The source of this information is The Business Journal Book of Lists.

**AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS**

	Full-time Equivalent Employees as of June 30				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Supervisory					
Consultants/supervisors of instruction	7	7	7	7	10
Principals	10	11	10	10	10
Assistant principals	8	7	8	8	8
Total supervisory	<u>25</u>	<u>25</u>	<u>25</u>	<u>25</u>	<u>28</u>
Instruction					
Teachers	313	311	306	297	306
Other professionals (instructional)					
Aides	120	128	122	116	108
Total instruction	<u>433</u>	<u>439</u>	<u>428</u>	<u>413</u>	<u>414</u>
Student Services					
Nurses	9	8	8	8	8
Counselors/Advisors	11	16	16	16	16
Librarians	10	8	8	8	7
Technicians	16	17	17	17	17
Total student services	<u>46</u>	<u>49</u>	<u>49</u>	<u>49</u>	<u>48</u>
Support and Administration					
Clerical workers	40	47	47	47	45
Maintenance workers	26	30	30	30	30
Bus Drivers	26	31	29	29	29
Food Service workers	56	54	55	55	53
Other classified	49	44	43	41	40
Total support and administration	<u>197</u>	<u>206</u>	<u>204</u>	<u>202</u>	<u>197</u>
Total	<u><u>701</u></u>	<u><u>719</u></u>	<u><u>706</u></u>	<u><u>689</u></u>	<u><u>687</u></u>

(Continued)

**AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Supervisory					
Consultants/supervisors of instruction	8	7	4	3	3
Principals	9	9	9	8	8
Assistant principals	5	5	5	6	6
Total supervisory	<u>22</u>	<u>21</u>	<u>18</u>	<u>17</u>	<u>17</u>
Instruction					
Teachers	301	298	289	278	262
Other professionals (instructional)					8
Aides	117	102	109	100	77
Total instruction	<u>418</u>	<u>400</u>	<u>398</u>	<u>378</u>	<u>347</u>
Student Services					
Nurses	8	8	8	8	8
Counselors/Advisors	13	13	13	12	8
Librarians	6	6	6		8
Technicians	17	9	9	9	9
Total student services	<u>44</u>	<u>36</u>	<u>36</u>	<u>29</u>	<u>33</u>
Support and Administration					
Clerical workers	46	46	41	35	38
Maintenance workers	30	30	28	30	24
Bus Drivers	31	29	22	20	18
Food Service workers	54	54	54	52	49
Other classified	37	36	36	39	26
Total support and administration	<u>198</u>	<u>195</u>	<u>181</u>	<u>176</u>	<u>155</u>
Total	<u><u>682</u></u>	<u><u>652</u></u>	<u><u>633</u></u>	<u><u>600</u></u>	<u><u>552</u></u>

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

(Concluded)

**AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
OPERATING STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Average Daily Membership	Operating Expenditures	Cost per Pupil	Percentage Change	Expenses	Cost per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Free/Reduced Students
2021	5,366	\$ 48,123,358	\$ 8,968	(1.96) %	\$ 60,094,345	\$ 11,199	1.29 %	313	17.1	72.0 %
2020	5,443	49,790,079	9,148	0.72	60,179,454	11,056	2.56	311	17.5	70.2
2019	5,372	48,788,291	9,082	3.29	57,912,956	10,781	13.66	306	17.6	71.1
2018	5,247	46,136,971	8,793	11.71	49,765,614	9,485	0.47	297	17.7	72.4
2017	5,285	41,600,447	7,871	2.12	49,893,573	9,441	3.99	306	17.3	73.8
2016	5,290	40,776,670	7,708	8.78	48,025,035	9,078	(1.72)	301	17.6	74.6
2015	5,399	38,259,020	7,086	6.88	49,870,990	9,237	23.10	298	18.1	74.7
2014	5,346	35,443,856	6,630	(1.69)	40,111,924	7,504	(6.61)	289	18.5	74.7
2013	5,320	35,881,676	6,745	1.58	42,744,537	8,035	5.22	278	19.1	72.9
2012	5,389	35,782,413	6,640	(13.61)	41,151,303	7,636	(15.20)	262	20.6	72.8

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

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

**AVONDALE ELEMENTARY SCHOOL DISTRICT NO. 44
CAPITAL ASSETS INFORMATION
LAST TEN FISCAL YEARS**

	Fiscal Year Ended June 30									
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>Schools</u>										
<u>Elementary</u>										
Buildings	9	9	9	9	9	9	9	8	8	8
Square feet	70	70	70	70	70	70	70	70	70	70
Capacity	695,216	695,216	695,216	695,216	695,216	695,216	695,216	695,216	695,216	695,216
Enrollment	5,378	5,816	5,780	5,696	5,536	5,584	5,611	5,782	5,683	5,637
<u>Administrative</u>										
Buildings	5	5	5	5	5	5	5	5	5	5
Square feet	56,879	56,879	56,879	56,879	56,879	56,879	56,879	56,879	56,879	56,879
<u>Transportation</u>										
Garages	1	1	1	1	1	1	1	1	1	1
Buses	34	34	34	34	34	34	33	31	25	25
<u>Athletics</u>										
Soccer fields	8	8	8	8	8	8	8	8	8	8
Baseball/softball	8	8	8	8	8	8	8	8	8	8
Playgrounds	9	9	9	8	8	8	8	8	8	8
Football fields	1	1	1	1						

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

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