
LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2021



LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1

LAKE HAVASU CITY, ARIZONA

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

Issued by:
Business and Finance Department

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1

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INTRODUCTORY SECTION

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Lake Havasu Unified School District No. 1

2200 Havasupai Boulevard, Lake Havasu City, AZ 86403-3798
928.505.6900 Fax 928.505.6999 www.lhusd.org

December 28, 2021

Citizens and Governing Board
Lake Havasu Unified School District No. 1
2200 Havasupai Boulevard
Lake Havasu City, Arizona 86403-3798

State law mandates that school districts are required to undergo an annual single audit publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States by a certified public accounting firm licensed in the State of Arizona. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the Lake Havasu Unified School District No. 1 (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 14 public school districts located in Mohave County, Arizona. It provides a program of public education from kindergarten through grade twelve, with an estimated current enrollment of 4,889 students. The projected enrollment for the 2021-22 is 5,168 students.

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, the component unit combined with the District for financial statement purposes and the District is not included in any other governmental entity. Consequently, the District's financial statements include only the funds of those organizational entities for which its elected governing board is financially accountable. The District's major operations include education, student transportation, construction, and maintenance of District facilities, food services, and bookstore and athletic operations.

Blended Component Unit. Blended component units, although legally separate entities, are, in substance, part of the District's operations. The Lake Havasu Unified School District No. 1 Employee Benefit Trust is responsible for providing health insurance for District employees. The District's Governing Board appoints the Trust's Board of Directors. The District's Employee Benefit Trust provides services entirely to the District and therefore has been included as an Internal Service Fund in accordance with the criteria established by GASB.

The District is located in the southwestern portion of Mohave County and contains 192 square miles. The Colorado River forms the western boundary of the District and provides the attractions that make tourism and recreation important economic contributors. Lake Havasu City is a popular boating and water recreation area.

Currently the District has six elementary schools - Kindergarten through 6th grade, one middle school - 7th through 8th grade, and one high school - 9th through 12th grades, with a total enrollment of 5,103 students.

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. Lake Havasu City is the home of the London Bridge which attracts hundreds of thousands of visitors each year. The area promotes calm waters and beautiful beaches and is currently home to approximately 60,000 residents. Visitors enjoy fun in the sun activities in the summer and the area provides a welcome haven in the winter to those looking to find a warmer climate and no snow.

The Lake Havasu City environment includes wonderful climates in the fall, winter, and spring along with the friendly, rural, low-crime city atmosphere. Lake Havasu is located about 2 hours from Las Vegas, about 3 hours from Phoenix, and 4 plus hours from Los Angeles, providing access to the larger metropolitan areas with added shopping, cultural activities and professional sports.

The City, Hospital, and School District remain the top three employers in Lake Havasu. Sterilite Corporation, the largest U.S. independent manufacturer of plastic house-ware products, employs approximately 425 people in their 450,000 square foot facility. The balance of major employers is made up of hotel/motel, retail, trade, and service sectors.

In August 2012, Arizona State University (ASU) opened a campus in Lake Havasu City. The decision was made to utilize the former Daytona Middle School site owned by the Lake Havasu Unified School District (LHUSD). The District's Governing Board made the decision to close Daytona effective July 1, 2010, and the building had been vacant since. A lease agreement between ASU and LHUSD went into effect in early 2012. ASU is now responsible for all utility payments at the facility, as well as landscape, maintenance and security, benefitting both educational institutions.

District buildings range in age from construction in 1969 (Lake Havasu High School) to 2001 (Jamaica Elementary School). At this time, there are no plans for major renovations to current school district buildings. In April 2014, the District's Governing Board approved the move of the District's transportation department from the Lake Havasu facility, where they have resided for 10 years, to the District office location. The bulk of the financing for the project came from adjacent ways funds. With regards to the bus barn and transportation offices, a financial agreement with Lake Havasu City was approved by both the City and the District and this will help defray the costs of a lease purchase agreement to construct the building.

Long-term Financial Planning. In April 2017, Moody's issued a rating update, affirming its Aa2 rating on Lake Havasu Unified School District No. 1. The rating reflects Moody's view of the District's:

- Diverse property tax base, the value of which is projected to remain stable.
- Adequate financial performance with carry-forward amounts and prepaid expenses that provide additional financial flexibility.
- Low debt burden.

Due to the reduction in district additional assistance funding for Arizona school districts, the Lake Havasu School District No. 1 Governing Board called for a capital bond election on November 8, 2016. The bond authorization requested was \$49,050,000 and was approved by the voters.

The District will continue to work with the Arizona School Facilities Board to cover capital needs.

The district's governing board also called for a 15% maintenance and operations override election on November 8, 2016, due to the need for improved salaries to retain and attract valuable school district staff and to cover the increased costs of insurance. This question was also approved by voters.

In an effort to curb costs, the District has completed the installation of two solar projects, one at Lake Havasu High School and another at the District office. By working with the local utility company, the District was able to keep the project revenue neutral. The final cost for the two projects was \$1.5 million, to be paid through a 17 year lease, with no pre-payment penalty applicable.

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 32nd 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. Rebecca Stone
Superintendent

Mike Murray
Director of Business Services



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

Lake Havasu Unified School District No.1

**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, reading 'W. Edward Chabal'.

W. Edward Chabal
President

A handwritten signature in blue ink, reading 'David J. Lewis'.

David J. Lewis
Executive Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

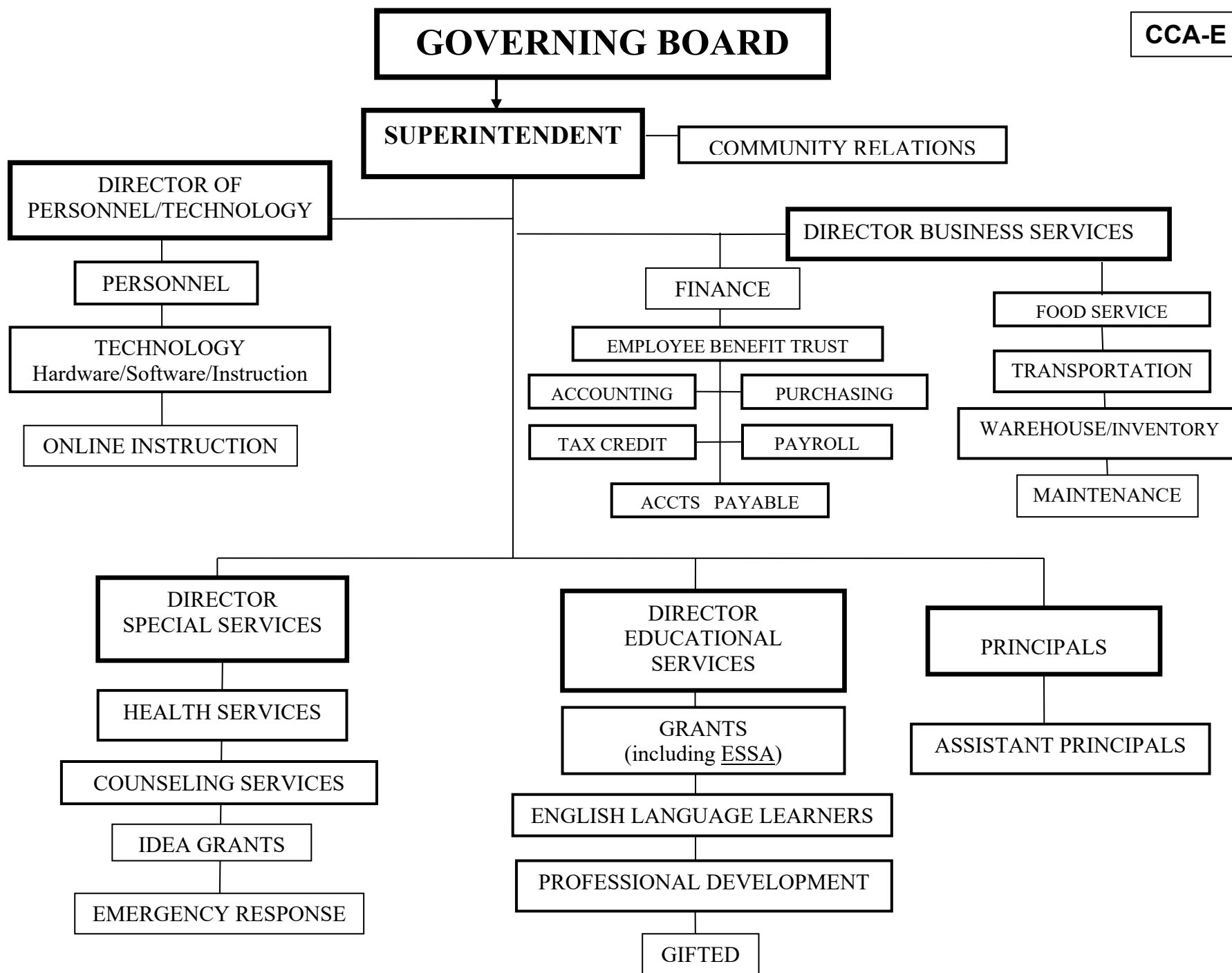
**Lake Havasu Unified School District No. 1
Arizona**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO



LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1

LIST OF PRINCIPAL OFFICIALS

GOVERNING BOARD

John Masden, President

Kathy Cox, Vice President

Lisa Roman, Member

Archana Aliyar, Member

Kyle Neidermann, Member

ADMINISTRATIVE STAFF

Dr. Rebecca Stone, Superintendent

Mike Murray, Director of Business Services

Lindsay Bitterman, Director of Human Services

Aggie Wolter, Director of Student Services

Jaime Festa-Daigle, Director of Student Achievement

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FINANCIAL SECTION

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Independent Auditor's Report

Governing Board
Lake Havasu Unified School District No. 1

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 Lake Havasu Unified School District No. 1 (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 Lake Havasu Unified School District No. 1, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Lake Havasu Unified School District No. 1 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, and other postemployment benefit plan 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 28, 2021, on our consideration of Lake Havasu Unified School District No. 1'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 Lake Havasu Unified School District No. 1'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 Lake Havasu Unified School District No. 1's internal control over financial reporting and compliance.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Flagstaff, Arizona
December 28, 2021

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

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**LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2021**

As management of the Lake Havasu Unified School District No. 1 (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 \$154,541 which represents a less than one percent increase from the prior fiscal year primarily as a result of increases of in per pupil state funding.
- General revenues accounted for \$41.1 million in revenue, or 80 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$10.0 million or 20 percent of total current fiscal year revenues.
- The District had approximately \$51.0 million in expenses related to governmental activities, an increase of two percent from the prior fiscal primarily due to salary and health premium increases.
- Among major funds, the General Fund had \$34.6 million current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$33.2 million in expenditures. The General Fund's fund balance increase from \$14.8 million at the prior fiscal year end to \$16.3 million at the end of the current fiscal year was primarily due to expenditures being moved to COVID-19 related funds in the current year.
- Net position for the Internal Service Funds decreased \$74,977 from the prior fiscal year. Operating revenues of \$4,071 fell short of operating expenses by \$81,215 at the end of the current fiscal year.

OVERVIEW OF FINANCIAL STATEMENTS

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

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2021

OVERVIEW OF FINANCIAL STATEMENTS

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.

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

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

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

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

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

**LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2021**

OVERVIEW OF FINANCIAL STATEMENTS

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.

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

Proprietary funds. The District maintains one type of proprietary fund. The internal service fund is an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses its internal service fund to account for its employee benefit trust. Because this service predominantly benefits governmental functions, it has been included within governmental activities in the government-wide financial statements. The Employee Benefit Trust, although a legally separate component unit, functions for all employees of the District, and therefore has been included as an internal service fund.

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 as required supplementary information. Schedules for the pension and other postemployment benefit plans have been provided as required supplementary information.

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$33.2 million at the current fiscal year end.

The largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements; buildings and improvements; construction in progress; and vehicles, 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 debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. In addition, a portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance is unrestricted and may be used to meet the District's ongoing obligations to its citizens and creditors.

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

	As of June 30, 2021	As of June 30, 2020
Current and other assets	\$ 40,421,317	\$ 52,646,525
Capital assets, net	69,608,528	56,986,129
Total assets	<u>110,029,845</u>	<u>109,632,654</u>
Deferred outflows	<u>7,708,595</u>	<u>5,487,774</u>
Current and other liabilities	3,672,845	4,124,705
Long-term liabilities	78,931,397	73,173,889
Total liabilities	<u>82,604,242</u>	<u>77,298,594</u>
Deferred inflows	<u>1,919,694</u>	<u>4,761,871</u>
Net position:		
Net investment in capital assets	44,439,947	43,731,711
Restricted	10,265,956	10,519,609
Unrestricted	(21,491,309)	(21,191,357)
Total net position	<u>\$ 33,214,504</u>	<u>\$ 33,059,963</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 \$21.5 million as a result of the district proportionate share of the state pension plan's unfunded liability. The same situation held true in the prior fiscal year.

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

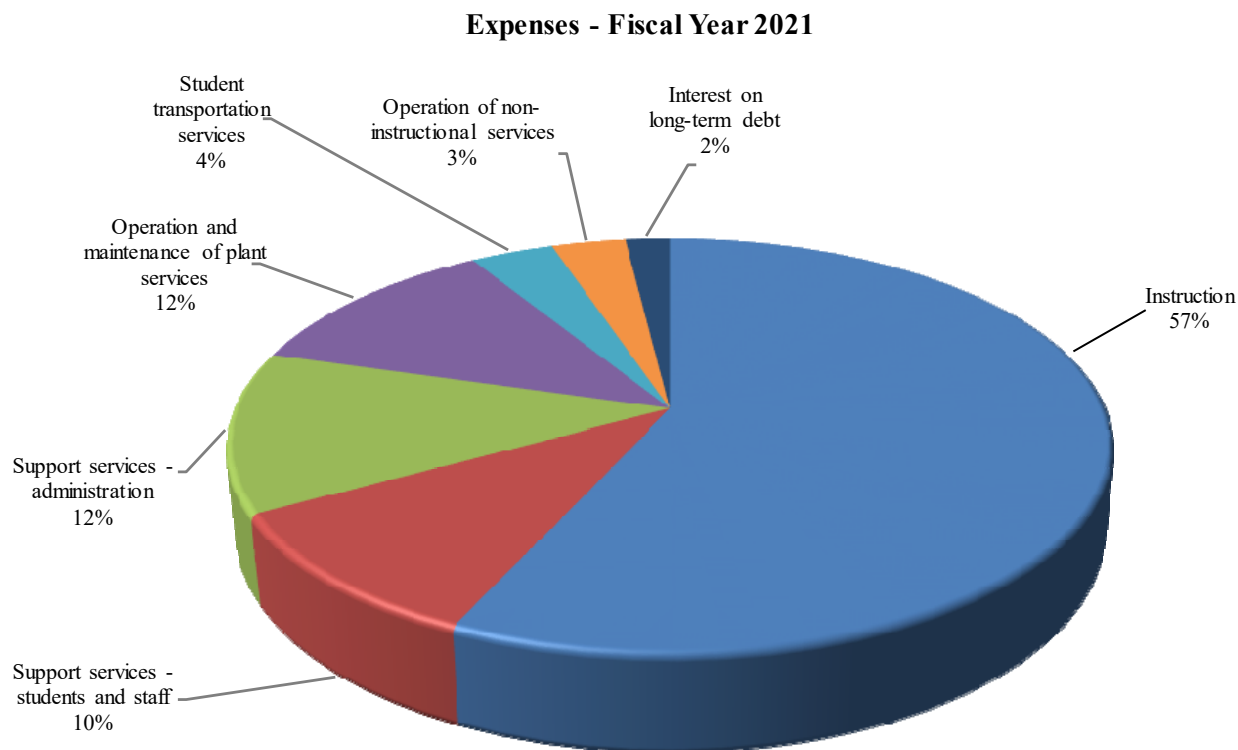
- The decrease of \$600,000 in outstanding debt due to current year bond payments
- The addition of \$15.7 million in capital assets through the construction and improvement of various buildings, and purchase of various assets including buses.

Changes in net position. The District's total revenues for the current fiscal year were \$51.2 million. The total cost of all programs and services was \$51.0 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	\$ 1,718,382	\$ 2,105,514
Operating grants and contributions	7,736,128	5,675,835
Capital grants and contributions	587,943	947,538
General revenues:		
Property taxes	28,377,543	27,142,318
Investment income	270,818	647,957
Unrestricted county aid	619,713	782,581
Unrestricted state aid	11,639,305	12,721,782
Unrestricted federal aid	237,335	432,381
Total revenues	<u>51,187,167</u>	<u>50,455,906</u>
Expenses:		
Instruction	29,017,296	28,591,197
Support services - students and staff	5,188,654	5,370,975
Support services - administration	6,369,184	5,627,077
Operation and maintenance of plant services	5,989,302	5,231,572
Student transportation services	1,845,674	2,005,530
Operation of non-instructional services	1,642,165	2,487,113
Interest on long-term debt	980,351	811,636
Total expenses	<u>51,032,626</u>	<u>50,125,100</u>
Changes in net position	154,541	330,806
Net position, beginning	33,059,963	32,729,157
Net position, ending	<u><u>\$ 33,214,504</u></u>	<u><u>\$ 33,059,963</u></u>

**LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2021**

GOVERNMENT-WIDE FINANCIAL ANALYSIS



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

- The increase of \$1.2 million in property tax revenues as a result of an increase in the net assessed valuation of taxable property within the district.
- The decrease of \$1.1 million in unrestricted state aid due to a change in the state equalization funding calculation
- The increase in instructional expenses of \$426,099 was due to an increase in teacher salaries.

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.

**LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
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	\$ 29,017,296	\$ (22,911,548)	\$ 28,591,197	\$ (23,483,668)
Support services - students and staff	5,188,654	(4,347,192)	5,370,975	(3,909,184)
Support services - administration	6,369,185	(6,219,101)	5,627,077	(5,443,005)
Operation and maintenance of plant services	5,989,302	(5,647,392)	5,231,572	(5,174,768)
Student transportation services	1,845,674	(1,842,228)	2,005,530	(1,998,847)
Operation of non-instructional services	1,642,165	957,638	2,487,113	(575,105)
Interest on long-term debt	980,351	(980,351)	811,636	(811,636)
Total	<u>\$ 51,032,627</u>	<u>\$ (40,990,174)</u>	<u>\$ 50,125,100</u>	<u>\$ (41,396,213)</u>

- The cost of all governmental activities this year was \$51.0 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$10.0 million.
- Net cost of governmental activities of \$41.0 million was financed by general revenues, which are made up of primarily property taxes of \$28.4 million and state and county aid of \$12.3 million. Investment earnings accounted for \$270,818 of funding.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

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

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$32.0 million, a decrease of \$11.8 million, or 27 percent.

**LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2021**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The General Fund comprises 51 percent of the total fund balance. Approximately \$15.1 million, or 93 percent of the General Fund's fund balance is unassigned.

The General Fund is the principal operating fund of the District. The increase in fund balance of \$1.5 million to \$16.3 million was due primarily to increase revenues related to property taxes. General Fund revenues decreased \$303,905, primarily due to decreased funding from state aid and grants. General Fund expenditures increased \$133,216 due primarily to increased base salaries across all employees.

The Bond Building Fund balance decreased \$12.8 million due primarily to capital expenditures in the current year.

Proprietary funds. Unrestricted net position of the Internal Service Fund at the end of the year amounted to \$4.1 million. The decrease of \$74,144 from the prior fiscal year was primarily due to the internal service fund no longer being active in the current year.

BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the General Fund annual expenditure budget to capture the balance of the carry forward from the prior year. The difference between the original budget and the final amended budget was a \$1.8 million decrease, or four percent primarily as a result of changes in average daily membership and the District moving budgeted expenses to COVID-19 related funds.

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

- The favorable variance of \$4.1 million in instruction expenditures was the result of expenditures being moved to COVID-19 funds.
- The favorable variance of \$909,095 in support services - administration is the result of unfilled positions at the District.

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
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 \$134.1 million in capital assets, including construction in progress, school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. This amount represents a net increase prior to depreciation of \$15.6 million from the prior fiscal year primarily due to the construction and improvements of various buildings. Total depreciation expense for the current fiscal year was \$3.1 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	\$ 7,566,046	\$ 6,152,703
Capital assets - depreciable, net	62,042,482	50,833,426
Total	<u>\$ 69,608,528</u>	<u>\$ 56,986,129</u>

The estimated cost to complete the current construction project is \$1.0 million.

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

Debt Administration. At year-end, the District had \$31.3 million in long-term debt outstanding, \$850,000 due within one year. Long-term debt decreased by \$807,962 due to the payments made during the current year.

The District's general obligation bonds are subject to two limits: the Constitutional debt limit (total debt limit) on all general obligation bonds (up to 30 percent of the total net full cash assessed valuation) and the statutory debt limit on Class B bonds (the greater of 20 percent of the net full cash assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$309.3 million and the Class B debt limit is \$206.2 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 and 9.

**LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
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 \$6.0 million).
- District student population (estimated 4,889 students).
- The impact of COVID-19 pandemic and student enrollment and uncertainty moving forward.

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 less than one percent to \$40.6 million in fiscal year 2021-22 primarily due to increased supply and purchased services expenditures in the current year. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2021-22 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, Lake Havasu Unified School District No. 1, 2200 Havasupai Boulevard, Lake Havasu City, Arizona 86403-3798.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 34,953,868
Property taxes receivable	592,487
Accounts receivable	273,229
Due from governmental entities	4,125,836
Inventory	325,897
Total current assets	<u>40,271,317</u>
Noncurrent assets:	
Due from governmental entities	150,000
Capital assets not being depreciated	7,566,046
Capital assets, net of accumulated depreciation	62,042,482
Total noncurrent assets	<u>69,758,528</u>
Total assets	<u>110,029,845</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Pension and other postemployment benefit plan items	<u>7,708,595</u>
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	446,982
Construction contracts payable	1,220,482
Accrued payroll and employee benefits	1,899,604
Compensated absences payable	750,000
Unearned revenues	105,777
Bonds payable	850,000
Total current liabilities	<u>5,272,845</u>
Noncurrent liabilities:	
Non-current portion of long-term obligations	77,331,397
Total noncurrent liabilities	<u>77,331,397</u>
Total liabilities	<u>82,604,242</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension and other postemployment benefit plan items	<u>1,919,694</u>
<u>NET POSITION</u>	
Net investment in capital assets	44,439,947
Restricted for:	
Instruction	6,109,065
Food service	942,964
Non-instructional purposes	134,963
Debt service	73,358
Capital outlay	3,005,606
Unrestricted	(21,491,399)
Total net position	<u>\$ 33,214,504</u>

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

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
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:					
Instruction	\$ 29,017,296	\$ 1,278,969	\$ 4,417,316	\$ 409,463	\$ (22,911,548)
Support services - students and staff	5,188,654		841,462		(4,347,192)
Support services - administration	6,369,184		150,084		(6,219,100)
Operation and maintenance of plant services	5,989,302	40,307	123,123	178,480	(5,647,392)
Student transportation services	1,845,674		3,446		(1,842,228)
Operation of non-instructional services	1,642,165	399,106	2,200,697		957,638
Interest on long-term debt	980,351				(980,351)
Total governmental activities	<u>\$ 51,032,626</u>	<u>\$ 1,718,382</u>	<u>\$ 7,736,128</u>	<u>\$ 587,943</u>	<u>(40,990,173)</u>
General revenues:					
Taxes:					
Property taxes, levied for general purposes					24,504,988
Property taxes, levied for debt service					1,465,151
Property taxes, levied for capital outlay					2,407,404
Investment income					270,818
Unrestricted county aid					619,713
Unrestricted state aid					11,639,305
Unrestricted federal aid					237,335
Total general revenues					<u>41,144,714</u>
Changes in net position					154,541
Net position, beginning of year					<u>33,059,963</u>
Net position, end of year					<u>\$ 33,214,504</u>

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

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FUND FINANCIAL STATEMENTS

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021

	<u>General</u>	<u>Bond Building</u>	<u>Non-Major Governmental Funds</u>
<u>ASSETS</u>			
Cash and investments	\$ 13,519,339	\$ 7,379,230	\$ 10,262,913
Property taxes receivable	510,556		81,931
Due from governmental entities	2,609,718		1,466,118
Due from other funds	1,550,941		
Inventory	304,227		21,670
Total assets	<u><u>\$ 18,494,781</u></u>	<u><u>\$ 7,379,230</u></u>	<u><u>\$ 11,832,632</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 134,456	\$	\$ 312,526
Construction contracts payable		1,220,482	
Due to other funds			1,550,941
Accrued payroll and employee benefits	1,755,448		144,156
Unearned revenues			105,777
Total liabilities	<u><u>1,889,904</u></u>	<u><u>1,220,482</u></u>	<u><u>2,113,400</u></u>
Deferred inflows of resources:			
Unavailable revenues - property taxes	315,331		66,865
Unavailable revenues - intergovernmental			53,818
Total deferred inflows of resources	<u><u>315,331</u></u>	<u><u></u></u>	<u><u>120,683</u></u>
Fund balances (deficits):			
Nonspendable	304,227		21,670
Restricted		6,158,748	10,177,421
Assigned	850,540		
Unassigned	15,134,779		(600,542)
Total fund balances	<u><u>16,289,546</u></u>	<u><u>6,158,748</u></u>	<u><u>9,598,549</u></u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 18,494,781</u></u>	<u><u>\$ 7,379,230</u></u>	<u><u>\$ 11,832,632</u></u>

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

Total
Governmental
Funds

\$ 31,161,482
592,487
4,075,836
1,550,941
325,897

\$ 37,706,643

\$ 446,982
1,220,482
1,550,941
1,899,604

105,777

5,223,786

382,196

53,818

436,014

325,897
16,336,169
850,540

14,534,237

32,046,843

\$ 37,706,643

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LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021

Total governmental fund balances	\$ 32,046,843
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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	\$ 134,053,965	
Less accumulated depreciation	<u>(64,445,437)</u>	69,608,528

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

Property taxes	382,196	
Intergovernmental	<u>253,818</u>	636,014

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

Deferred outflows of resources related to pensions	7,708,595	
Deferred inflows of resources related to pensions	<u>(1,919,694)</u>	5,788,901

The Internal Service Fund is used by management to charge the cost of insurance to the individual funds. The assets and liabilities of the Internal Service Fund are included in the Statement of Net Position.

4,065,615

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

Other postemployment benefits payable	(8,180,217)	
Compensated absences payable	(1,423,327)	
Net pension liability	(38,000,524)	
Bonds payable	<u>(31,327,329)</u>	<u>(78,931,397)</u>

Net position of governmental activities	\$ <u>33,214,504</u>
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The notes to the basic financial statements are an integral part of this statement.

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	General	Bond Building	Non-Major Governmental Funds
Revenues:			
Other local	\$ 1,383,324	\$ 14,587	\$ 1,290,368
Property taxes	24,314,940		3,806,421
State aid and grants	8,678,548		4,143,873
Federal aid, grants and reimbursements	237,335		7,178,234
Total revenues	<u>34,614,147</u>	<u>14,587</u>	<u>16,418,896</u>
Expenditures:			
Current -			
Instruction	17,326,152		7,590,667
Support services - students and staff	3,419,435		1,462,233
Support services - administration	5,485,316		260,806
Operation and maintenance of plant services	5,415,377		201,156
Student transportation services	1,301,542		5,988
Operation of non-instructional services	181,465		1,252,929
Capital outlay	36,496	12,828,693	4,362,895
Debt service -			
Principal retirement			600,000
Interest and fiscal charges			1,188,313
Total expenditures	<u>33,165,783</u>	<u>12,828,693</u>	<u>16,924,987</u>
Excess (deficiency) of revenues over expenditures	<u>1,448,364</u>	<u>(12,814,106)</u>	<u>(506,091)</u>
Other financing sources (uses):			
Transfers in	43,886		14,587
Transfers out		(14,587)	(43,886)
Total other financing sources (uses)	<u>43,886</u>	<u>(14,587)</u>	<u>(29,299)</u>
Changes in fund balances	<u>1,492,250</u>	<u>(12,828,693)</u>	<u>(535,390)</u>
Fund balances, beginning of year, as restated	14,758,097	18,987,441	10,137,046
Increase (decrease) in reserve for inventory	39,199		(3,107)
Fund balances, end of year	<u>\$ 16,289,546</u>	<u>\$ 6,158,748</u>	<u>\$ 9,598,549</u>

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

Total
Governmental
Funds

\$ 2,688,279
28,121,361
12,822,421
7,415,569

51,047,630

24,916,819
4,881,668
5,746,122
5,616,533
1,307,530
1,434,394
17,228,084

600,000
1,188,313

62,919,463

(11,871,833)

58,473

(58,473)

(11,871,833)

43,882,584

36,092

\$ 32,046,843

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
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 **\$ (11,871,833)**

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	\$ 15,679,150	
Less current year depreciation	<u>(3,056,751)</u>	12,622,399

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

Property taxes	256,182	
Intergovernmental	<u>(118,812)</u>	137,370

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

Bond principal retirement	<u>600,000</u>	600,000
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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	2,846,195	
Pension expense	<u>(4,624,715)</u>	(1,778,520)

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.

Inventory	36,092	
Amortization of deferred bond items	207,962	
Compensated absences	<u>276,048</u>	520,102

The Internal Service Fund is used by management to charge the cost of insurance to the individual funds. The changes in net position of the Internal Service Fund is reported with governmental activities in the Statement of Activities.

(74,977)

Changes in net position in governmental activities **\$ 154,541**

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

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	Governmental Activities: Internal Service Funds
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 3,792,386
Accounts receivable	273,229
Total current assets	<u>4,065,615</u>
Total assets	<u>4,065,615</u>
<u>NET POSITION</u>	
Unrestricted	4,065,615
Total net position	<u><u>\$ 4,065,615</u></u>

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

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Governmental Activities: Internal Service Funds
Operating revenues:	
Contributions	\$ 4,071
Total operating revenues	<u>4,071</u>
Operating expenses:	
Claims	7,918
Professional fees - benefit management	30,885
Professional fees - legal	2,104
Professional fees - other	1,826
Miscellaneous	38,482
Total operating expenses	<u>81,215</u>
Operating income (loss)	<u>(77,144)</u>
Nonoperating revenues (expenses):	
Investment income	2,167
Total nonoperating revenues (expenses)	<u>2,167</u>
Changes in net position	<u>(74,977)</u>
Total net position, beginning of year	4,140,592
Total net position, end of year	<u>\$ 4,065,615</u>

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

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2021

	Governmental Activities: Internal Service Funds
<u>Increase/Decrease in Cash and Cash Equivalents</u>	
Cash flows from operating activities:	
Cash received from contributions	\$ (148,446)
Cash payments to suppliers for goods and services	(73,297)
Cash payments for claims	<u>(602,918)</u>
Net cash provided by/used for operating activities	<u>(824,661)</u>
Cash flows from investing activities:	
Investment income	2,167
Net cash provided by/used for investing activities	<u>2,610,842</u>
Net increase/decrease in cash and cash equivalents	<u>1,786,181</u>
Cash and cash equivalents, beginning of year	<u>2,006,205</u>
Cash and cash equivalents, end of year	<u><u>\$ 3,792,386</u></u>
 <u>Reconciliation of Operating Income/Loss to Net Cash Provided by/Used for Operating Activities</u>	
Operating income/loss	\$ (77,144)
Adjustments to reconcile operating income/loss to net cash provided by/used for operating activities:	
Changes in assets and liabilities:	
Increase/decrease in due from other funds	(152,517)
Increase/decrease in claims payable	<u>(595,000)</u>
Total adjustments	<u>(747,517)</u>
Net cash provided by/used for operating activities	<u><u>\$ (824,661)</u></u>

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

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Lake Havasu Unified School District No. 1 (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, the component unit combined with the District for financial statement presentation purposes, and the District are 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, food services, bookstore and athletic operations.

Blended Component Unit – Blended component units, although legally separate entities, are, in substance, part of the District's operations. The Lake Havasu Unified School District No. 1 Employee Benefit Trust is responsible for providing health insurance for District employees. The District's Governing Board appoints the Trust's Board of Directors. The Lake Havasu Unified School District No. 1 Employee Benefit Trust provides services entirely to the District and therefore has been included as an Internal Service Fund in accordance with the criteria established by GASB. The component unit is an internal service fund and does not issue separate financial statements.

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
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 and its component unit. 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. 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.

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

The District reports the following major governmental funds:

General Fund – The General Fund is the District's primary operating fund. It accounts for all resources used to finance District maintenance and operation except those required to be accounted for in other funds. The General Fund includes the District's Maintenance and Operation Fund as well as 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.

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.

Additionally, the District reports the following fund types:

Proprietary Fund – The Proprietary Fund is an Internal Service Fund that accounts for activities related to the District's self-funded insurance program.

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

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

D. Cash and Investments

For purposes of the Statement of Cash Flows, the District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents at year-end were cash in bank, U.S. Treasuries, Certificates of Deposit, and Money Market funds.

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.

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
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 and in nonoperating revenues in the proprietary fund financial statements.

F. Receivables and Payables

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

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

G. Property Tax Calendar

The County Treasurer is responsible for collecting property taxes for all governmental entities within the county. The county levies real 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.

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
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	8 - 30 years
Buildings and improvements	15 - 50 years
Vehicles, furniture and equipment	3 - 30 years

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
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 and Other Postemployment Benefits

For purposes of measuring the net pension and other postemployment benefit (OPEB) liabilities, related deferred outflows of resources and deferred inflows of resources, and related expenses, information about the pension and OPEB plans' fiduciary net position and additions to/deductions from the plans' 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, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Deferred amounts on refunding result from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
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 in governmental funds.

P. Net Position Flow Assumption

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

Q. Estimates

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

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

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

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

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 – FUND BALANCE CLASSIFICATIONS

Committed. The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action of the Governing Board. Those committed amounts cannot be used for any other purpose unless the Governing Board removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The District does not have a formal policy or procedure 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 the Director of Business Services who has been delegated that authority by the formal Governing Board action according to District policy D-2340. The Business Manager has assigned fund balances to be used for auxiliary operations in accordance with District policy.

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

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
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.

	General Fund	Bond Building Fund	Non-Major Governmental Funds
Fund Balances:			
Nonspendable:			
Inventory	\$ 304,227	\$	\$ 21,670
Restricted:			
Debt service			55,856
Capital projects			2,956,243
Bond building projects		6,158,748	
Voter approved initiatives			1,878,329
Federal and state projects			1,918,788
Food service			921,294
Civic center			10,734
Community school			74,849
Extracurricular activities			1,314,354
Gifts and donations			379,045
Career technical education			326,195
Student activities			281,729
Other purposes			60,005
Assigned:	850,540		
Unassigned	15,134,779		(600,542)
Total fund balances	<u>\$16,289,546</u>	<u>\$ 6,158,748</u>	<u>\$ 9,598,549</u>

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

	<u>Deficit</u>
Non-Major Governmental Funds:	
Title I Grants	\$ 20,019
Professional Development and Technology Grants	2,022
Limited English and Immigrant Students	131
Special Education Grants	17,675
Vocational Education	1,233
Other Federal Projects	12,748
Building Renewal Grants	546,724

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

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

NOTE 4 – CASH AND INVESTMENTS

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure the District's deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the District's deposits was \$3,167,580 and the bank balance was \$3,237,755. At year end, \$2,126,638 of the District's deposits were covered by collateral held by the pledging financial institution's trust department or agent but not in the District's name.

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

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

Valuation Techniques. Equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the of the fair value hierarchy are valued using a matrix pricing techniques. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Real estate assets classified in in Level 3 are valued by external appraisals and are generally obtained at least annually. The appraisals are performed using generally accepted valuation approaches by an independent appraiser.

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.

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 – CASH AND INVESTMENTS

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

Investment Type	Category	Fair Value	Investment Maturities (in Years) Less than 1
U.S Treasuries	Level 1	\$ 2,649,735	\$ 2,649,735
			<u>\$ 2,649,735</u>
Money Market		26,799	
County Treasurer's investment pool		29,109,754	441 days average maturities
Total		<u>\$ 31,786,288</u>	

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. The District's investments in U.S. Agencies were rated Aaa by Moody's Inventory Services.

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.

Concentration of Credit Risk. The District places no limit on the amount the District may invest in any one issuer.

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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	Non-Major Governmental Funds
Due from other governmental entities:		
Due from federal government	\$ 80,546	\$ 1,184,089
Due from state government	2,459,237	14,920
Due from other districts	69,935	267,109
Net due from governmental entities	<u>\$ 2,609,718</u>	<u>\$ 1,466,118</u>

In a prior year, the District entered into an agreement with the City of Lake Havasu regarding the relocation of the District's bus barn. Under this agreement, the City agreed to pay the District \$50,000 per year for a total term of 10 years, commencing on January 1, 2016 and termination on January 1, 2026 or until the obligations were completed. The total receivable as of fiscal year end was \$200,000 of which \$150,000 is included as a non-current asset in the Statement of Net Position.

NOTE 6 – CAPITAL ASSETS

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

Governmental Activities	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 3,555,575	\$	\$	\$ 3,555,575
Construction in progress	2,597,128	13,452,932	12,039,589	4,010,471
Total capital assets, not being depreciated	<u>6,152,703</u>	<u>13,452,932</u>	<u>12,039,589</u>	<u>7,566,046</u>
Capital assets, being depreciated:				
Land improvements	2,950,106	9,700,568		12,650,674
Buildings and improvements	100,845,527	3,921,370		104,766,897
Vehicles, furniture and equipment	8,460,471	643,869	33,992	9,070,348
Total capital assets being depreciated	<u>112,256,104</u>	<u>14,265,807</u>	<u>33,992</u>	<u>126,487,919</u>
Less accumulated depreciation for:				
Land improvements	(1,511,516)	(176,087)		(1,687,603)
Buildings and improvements	(54,418,916)	(2,528,907)		(56,947,823)
Vehicles, furniture and equipment	(5,492,246)	(351,757)	(33,992)	(5,810,011)
Total accumulated depreciation	<u>(61,422,678)</u>	<u>(3,056,751)</u>	<u>(33,992)</u>	<u>(64,445,437)</u>
Total capital assets, being depreciated, net	<u>50,833,426</u>	<u>11,209,056</u>		<u>62,042,482</u>
Governmental activities capital assets, net	<u>\$ 56,986,129</u>	<u>\$ 24,661,988</u>	<u>\$12,039,589</u>	<u>\$ 69,608,528</u>

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6 – CAPITAL ASSETS

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 2,495,170
Support services – students and staff	15,135
Support services – administration	68,949
Operation and maintenance of plant services	113,009
Student transportation services	265,280
Operation of non-instructional services	99,208
Total depreciation expense – governmental activities	<u>\$ 3,056,751</u>

Construction Commitments – At year end, the District had contractual commitments related to various capital projects for the construction of various school building and sports field upgrades and asphalt work included in the bond projects plan. At year end the District had spent \$4,010,471 on the projects and had estimated remaining contractual commitments of \$1,014,195. These projects are being funded with Bond Building funds.

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 \$1.0 million in unused line of credit.

NOTE 8 – GENERAL OBLIGATION BONDS PAYABLE

Bonds payable at year end consisted of the following outstanding general obligation bonds. Out of the total amount originally authorized, \$17,385,000 remained 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:					
SIB Project of 2016, Series A (2017)	\$ 15,490,000	2.25%-5.0%	7/1/23-36	\$ 12,265,000	\$
SIB Project of 2016, Series B (2019)	16,175,000	2.0-5.0%	7/1/21-39	15,575,000	850,000
				<u>\$ 27,840,000</u>	<u>\$ 850,000</u>

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 8 – GENERAL OBLIGATION BONDS PAYABLE

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

Year ending June 30:	Governmental Activities	
	Principal	Interest
2022	\$ 850,000	\$ 1,173,962
2023	660,000	1,156,962
2024	685,000	1,130,562
2025	1,750,000	1,115,150
2026	735,000	1,048,650
2027-31	7,995,000	4,410,450
2032-36	12,390,000	2,297,850
2037-40	2,775,000	331,000
Total	<u>\$ 27,840,000</u>	<u>\$ 12,664,586</u>

NOTE 9 – CHANGES IN LONG-TERM LIABILITIES

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 28,440,000	\$	\$ 600,000	\$ 27,840,000	\$ 850,000
Premium	3,695,291		207,962	3,487,329	
Total bonds payable	<u>32,135,291</u>		<u>807,962</u>	<u>31,327,329</u>	<u>850,000</u>
Total OPEB liability	8,106,606	73,611		8,180,217	
Net pension liability	31,232,617	6,767,907		38,000,524	
Compensated absences payable	1,699,375	217,357	493,405	1,423,327	750,000
Governmental activity long-term liabilities	<u>\$73,173,889</u>	<u>\$7,058,875</u>	<u>\$ 1,301,367</u>	<u>\$ 78,931,397</u>	<u>\$ 1,600,000</u>

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 10 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At year end, interfund balances were as follows:

Due to/from other funds:

At year end, several non-major funds had negative cash balances of \$1,550,941 in the Treasurer's pooled cash accounts. Negative cash on deposit with the County Treasurer was reduced by interfund borrowing with the General Fund. All interfund balances are expected to be paid within one year.

Interfund transfers:

	Transfers in		
	General	Non-Major	
Transfers out	Fund	Governmental	Total
		Funds	
Bond Building Fund	\$	\$ 14,587	\$ 14,587
Non-Major Governmental Funds	43,886		43,886
Total	<u>\$ 43,886</u>	<u>\$ 14,587</u>	<u>\$ 58,473</u>

Transfers between funds were used to (1) move investment income earned in the Bond Building Fund that is required by statute to be expended in the Debt Service Fund and (2) to move federal grant funds restricted for indirect costs.

NOTE 11 – 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.

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 12 – RISK MANAGEMENT

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

The District 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 was unable to obtain health coverage at a cost it considered to be economically justifiable. Therefore the District joined the Mountain Public Employee Benefit Trust (MPEBT) together with other school districts in the state for risks of loss related to employee health and accident claims. MPEBT is a public entity risk pool currently operating as a common risk management and insurance program for eight member school districts. The District pays a monthly premium to MPEBT for employee health and accident insurance coverage. The agreement provides that MPEBT will be self-sustaining through member premiums and will reimburse through commercial companies for claims in excess of \$70,000.

The District established an Employee Benefit Trust Fund (an Internal Service Fund) to account for and finance its uninsured risks of loss related to employee health and accidents. Under this program, the Fund provides coverage for up to a maximum of \$130,000 for each claim, not to exceed an annual aggregate of \$2,000,000. The Fund purchases commercial insurance for claims in excess of this coverage. Settled claims have not exceeded this coverage in any of the past three fiscal years.

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

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 12 – RISK MANAGEMENT

Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate. Changes in the balances of claims liabilities during the past two years are as follows:

	Year ended June 30, 2021	Year ended June 30, 2020
Unpaid claims, beginning of fiscal year	\$ 595,000	\$ 616,000
Incurring claims (including IBNRs)	7,918	5,079,398
Claim payments	602,918	5,100,398
Unpaid claims, end of fiscal year	<u>\$</u>	<u>\$ 595,000</u>

As of June 1, 2020 the District joined the Northwest Arizona Trust. After the final claims runout the remaining balance will be used to reduce future insurance premiums.

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Aggregate Amounts. At June 30, 2021, the District reported the following aggregate amounts related to pensions and OPEB for all plans to which it contributes:

	Pension	OPEB	Total
Net liability	\$ 38,000,524	\$ 8,180,217	\$ 46,180,741
Deferred outflows of resources	7,314,772	393,823	7,708,595
Deferred inflows of resources	263,322	1,656,372	1,919,694
Expense	4,903,103	186,494	5,089,597
Contributions	2,846,195	464,882	3,311,077

A. Arizona State Retirement System

Plan Description. District employees participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiple-employer defined benefit pension plan, a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) 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.

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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 \$2,846,195.

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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 component coming from the General Fund.

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)
\$ 38,000,524	0.219	0.004

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 \$4,903,103.

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 343,781	\$
Net difference between projected and actual earnings on pension investments	3,665,195	
Changes in proportion and differences between contributions and proportionate share of contributions	459,601	263,322
Contributions subsequent to the measurement date	2,846,195	
Total	<u>\$ 7,314,772</u>	<u>\$ 263,322</u>

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	\$ 404,291
2023	1,341,598
2024	1,325,740
2025	1,133,626

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

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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 plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total pension liability.

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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	\$ 51,965,201	\$ 38,000,524	\$ 26,326,771

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.

B. Single-Employer OPEB Plan

Plan Description. Under authority of the Governing Board, the District provides postretirement insurance benefits, for certain retirees and their dependents, in accordance with the Post Retirement Health Plan. The plan is a single-employer defined benefit OPEB plan administered by the District. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. Generally, resources from the General Fund are used to pay for postemployment benefits.

Benefits Provided. The plan provides postretirement insurance (health, dental and life) benefits for eligible retirees up to age 65 or until they qualify for Medicare, whichever comes first. To be eligible for District-paid benefits, the employee must have been hired prior to July 1, 2005. In addition, a retiree must have attained eligibility for early retirement under ASRS completion of at least 15 years of full-time service credit with the District. Eligible retirees receive a District contribution towards coverage under one of the District's medical plans, up to the retiree-only PPO premium. The retiree must designate the District as the recipient of the ASRS Retiree Premium Benefit (also called the ASRS "subsidy").

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Contributions. The District contributes 55 percent of these premiums for employees who retire with 15 years of service and who agree to pay the remaining 45 percent of the premium. For the current fiscal year, the District contributed \$464,882 for these benefits. The District's regular insurance providers underwrite the retiree policies. Retirees may not convert the benefit into an in-lieu payment to secure coverage under independent plans. A separate financial report is not issued for the plan.

Employees covered by benefit terms. There were 100 active employees covered as of the effective date of the OPEB valuation.

Total OPEB Liability. The District's total OPEB liability of \$8,180,217 was measured as of June 30, 2021. The total liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of January 1, 2020, to the measurement date of June 30, 2021.

Actuarial Assumptions and Other Inputs. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit cost between the employer and plan members to that point. The total OPEB liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Measurement date	June 30, 2020
Actuarial valuation date	January 1, 2020
Interest rate	2.16%
Inflation rate	7.73%
Projected salary increases	N/A
Health care cost trend rate:	
Medical and Prescription Drug	7.73% graded down to an ultimate rate of 4% over 14 years
Retiree contribution increase	Consistent with medical/drug trends
ASRS subsidy increases	None
Cost of living adjustments	N/A

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

At June 30, 2021, the discount rate used to measure the total OPEB liability was 2.16 percent, which was a change from 2.21 percent used as of June 30, 2020.

Mortality rates were based on the RP-2014 mortality tables, projected on a fully generational basis by scale MP-2014.

Changes in the Total OPEB Liability

Total OPEB Liability – beginning of year	\$ 8,106,606
Changes for the year:	
Service cost	330,503
Interest	173,830
Changes in assumptions or other inputs	34,160
Benefit payments	(464,882)
Total OPEB Liability – end of year	<u>\$ 8,180,217</u>

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the District, as well as what the District's total OPEB 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	1.16%	2.16%	3.16%
Total OPEB liability	\$ 8,914,701	\$ 8,180,217	\$ 7,538,533

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Rates	6.73% decreasing to 3.00%	7.73% decreasing to 4.00%	8.73% decreasing to 5.00%
Total OPEB liability	\$ 7,743,234	\$ 8,180,217	\$ 8,674,543

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$ 1,570,364
Changes of assumptions or other inputs	393,823	86,008
Total	<u>\$ 393,823</u>	<u>\$ 1,656,372</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30:

2022	\$	(317,839)
2023		(317,837)
2024		(274,834)
2025		(357,734)
2026		5,695

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 14 – PRIOR PERIOD ADJUSTMENT

The July 1, 2020 fund balance of the General Fund and Debt Service Fund, a non-major fund, do not agree to the prior year financial statements due to a correction of an error. Cash was incorrectly recorded in the General Fund when it should have been in the Debt Service Fund.

	Governmental Funds	
	General Fund	Non-Major Governmental Funds
Fund balance, June 30, 2020, as previously reported	\$ 12,282,226	\$ 296,757
Incorrectly recorded ending cash for prior financials between General Fund and Debt Service Fund	(116,780)	116,780
Fund balance, July 1, 2020, as restated	<u>\$ 12,165,446</u>	<u>\$ 413,537</u>

REQUIRED SUPPLEMENTARY INFORMATION

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
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	\$	\$	\$ 748,086	\$ 748,086
Property taxes			24,314,940	24,314,940
State aid and grants			8,677,998	8,677,998
Total revenues			<u>33,741,024</u>	<u>33,741,024</u>
Expenditures:				
Current -				
Instruction	22,362,492	21,255,306	17,102,522	4,152,784
Support services - students and staff	4,109,078	4,103,028	3,256,558	846,470
Support services - administration	6,866,875	6,345,089	5,435,994	909,095
Operation and maintenance of plant services	5,967,754	5,810,884	5,398,238	412,646
Student transportation services	1,532,497	1,531,997	1,301,542	230,455
Operation of non-instructional services	78,626	78,626	105,414	(26,788)
Total expenditures	<u>40,917,322</u>	<u>39,124,930</u>	<u>32,600,268</u>	<u>6,524,662</u>
Changes in fund balances	<u>(40,917,322)</u>	<u>(39,124,930)</u>	<u>1,140,756</u>	<u>40,265,686</u>
Fund balances, beginning of year, as restated			12,162,105	12,162,105
Increase (decrease) in reserve for inventory Fund			71,050	71,050
balances (deficits), end of year	<u>\$ (40,917,322)</u>	<u>\$ (39,124,930)</u>	<u>\$ 13,373,911</u>	<u>\$ 52,498,841</u>

See accompanying notes to this schedule.

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LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
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	0.22%	0.22%	0.22%	0.19%
District's proportionate share of the net pension (assets) liability	\$ 38,000,524	\$ 31,232,617	\$ 30,728,281	\$ 29,641,915
District's covered payroll	\$ 23,933,773	\$ 22,592,925	\$ 21,877,706	\$ 18,542,106
District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	158.77%	138.24%	140.45%	159.86%
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	\$ 2,846,195	\$ 2,740,417	\$ 2,525,889	\$ 2,384,670
Contributions in relation to the actuarially determined contribution	<u>2,846,195</u>	<u>2,740,417</u>	<u>2,525,889</u>	<u>2,384,670</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 24,430,858	\$ 23,933,773	\$ 22,592,925	\$ 21,877,706
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
0.21%	0.21%	0.21%
\$ 33,289,208	\$ 33,202,281	\$ 31,250,858
\$ 19,302,212	\$ 19,610,110	\$ 19,958,327
172.46%	169.31%	156.58%
67.06%	68.35%	69.49%

<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 1,998,839	\$ 2,094,290	\$ 2,135,541
<u>1,998,839</u>	<u>2,094,290</u>	<u>2,135,541</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 18,542,106	\$ 19,302,212	\$ 19,610,110
10.78%	10.85%	10.89%

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFITS PLAN
LAST FOUR FISCAL YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Measurement date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB liability				
Service cost	\$ 330,503	\$ 426,883	\$ 412,447	\$ 411,065
Interest	173,830	267,406	367,064	330,687
Changes of benefit terms				
Differences between expected and actual experience		(2,355,546)		
Changes of assumptions or other inputs	34,160	174,974	497,412	(258,028)
Benefit payments	<u>(464,882)</u>	<u>(504,126)</u>	<u>(499,885)</u>	<u>(390,702)</u>
Net change in total OPEB liability	<u>73,611</u>	<u>(1,990,409)</u>	<u>777,038</u>	<u>93,022</u>
Total OPEB liability—beginning	<u>8,106,606</u>	<u>10,097,015</u>	<u>9,319,977</u>	<u>9,226,955</u>
Total OPEB liability—ending	<u><u>\$ 8,180,217</u></u>	<u><u>\$ 8,106,606</u></u>	<u><u>\$ 10,097,015</u></u>	<u><u>\$ 9,319,977</u></u>
 Covered-employee payroll	 \$ 24,430,858	 \$ 23,933,773	 \$ 22,592,925	 \$ 21,877,706
 Total OPEB liability as a percentage of covered-employee payroll	 33.48%	 33.87%	 44.69%	 42.60%

See accompanying notes to this schedule.

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
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.
- 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:

	<u>Total Expenditures</u>	<u>Fund Balances End of Year</u>
Statement of Revenues, Expenditures and Changes in		
Fund Balances – Governmental Funds	\$ 33,165,783	\$ 16,289,546
Activity budgeted as special revenue funds	(552,581)	(2,858,968)
Activity budgeted as capital projects funds	(12,971)	(53,185)
Employee insurance account	<u>37</u>	<u>(3,378)</u>
Schedule of Revenues, Expenditures and Changes in		
Fund Balances – Budget and Actual – General Fund	<u>\$ 32,600,268</u>	<u>\$ 13,373,911</u>

NOTE 2 – PENSION AND OPEB 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.

No assets are accumulated in a trust that meets the criteria in GASB No. 75, paragraph four, to pay the benefits for the single-employer defined benefit OPEB plan.

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

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GOVERNMENTAL FUNDS

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2021

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<u>ASSETS</u>			
Cash and investments	\$ 7,098,401	\$ 45,956	\$ 3,118,556
Property taxes receivable		27,402	54,529
Due from governmental entities	1,466,118		
Inventory	21,670		
Total assets	<u>\$ 8,586,189</u>	<u>\$ 73,358</u>	<u>\$ 3,173,085</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES</u>			
<u>AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 85,510	\$	\$ 227,016
Due to other funds	1,063,754		487,187
Accrued payroll and employee benefits	144,156		
Unearned revenues	105,777		
Total liabilities	<u>1,399,197</u>		<u>714,203</u>
Deferred inflows of resources:			
Unavailable revenues - property taxes		17,502	49,363
Unavailable revenues - intergovernmental	53,818		
Total deferred inflows of resources	<u>53,818</u>	<u>17,502</u>	<u>49,363</u>
Fund balances (deficits):			
Nonspendable	21,670		
Restricted	7,165,322	55,856	2,956,243
Unassigned	(53,818)		(546,724)
Total fund balances	<u>7,133,174</u>	<u>55,856</u>	<u>2,409,519</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 8,586,189</u>	<u>\$ 73,358</u>	<u>\$ 3,173,085</u>

Total Non-Major
Governmental
Funds

\$	10,262,913
	81,931
	1,466,118
	21,670
\$	<u>11,832,632</u>

\$	312,526
	1,550,941
	144,156
	<u>105,777</u>
	<u>2,113,400</u>

	66,865
	<u>53,818</u>
	<u>120,683</u>

	21,670
	10,177,421
	<u>(600,542)</u>
	<u>9,598,549</u>

\$	<u>11,832,632</u>
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LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
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>Debt Service</u>	<u>Capital Projects</u>
Revenues:			
Other local	\$ 1,202,372	\$ 257	\$ 87,739
Property taxes		1,415,788	2,390,633
State aid and grants	3,903,897		239,976
Federal aid, grants and reimbursements	7,178,234		
Total revenues	<u>12,284,503</u>	<u>1,416,045</u>	<u>2,718,348</u>
Expenditures:			
Current -			
Instruction	7,590,667		
Support services - students and staff	1,462,233		
Support services - administration	260,806		
Operation and maintenance of plant services	201,156		
Student transportation services	5,988		
Operation of non-instructional services	1,252,929		
Capital outlay	621,847		3,741,048
Debt service -			
Principal retirement		600,000	
Interest and fiscal charges		1,188,313	
Total expenditures	<u>11,395,626</u>	<u>1,788,313</u>	<u>3,741,048</u>
Excess (deficiency) of revenues over expenditures	<u>888,877</u>	<u>(372,268)</u>	<u>(1,022,700)</u>
Other financing sources (uses):			
Transfers in		14,587	
Transfers out	(43,886)		
Total other financing sources (uses)	<u>(43,886)</u>	<u>14,587</u>	
Changes in fund balances	<u>844,991</u>	<u>(357,681)</u>	<u>(1,022,700)</u>
Fund balances, beginning of year, as restated	6,291,290	413,537	3,432,219
Increase (decrease) in reserve for inventory	(3,107)		
Fund balances, end of year	<u>\$ 7,133,174</u>	<u>\$ 55,856</u>	<u>\$ 2,409,519</u>

Total Non-Major
Governmental
Funds

\$	1,290,368
	3,806,421
	4,143,873
	7,178,234
	<u>16,418,896</u>

7,590,667
1,462,233
260,806
201,156
5,988
1,252,929
4,362,895

600,000
1,188,313
<u>16,924,987</u>

<u>(506,091)</u>

14,587
<u>(43,886)</u>
<u>(29,299)</u>

<u>(535,390)</u>

10,137,046

(3,107)

\$	9,598,549
	<u><u>9,598,549</u></u>

SPECIAL REVENUE FUNDS

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

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

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 and 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.

Vocational Education - to account for financial assistance received for preparation of individuals for employment or advancement in a career not requiring a baccalaureate or advanced degree.

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

National Forest Fees - to account for monies allocated for the purposes of benefiting public schools and public roads in counties where national forests are situated.

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

Other Federal Projects - to account for financial assistance received for other supplemental federal projects.

State Vocational Education - to account for financial assistance received for the preparation of individuals for employment.

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

College Credit Exam Incentives - to account for financial assistance received for college credit exams.

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

Rural Assistance - to account for state assistance distributed to school districts located in a county with a population of less than 500,000.

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 operations.

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.

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

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.

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

Career Technical Education - to account for monies received from Career Technical Education Districts for vocational education programs.

Arizona Industry Credentials Incentive - to account for incentive monies for career technical education courses or programs that provide a certification, credential, or license.

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

Intergovernmental Agreements - to account for the financial activities relating to agreements with other governments not required to be accounted for elsewhere.

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2021

	<u>Classroom Site</u>	<u>Instructional Improvement</u>	<u>Title I Grants</u>
<u>ASSETS</u>			
Cash and investments	\$ 853,860	\$ 1,038,611	\$
Due from governmental entities			375,886
Inventory			
Total assets	<u>\$ 853,860</u>	<u>\$ 1,038,611</u>	<u>\$ 375,886</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$ 6,139
Due to other funds			343,869
Accrued payroll and employee benefits		14,142	25,878
Unearned revenues			
Total liabilities	<u></u>	<u>14,142</u>	<u>375,886</u>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			<u>20,019</u>
Fund balances (deficits):			
Nonspendable			
Restricted	853,860	1,024,469	
Unassigned			(20,019)
Total fund balances	<u>853,860</u>	<u>1,024,469</u>	<u>(20,019)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 853,860</u>	<u>\$ 1,038,611</u>	<u>\$ 375,886</u>

Professional Development and Technology Grants	Limited English and Immigrant Students	Special Education Grants	Vocational Education	E-Rate	Other Federal Projects
\$ 37,014	\$ 4,542	\$ 271,482	\$ 21,708	\$ 391,462	\$ 415,682
<u>\$ 37,014</u>	<u>\$ 4,542</u>	<u>\$ 271,482</u>	<u>\$ 21,708</u>	<u>\$ 391,462</u>	<u>\$ 415,682</u>
\$ 31,260 5,754	\$ 4,542	\$ 3,874 251,630 15,978	\$ 20,285 1,423	\$	\$ 412,168 3,514
<u>37,014</u>	<u>4,542</u>	<u>271,482</u>	<u>21,708</u>		<u>415,682</u>
<u>2,022</u>	<u>131</u>	<u>17,675</u>	<u>1,223</u>		<u>12,748</u>
(2,022)	(131)	(17,675)	(1,223)	391,462	(12,748)
<u>(2,022)</u>	<u>(131)</u>	<u>(17,675)</u>	<u>(1,223)</u>	<u>391,462</u>	<u>(12,748)</u>
<u>\$ 37,014</u>	<u>\$ 4,542</u>	<u>\$ 271,482</u>	<u>\$ 21,708</u>	<u>\$ 391,462</u>	<u>\$ 415,682</u>

(Continued)

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2021

	<u>College Credit Exam Incentives</u>	<u>Results-based funding</u>	<u>Other State Projects</u>
<u>ASSETS</u>			
Cash and investments	\$ 5,937	\$ 1,544,177	\$ 68,388
Due from governmental entities		2,573	12,347
Inventory			
Total assets	<u>\$ 5,937</u>	<u>\$ 1,546,750</u>	<u>\$ 80,735</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			
Accrued payroll and employee benefits		25,361	18,036
Unearned revenues			62,699
Total liabilities		<u>25,361</u>	<u>80,735</u>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Fund balances (deficits):			
Nonspendable			
Restricted	5,937	1,521,389	
Unassigned			
Total fund balances	<u>5,937</u>	<u>1,521,389</u>	
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,937</u>	<u>\$ 1,546,750</u>	<u>\$ 80,735</u>

<u>Food Service</u>	<u>Civic Center</u>	<u>Community School</u>	<u>Extracurricular Activities Fees Tax Credit</u>	<u>Gifts and Donations</u>	<u>Fingerprint</u>
\$ 981,745	\$ 10,734	\$ 74,849	\$ 1,322,515	\$ 379,045	\$ 15,718
57,775					
21,670					
<u>\$ 1,061,190</u>	<u>\$ 10,734</u>	<u>\$ 74,849</u>	<u>\$ 1,322,515</u>	<u>\$ 379,045</u>	<u>\$ 15,718</u>
\$ 67,336	\$	\$	\$ 8,161	\$	\$
7,812					
43,078					
<u>118,226</u>			<u>8,161</u>		
21,670					
921,294	10,734	74,849	1,314,354	379,045	15,718
<u>942,964</u>	<u>10,734</u>	<u>74,849</u>	<u>1,314,354</u>	<u>379,045</u>	<u>15,718</u>
<u>\$ 1,061,190</u>	<u>\$ 10,734</u>	<u>\$ 74,849</u>	<u>\$ 1,322,515</u>	<u>\$ 379,045</u>	<u>\$ 15,718</u>

(Continued)

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2021

	<u>Textbooks</u>	<u>Insurance Refund</u>	<u>Career Technical Education</u>
<u>ASSETS</u>			
Cash and investments	\$ 10,625	\$ 33,662	\$ 85,344
Due from governmental entities			267,109
Inventory			
Total assets	<u>\$ 10,625</u>	<u>\$ 33,662</u>	<u>\$ 352,453</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			
Accrued payroll and employee benefits			26,258
Unearned revenues			
Total liabilities			<u>26,258</u>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Fund balances (deficits):			
Nonspendable			
Restricted	10,625	33,662	326,195
Unassigned			
Total fund balances	<u>10,625</u>	<u>33,662</u>	<u>326,195</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 10,625</u>	<u>\$ 33,662</u>	<u>\$ 352,453</u>

<u>Student Activities</u>	<u>Totals</u>
\$ 281,729	\$ 7,098,401
	1,466,118
	21,670
<u>\$ 281,729</u>	<u>\$ 8,586,189</u>

\$	\$ 85,510
	1,063,754
	144,156
	105,777
<u></u>	<u>1,399,197</u>

<u></u>	<u>53,818</u>
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	21,670
281,729	7,165,322
	(53,818)
<u>281,729</u>	<u>7,133,174</u>

<u>\$ 281,729</u>	<u>\$ 8,586,189</u>
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LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	<u>Classroom Site</u>	<u>Instructional Improvement</u>	<u>Title I Grants</u>
Revenues:			
Other local	\$ 13,966	\$ 9,961	\$
State aid and grants	2,730,985	229,772	
Federal aid, grants and reimbursements			1,371,748
Total revenues	<u>2,744,951</u>	<u>239,733</u>	<u>1,371,748</u>
Expenditures:			
Current -			
Instruction	2,498,854	122,795	938,464
Support services - students and staff	134,932		65,573
Support services - administration			128,007
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			179,657
Total expenditures	<u>2,633,786</u>	<u>122,795</u>	<u>1,311,701</u>
Excess (deficiency) of revenues over expenditures	<u>111,165</u>	<u>116,938</u>	<u>60,047</u>
Other financing sources (uses):			
Transfers out			(13,961)
Total other financing sources (uses)			<u>(13,961)</u>
Changes in fund balances	<u>111,165</u>	<u>116,938</u>	<u>46,086</u>
Fund balances (deficits), beginning of year	742,695	907,531	(66,105)
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ 853,860</u>	<u>\$ 1,024,469</u>	<u>\$ (20,019)</u>

Professional Development and Technology Grants	Limited English and Immigrant Students	Special Education Grants	Vocational Education	E-Rate	Other Federal Projects
\$	\$	\$	\$	\$ 4,571	\$
171,465	10,583	1,167,995	109,109	7,365	2,860,288
171,465	10,583	1,167,995	109,109	11,936	2,860,288
8,318	4,412	660,482	25,102		2,302,039
153,550	6,171	450,395	73,544	8,765	253,720
1,206				75	7,593
				176	200,333
		5,988			
		8,982	8,351	67,127	96,603
163,074	10,583	1,125,847	106,997	76,143	2,860,288
8,391		42,148	2,112	(64,207)	
(2,022)	(131)	(13,801)	(1,223)		(12,748)
(2,022)	(131)	(13,801)	(1,223)		(12,748)
6,369	(131)	28,347	889	(64,207)	(12,748)
(8,391)		(46,022)	(2,112)	455,669	
\$ (2,022)	\$ (131)	\$ (17,675)	\$ (1,223)	\$ 391,462	\$ (12,748)

(Continued)

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	State Vocational Education	College Credit Exam Incentives	Results-based funding
Revenues:			
Other local	\$	\$	\$
State aid and grants	32,243	9,258	531,135
Federal aid, grants and reimbursements			
Total revenues	<u>32,243</u>	<u>9,258</u>	<u>531,135</u>
Expenditures:			
Current -			
Instruction	28,071	13,491	311,413
Support services - students and staff		625	
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	4,172		
Total expenditures	<u>32,243</u>	<u>14,116</u>	<u>311,413</u>
Excess (deficiency) of revenues over expenditures		<u>(4,858)</u>	<u>219,722</u>
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances		<u>(4,858)</u>	<u>219,722</u>
Fund balances (deficits), beginning of year		10,795	1,301,667
Increase (decrease) in reserve for inventory			
Fund balances, end of year	<u>\$</u>	<u>\$ 5,937</u>	<u>\$ 1,521,389</u>

Other State Projects	Food Service	Civic Center	Community School	Extracurricular Activities Fees Tax Credit	Gifts and Donations
\$ 1,102	\$ 161,889	\$ 636	\$ 5,560	\$ 387,544	\$ 53,449
347,412	1,479,681				
348,514	1,641,570	636	5,560	387,544	53,449
103,968			3,615	115,704	42,493
243,026			1,730		3,008
907	98,213				1,321
	136				
	1,252,929				
613	37,386			62,220	14,726
348,514	1,388,664		5,345	177,924	61,548
	252,906	636	215	209,620	(8,099)
	252,906	636	215	209,620	(8,099)
	693,165	10,098	74,634	1,104,734	387,144
	(3,107)				
\$	\$ 942,964	\$ 10,734	\$ 74,849	\$ 1,314,354	\$ 379,045

(Continued)

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	<u>Fingerprint</u>	<u>Textbooks</u>	<u>Insurance Refund</u>
Revenues:			
Other local	\$ 726	\$ 140	\$ 364
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	<u>726</u>	<u>140</u>	<u>364</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration	500		
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>500</u>	<u></u>	<u></u>
Excess (deficiency) of revenues over expenditures	<u>226</u>	<u>140</u>	<u>364</u>
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses)	<u></u>	<u></u>	<u></u>
Changes in fund balances	<u>226</u>	<u>140</u>	<u>364</u>
Fund balances (deficits), beginning of year	15,492	10,485	33,298
Increase (decrease) in reserve for inventory			
Fund balances, end of year	<u>\$ 15,718</u>	<u>\$ 10,625</u>	<u>\$ 33,662</u>

<u>Career Technical Education</u>	<u>Arizona Industry Credentials Incentive</u>	<u>Student Activities</u>	<u>Totals</u>
\$ 499,968	\$ 23,092	\$ 62,496	\$ 1,202,372
			3,903,897
			7,178,234
<u>499,968</u>	<u>23,092</u>	<u>62,496</u>	<u>12,284,503</u>
352,840	16,668	41,938	7,590,667
64,277		2,917	1,462,233
22,984			260,806
		511	201,156
			5,988
			1,252,929
135,586	6,424		621,847
<u>575,687</u>	<u>23,092</u>	<u>45,366</u>	<u>11,395,626</u>
<u>(75,719)</u>		<u>17,130</u>	<u>888,877</u>
			(43,886)
			<u>(43,886)</u>
<u>(75,719)</u>		<u>17,130</u>	<u>844,991</u>
401,914		264,599	6,291,290
			(3,107)
<u>\$ 326,195</u>	<u>\$</u>	<u>\$ 281,729</u>	<u>\$ 7,133,174</u>

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Classroom Site		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 13,966	\$ 13,966
State aid and grants		2,730,985	2,730,985
Federal aid, grants and reimbursements			
Total revenues		<u>2,744,951</u>	<u>2,744,951</u>
Expenditures:			
Current -			
Instruction	3,197,215	2,498,854	698,361
Support services - students and staff	113,949	134,932	(20,983)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>3,311,164</u>	<u>2,633,786</u>	<u>677,378</u>
Excess (deficiency) of revenues over expenditures	<u>(3,311,164)</u>	<u>111,165</u>	<u>3,422,329</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	<u>(3,311,164)</u>	<u>111,165</u>	<u>3,422,329</u>
Fund balances (deficits), beginning of year		742,695	742,695
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (3,311,164)</u>	<u>\$ 853,860</u>	<u>\$ 4,165,024</u>

Instructional Improvement			Title I Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 9,961 229,772	\$ 9,961 229,772	\$	\$	\$
				1,371,748	1,371,748
	239,733	239,733		1,371,748	1,371,748
200,000	122,795	77,205	1,800,000	938,464 65,573 128,007	861,536 (65,573) (128,007)
				179,657	(179,657)
200,000	122,795	77,205	1,800,000	1,311,701	488,299
(200,000)	116,938	316,938	(1,800,000)	60,047	1,860,047
				(13,961)	(13,961)
				(13,961)	(13,961)
(200,000)	116,938	316,938	(1,800,000)	46,086	1,846,086
	907,531	907,531		(66,105)	(66,105)
\$ (200,000)	\$ 1,024,469	\$ 1,224,469	\$ (1,800,000)	\$ (20,019)	\$ 1,779,981

(Continued)

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Professional Development and Technology Grants		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		171,465	171,465
Total revenues		<u>171,465</u>	<u>171,465</u>
Expenditures:			
Current -			
Instruction		8,318	(8,318)
Support services - students and staff	290,000	153,550	136,450
Support services - administration		1,206	(1,206)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>290,000</u>	<u>163,074</u>	<u>126,926</u>
Excess (deficiency) of revenues over expenditures	<u>(290,000)</u>	<u>8,391</u>	<u>298,391</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(2,022)	(2,022)
Total other financing sources (uses)		<u>(2,022)</u>	<u>(2,022)</u>
Changes in fund balances	<u>(290,000)</u>	<u>6,369</u>	<u>296,369</u>
Fund balances (deficits), beginning of year		(8,391)	(8,391)
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (290,000)</u>	<u>\$ (2,022)</u>	<u>\$ 287,978</u>

Title IV Grants			Limited English and Immigrant Students		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
				10,583	10,583
				10,583	10,583
29,500		29,500	24,000	4,412	(4,412)
				6,171	17,829
29,500		29,500	24,000	10,583	13,417
(29,500)		29,500	(24,000)		24,000
				(131)	(131)
				(131)	(131)
(29,500)		29,500	(24,000)	(131)	23,869
\$ (29,500)	\$	\$ 29,500	\$ (24,000)	\$ (131)	\$ 23,869

(Continued)

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Special Education Grants		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		1,167,995	1,167,995
Total revenues		<u>1,167,995</u>	<u>1,167,995</u>
Expenditures:			
Current -			
Instruction	1,384,613	660,482	724,131
Support services - students and staff		450,395	(450,395)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services		5,988	(5,988)
Operation of non-instructional services			
Capital outlay		8,982	(8,982)
Total expenditures	<u>1,384,613</u>	<u>1,125,847</u>	<u>258,766</u>
Excess (deficiency) of revenues over expenditures	<u>(1,384,613)</u>	<u>42,148</u>	<u>1,426,761</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(13,801)	(13,801)
Total other financing sources (uses)		<u>(13,801)</u>	<u>(13,801)</u>
Changes in fund balances	<u>(1,384,613)</u>	<u>28,347</u>	<u>1,412,960</u>
Fund balances (deficits), beginning of year		(46,022)	(46,022)
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (1,384,613)</u>	<u>\$ (17,675)</u>	<u>\$ 1,366,938</u>

Vocational Education			Medicaid Reimbursement		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$ 7,876	\$ 7,876
	109,109	109,109		236,536	236,536
	109,109	109,109		244,412	244,412
101,732	25,102	(25,102)	652,315	6,482	(6,482)
	73,544	28,188		152,835	499,480
				1,345	(1,345)
				2,381	(2,381)
	8,351	(8,351)		29,170	(29,170)
101,732	106,997	(5,265)	652,315	192,213	460,102
(101,732)	2,112	103,844	(652,315)	52,199	704,514
	(1,223)	(1,223)			
	(1,223)	(1,223)			
(101,732)	889	102,621	(652,315)	52,199	704,514
	(2,112)	(2,112)		787,689	787,689
\$ (101,732)	\$ (1,223)	\$ 100,509	\$ (652,315)	\$ 839,888	\$ 1,492,203

(Continued)

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	National Forest Fees		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		799	799
Total revenues		<u>799</u>	<u>799</u>
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			
Capital outlay			
Total expenditures			
Excess (deficiency) of revenues over expenditures		<u>799</u>	<u>799</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances		<u>799</u>	<u>799</u>
Fund balances (deficits), beginning of year		1,245	1,245
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$</u>	<u>\$ 2,044</u>	<u>\$ 2,044</u>

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	State Vocational Education		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants		32,243	32,243
Federal aid, grants and reimbursements			
Total revenues		<u>32,243</u>	<u>32,243</u>
Expenditures:			
Current -			
Instruction	37,155	28,071	9,084
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay		4,172	(4,172)
Total expenditures	<u>37,155</u>	<u>32,243</u>	<u>4,912</u>
Excess (deficiency) of revenues over expenditures	<u>(37,155)</u>		<u>37,155</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	<u>(37,155)</u>		<u>37,155</u>
Fund balances (deficits), beginning of year			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (37,155)</u>	<u>\$</u>	<u>\$ 37,155</u>

Gifted			College Credit Exam Incentives		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
				9,258	9,258
				9,258	9,258
5,000		5,000	10,000	13,491 625	(3,491) (625)
5,000		5,000	10,000	14,116	(4,116)
(5,000)		5,000	(10,000)	(4,858)	5,142
(5,000)		5,000	(10,000)	(4,858)	5,142
				10,795	10,795
\$ (5,000)	\$	\$ 5,000	\$ (10,000)	\$ 5,937	\$ 15,937

(Continued)

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
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		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants		531,135	531,135
Federal aid, grants and reimbursements			
Total revenues		<u>531,135</u>	<u>531,135</u>
Expenditures:			
Current -			
Instruction	375,000	311,413	63,587
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	<u>375,000</u>	<u>311,413</u>	<u>63,587</u>
Excess (deficiency) of revenues over expenditures	<u>(375,000)</u>	<u>219,722</u>	<u>594,722</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	<u>(375,000)</u>	<u>219,722</u>	<u>594,722</u>
Fund balances (deficits), beginning of year		1,301,667	1,301,667
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (375,000)</u>	<u>\$ 1,521,389</u>	<u>\$ 1,896,389</u>

Rural Assistance			Other State Projects		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	550	550		1,102 347,412	1,102 347,412
	550	550		348,514	348,514
			482,835	103,968 243,026 907	(103,968) 239,809 (907)
				613	(613)
			482,835	348,514	134,321
	550	550	(482,835)		482,835
	550	550	(482,835)		482,835
	34,699	34,699			
\$	\$ 35,249	\$ 35,249	\$ (482,835)	\$	\$ 482,835

(Continued)

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	School Plant		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 39,782	\$ 39,782
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>39,782</u>	<u>39,782</u>
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			
Capital outlay	100,000	1,767	98,233
Total expenditures	<u>100,000</u>	<u>1,767</u>	<u>98,233</u>
Excess (deficiency) of revenues over expenditures	<u>(100,000)</u>	<u>38,015</u>	<u>138,015</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	<u>(100,000)</u>	<u>38,015</u>	<u>138,015</u>
Fund balances (deficits), beginning of year		387,152	387,152
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (100,000)</u>	<u>\$ 425,167</u>	<u>\$ 525,167</u>

Food Service			Civic Center		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 161,889	\$ 161,889	\$	\$ 636	\$ 636
	1,479,681	1,479,681			
	1,641,570	1,641,570		636	636
	98,213	(98,213)			
	136	(136)			
2,800,000	1,252,929	1,547,071	5,000		5,000
	37,386	(37,386)			
2,800,000	1,388,664	1,411,336	5,000		5,000
(2,800,000)	252,906	3,052,906	(5,000)	636	5,636
(2,800,000)	252,906	3,052,906	(5,000)	636	5,636
	693,165	693,165		10,098	10,098
	(3,107)	(3,107)			
\$ (2,800,000)	\$ 942,964	\$ 3,742,964	\$ (5,000)	\$ 10,734	\$ 15,734

(Continued)

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Community School		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 5,560	\$ 5,560
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>5,560</u>	<u>5,560</u>
Expenditures:			
Current -			
Instruction	40,000	3,615	36,385
Support services - students and staff		1,730	(1,730)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>40,000</u>	<u>5,345</u>	<u>34,655</u>
Excess (deficiency) of revenues over expenditures	<u>(40,000)</u>	<u>215</u>	<u>40,215</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	<u>(40,000)</u>	<u>215</u>	<u>40,215</u>
Fund balances (deficits), beginning of year		74,634	74,634
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (40,000)</u>	<u>\$ 74,849</u>	<u>\$ 114,849</u>

Auxiliary Operations			Extracurricular Activities Fees Tax Credit		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 237,217	\$ 237,217	\$	\$ 387,544	\$ 387,544
	<u>237,217</u>	<u>237,217</u>		<u>387,544</u>	<u>387,544</u>
	57,804	(57,804)	650,000	115,704	534,296
	10,042	(10,042)			
	4,128	(4,128)			
	1,787	(1,787)			
375,000	76,051	298,949			
	5,559	(5,559)		62,220	(62,220)
<u>375,000</u>	<u>155,371</u>	<u>219,629</u>	<u>650,000</u>	<u>177,924</u>	<u>472,076</u>
<u>(375,000)</u>	<u>81,846</u>	<u>456,846</u>	<u>(650,000)</u>	<u>209,620</u>	<u>859,620</u>
<u>(375,000)</u>	<u>81,846</u>	<u>456,846</u>	<u>(650,000)</u>	<u>209,620</u>	<u>859,620</u>
	884,389	884,389		1,104,734	1,104,734
	(31,851)	(31,851)			
<u>\$ (375,000)</u>	<u>\$ 934,384</u>	<u>\$ 1,309,384</u>	<u>\$ (650,000)</u>	<u>\$ 1,314,354</u>	<u>\$ 1,964,354</u>

(Continued)

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Gifts and Donations		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 53,449	\$ 53,449
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>53,449</u>	<u>53,449</u>
Expenditures:			
Current -			
Instruction	200,000	42,493	157,507
Support services - students and staff		3,008	(3,008)
Support services - administration		1,321	(1,321)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay		14,726	(14,726)
Total expenditures	<u>200,000</u>	<u>61,548</u>	<u>138,452</u>
Excess (deficiency) of revenues over expenditures	<u>(200,000)</u>	<u>(8,099)</u>	<u>191,901</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	<u>(200,000)</u>	<u>(8,099)</u>	<u>191,901</u>
Fund balances (deficits), beginning of year		387,144	387,144
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (200,000)</u>	<u>\$ 379,045</u>	<u>\$ 579,045</u>

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LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Litigation Recovery		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 6,570	\$ 6,570
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>6,570</u>	<u>6,570</u>
Expenditures:			
Current -			
Instruction	10,000		10,000
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	<u>10,000</u>		<u>10,000</u>
Excess (deficiency) of revenues over expenditures	<u>(10,000)</u>	<u>6,570</u>	<u>16,570</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	<u>(10,000)</u>	<u>6,570</u>	<u>16,570</u>
Fund balances (deficits), beginning of year		146,605	146,605
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (10,000)</u>	<u>\$ 153,175</u>	<u>\$ 163,175</u>

Indirect Costs			Insurance Refund		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$ 364	\$ 364
				364	364
50,000	43,886	6,114			
50,000	43,886	6,114			
(50,000)	(43,886)	6,114		364	364
	43,886	43,886			
	43,886	43,886			
(50,000)		50,000		364	364
				33,298	33,298
\$ (50,000)	\$	\$ 50,000	\$	\$ 33,662	\$ 33,662

(Continued)

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Advertisement		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 103	\$ 103
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		103	103
Expenditures:			
Current -			
Instruction	5,000		5,000
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	5,000		5,000
Excess (deficiency) of revenues over expenditures	(5,000)	103	5,103
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	(5,000)	103	5,103
Fund balances (deficits), beginning of year		9,416	9,416
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (5,000)	\$ 9,519	\$ 14,519

Career Technical Education			Arizona Industry Credentials Incentive		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 499,968	\$ 499,968	\$	\$ 23,092	\$ 23,092
	499,968	499,968		23,092	23,092
673,886	352,840	321,046		16,668	(16,668)
	64,277	(64,277)			
	22,984	(22,984)			
	135,586	(135,586)		6,424	(6,424)
673,886	575,687	98,199		23,092	(23,092)
(673,886)	(75,719)	598,167			
(673,886)	(75,719)	598,167			
	401,914	401,914			
\$ (673,886)	\$ 326,195	\$ 1,000,081	\$	\$	\$

(Continued)

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
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		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 62,496	\$ 62,496
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>62,496</u>	<u>62,496</u>
Expenditures:			
Current -			
Instruction	250,000	41,938	208,062
Support services - students and staff		2,917	(2,917)
Support services - administration			
Operation and maintenance of plant services		511	(511)
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>250,000</u>	<u>45,366</u>	<u>204,634</u>
Excess (deficiency) of revenues over expenditures	<u>(250,000)</u>	<u>17,130</u>	<u>267,130</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	<u>(250,000)</u>	<u>17,130</u>	<u>267,130</u>
Fund balances (deficits), beginning of year		264,599	264,599
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (250,000)</u>	<u>\$ 281,729</u>	<u>\$ 531,729</u>

Intergovernmental Agreements			Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 278,398	\$ 278,398	\$	\$ 1,772,318	\$ 1,772,318
				3,904,447	3,904,447
				7,415,569	7,415,569
	278,398	278,398		13,092,334	13,092,334
150,000	159,344	(9,344)	9,980,179	7,814,297	2,165,882
			1,664,831	1,625,110	39,721
			52,500	310,165	(257,665)
				205,324	(205,324)
				5,988	(5,988)
			3,180,000	1,328,980	1,851,020
			195,000	658,343	(463,343)
150,000	159,344	(9,344)	15,072,510	11,948,207	3,124,303
(150,000)	119,054	269,054	(15,072,510)	1,144,127	16,216,637
				43,886	43,886
				(43,886)	(43,886)
(150,000)	119,054	269,054	(15,072,510)	1,144,127	16,216,637
	340,592	340,592		8,883,077	8,883,077
				(34,958)	(34,958)
\$ (150,000)	\$ 459,646	\$ 609,646	\$ (15,072,510)	\$ 9,992,246	\$ 25,064,756

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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.

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2021

	Debt Service		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 257	\$ 257
Property taxes		1,415,788	1,415,788
Total revenues		<u>1,416,045</u>	<u>1,416,045</u>
Expenditures:			
Debt service -			
Principal retirement		600,000	(600,000)
Interest and fiscal charges	1,785,963	1,188,313	597,650
Total expenditures	<u>1,785,963</u>	<u>1,788,313</u>	<u>(2,350)</u>
Excess (deficiency) of revenues over expenditures	<u>(1,785,963)</u>	<u>(372,268)</u>	<u>1,413,695</u>
Other financing sources (uses):			
Transfers in		14,587	14,587
Total other financing sources (uses)		<u>14,587</u>	<u>14,587</u>
Changes in fund balances	<u>(1,785,963)</u>	<u>(357,681)</u>	<u>1,428,282</u>
Fund balances, beginning of year, as restated		413,537	413,537
Fund balances (deficits), end of year	<u>\$ (1,785,963)</u>	<u>\$ 55,856</u>	<u>\$ 1,841,819</u>

CAPITAL PROJECTS FUNDS

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

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.

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.

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.

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2021

	<u>Unrestricted Capital Outlay</u>	<u>Adjacent Ways</u>	<u>Energy and Water Savings</u>
<u>ASSETS</u>			
Cash and investments	\$ 2,326,641	\$ 592,889	\$ 199,026
Property taxes receivable	54,529		
Total assets	<u><u>\$ 2,381,170</u></u>	<u><u>\$ 592,889</u></u>	<u><u>\$ 199,026</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 167,479	\$	\$
Due to other funds			
Total liabilities	<u>167,479</u>		
Deferred inflows of resources:			
Unavailable revenues - property taxes	<u>49,363</u>		
Fund balances (deficits):			
Restricted	2,164,328	592,889	199,026
Unassigned			
Total fund balances	<u>2,164,328</u>	<u>592,889</u>	<u>199,026</u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 2,381,170</u></u>	<u><u>\$ 592,889</u></u>	<u><u>\$ 199,026</u></u>

<u>Building Renewal Grant</u>	<u>Totals</u>
\$	\$ 3,118,556
	54,529
<u>\$</u>	<u>\$ 3,173,085</u>

\$ 59,537	\$ 227,016
487,187	487,187
<u>546,724</u>	<u>714,203</u>

<u></u>	<u>49,363</u>
---------	---------------

	2,956,243
(546,724)	(546,724)
<u>(546,724)</u>	<u>2,409,519</u>

<u>\$</u>	<u>\$ 3,173,085</u>
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LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
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	Energy and Water Savings
Revenues:			
Other local	\$ 55,277	\$	\$ 32,462
Property taxes	2,390,633		
State aid and grants	196,018		
Total revenues	<u>2,641,928</u>	<u></u>	<u>32,462</u>
Expenditures:			
Capital outlay	3,499,807	51,318	
Total expenditures	<u>3,499,807</u>	<u>51,318</u>	<u></u>
Changes in fund balances	<u>(857,879)</u>	<u>(51,318)</u>	<u>32,462</u>
Fund balances (deficits), beginning of year	3,022,207	644,207	166,564
Fund balances (deficits), end of year	<u>\$ 2,164,328</u>	<u>\$ 592,889</u>	<u>\$ 199,026</u>

Building Renewal Grant	Totals
\$	\$ 87,739
	2,390,633
43,958	239,976
<u>43,958</u>	<u>2,718,348</u>
189,923	3,741,048
<u>189,923</u>	<u>3,741,048</u>
(145,965)	(1,022,700)
(400,759)	3,432,219
<u>\$ (546,724)</u>	<u>\$ 2,409,519</u>

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2021

	Insurance Proceeds		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 65,292	\$ 65,292
Property taxes			
State aid and grants			
Total revenues		65,292	65,292
Expenditures:			
Current -			
Operation and maintenance of plant services	2,500	12,971	(10,471)
Capital outlay			
Total expenditures	2,500	12,971	(10,471)
Excess (deficiency) of revenues over expenditures	(2,500)	52,321	54,821
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	(2,500)	52,321	54,821
Fund balances (deficits), beginning of year		864	864
Fund balances (deficits), end of year	\$ (2,500)	\$ 53,185	\$ 55,685

Unrestricted Capital Outlay			Adjacent Ways		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 55,277	\$ 55,277	\$	\$	\$
	2,390,633	2,390,633			
	196,018	196,018			
	2,641,928	2,641,928			
5,610,952	3,499,807	2,111,145	600,000	51,318	548,682
5,610,952	3,499,807	2,111,145	600,000	51,318	548,682
(5,610,952)	(857,879)	4,753,073	(600,000)	(51,318)	548,682
(5,610,952)	(857,879)	4,753,073	(600,000)	(51,318)	548,682
	3,022,207	3,022,207		644,207	644,207
\$ (5,610,952)	\$ 2,164,328	\$ 7,775,280	\$ (600,000)	\$ 592,889	\$ 1,192,889

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LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2021

	Bond Building		Variance -
	Budget	Actual	Positive (Negative)
Revenues:			
Other local	\$	\$ 14,587	\$ 14,587
Property taxes			
State aid and grants			
Total revenues		14,587	14,587
Expenditures:			
Current -			
Operation and maintenance of plant services			
Capital outlay	13,000,000	12,828,693	171,307
Total expenditures	13,000,000	12,828,693	171,307
Excess (deficiency) of revenues over expenditures	(13,000,000)	(12,814,106)	185,894
Other financing sources (uses):			
Transfers out		(14,587)	(14,587)
Total other financing sources (uses)		(14,587)	(14,587)
Changes in fund balances	(13,000,000)	(12,828,693)	171,307
Fund balances (deficits), beginning of year, as restated		18,987,441	18,987,441
Fund balances (deficits), end of year	\$ (13,000,000)	\$ 6,158,748	\$ 19,158,748

Energy and Water Savings			Building Renewal Grant		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 32,462	\$ 32,462	\$	\$	\$
				43,958	43,958
	32,462	32,462		43,958	43,958
100,000		100,000	2,000,000	189,923	1,810,077
100,000		100,000	2,000,000	189,923	1,810,077
(100,000)	32,462	132,462	(2,000,000)	(145,965)	1,854,035
(100,000)	32,462	132,462	(2,000,000)	(145,965)	1,854,035
	166,564	166,564		(400,759)	(400,759)
\$ (100,000)	\$ 199,026	\$ 299,026	\$ (2,000,000)	\$ (546,724)	\$ 1,453,276

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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.

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
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	\$ 44,439,947	\$ 43,731,711	\$ 45,432,693	\$ 46,531,650	\$ 45,604,296
Restricted	\$ 10,265,956	10,519,609	9,096,443	7,734,458	6,457,647
Unrestricted	<u>\$ (21,491,399)</u>	<u>(21,191,357)</u>	<u>(22,074,756)</u>	<u>(25,861,098)</u>	<u>(25,246,415)</u>
Total net position	<u><u>\$ 33,214,504</u></u>	<u><u>\$ 33,059,963</u></u>	<u><u>\$ 32,454,380</u></u>	<u><u>\$ 28,405,010</u></u>	<u><u>\$ 26,815,528</u></u>
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Net Position:					
Net investment in capital assets	\$ 45,932,190	\$ 46,213,378	\$ 40,796,122	\$ 32,036,647	\$ 31,987,723
Restricted	5,589,417	4,966,839	6,569,902	7,590,728	6,893,775
Unrestricted	<u>(29,751,353)</u>	<u>(32,022,241)</u>	<u>2,411,731</u>	<u>11,226,078</u>	<u>14,885,989</u>
Total net position	<u><u>\$ 21,770,254</u></u>	<u><u>\$ 19,157,976</u></u>	<u><u>\$ 49,777,755</u></u>	<u><u>\$ 50,853,453</u></u>	<u><u>\$ 53,767,487</u></u>

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

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
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	\$ 29,017,296	\$ 28,591,197	\$ 24,422,343	\$ 22,496,438	\$ 20,665,508
Support services - students and staff	5,188,654	5,370,975	4,431,906	4,038,352	3,702,504
Support services - administration	6,369,184	5,627,077	5,183,178	3,879,809	4,435,711
Operation and maintenance of plant services	5,989,302	5,231,572	4,787,618	5,001,350	4,092,886
Student transportation services	1,845,674	2,005,530	1,810,893	1,392,140	1,273,442
Operation of non-instructional services	1,642,165	2,487,113	2,700,054	2,516,900	2,272,843
Interest on long-term debt	980,351	811,636	568,439	703,258	52,905
Total expenses	<u>51,032,626</u>	<u>50,125,100</u>	<u>43,904,431</u>	<u>40,028,247</u>	<u>36,495,799</u>
Program Revenues					
Charges for services:					
Instruction	1,278,969	1,614,064	834,186	591,684	767,400
Operation of non-instructional services	399,106	434,646	960,500	889,828	929,021
Other activities	40,307	56,804	51,122	56,651	55,190
Operating grants and contributions	7,736,128	5,675,835	5,935,724	6,402,914	5,496,782
Capital grants and contributions	587,943	947,538	1,096,220	269,132	1,231,834
Total program revenues	<u>10,042,453</u>	<u>8,728,887</u>	<u>8,877,752</u>	<u>8,210,209</u>	<u>8,480,227</u>
Net (Expense)/Revenue	<u>\$ (40,990,173)</u>	<u>\$ (41,396,213)</u>	<u>\$ (35,026,679)</u>	<u>\$ (31,818,038)</u>	<u>\$ (28,015,572)</u>

(Continued)

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
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	\$ 21,823,858	\$ 21,768,789	\$ 21,685,061	\$ 23,799,629	\$ 21,583,414
Support services - students and staff	4,070,894	4,089,490	4,530,494	5,057,901	4,588,754
Support services - administration	4,848,290	4,330,613	4,302,656	3,815,743	4,485,813
Operation and maintenance of plant services	4,192,143	4,309,558	4,199,556	4,662,443	4,315,006
Student transportation services	1,167,650	1,255,699	1,292,389	1,698,660	1,273,997
Operation of non-instructional services	2,223,239	2,360,567	2,301,439	2,098,588	2,262,003
Interest on long-term debt	52,802	288,532	546,855	675,824	853,223
Total expenses	<u>38,378,876</u>	<u>38,403,248</u>	<u>38,858,450</u>	<u>41,808,788</u>	<u>39,362,210</u>
Program Revenues					
Charges for services:					
Instruction	961,529	1,588,348	1,276,878	1,683,251	1,768,659
Operation of non-instructional services	903,839	903,797	948,507	1,030,544	913,873
Other activities	73,249	71,014	117,109	50,658	14,124
Operating grants and contributions	5,794,605	5,030,979	5,503,608	5,098,688	5,220,533
Capital grants and contributions	1,636,855	711,227	109,377	189,191	331,775
Total program revenues	<u>9,370,077</u>	<u>8,305,365</u>	<u>7,955,479</u>	<u>8,052,332</u>	<u>8,248,964</u>
Net (Expense)/Revenue	<u>\$ (29,008,799)</u>	<u>\$ (30,097,883)</u>	<u>\$ (30,902,971)</u>	<u>\$ (33,756,456)</u>	<u>\$ (31,113,246)</u>

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

(Concluded)

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
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	\$ (40,990,173)	\$ (41,396,213)	\$ (35,026,679)	\$ (31,818,038)	\$ (28,015,572)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	24,504,988	22,832,195	23,500,337	24,522,034	20,450,733
Property taxes, levied for debt service	1,465,151	1,337,396	1,593,280	1,971,210	
Property taxes, levied for capital outlay	2,407,404	2,972,727	870,295	320,813	1,061,642
Investment income	270,818	647,957	578,173	378,728	95,588
Unrestricted county aid	619,713	782,581	708,033	622,259	617,699
Unrestricted state aid	11,639,305	12,721,782	11,487,012	12,989,247	9,863,198
Unrestricted federal aid	237,335	432,381	338,919	229,495	176,684
Special Item - Gain on sale of capital assets					914,650
Total general revenues	<u>41,144,714</u>	<u>41,727,019</u>	<u>39,076,049</u>	<u>41,033,786</u>	<u>33,180,194</u>
Changes in Net Position	<u>\$ 154,541</u>	<u>\$ 330,806</u>	<u>\$ 4,049,370</u>	<u>\$ 9,215,748</u>	<u>\$ 5,164,622</u>

(Continued)

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
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	\$ (29,008,799)	\$ (30,097,883)	\$ (30,902,971)	\$ (33,756,456)	\$ (31,113,246)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	19,643,666	19,367,505	13,717,407	14,333,384	16,037,667
Property taxes, levied for debt service		4,489,063	4,723,683	4,737,572	4,929,231
Property taxes, levied for capital outlay	1,350,011	2,244,911	1,050,059	574,980	649,904
Investment income	64,890	88,297	310,893	97,295	151,893
Unrestricted county aid	684,413	714,643	813,289	1,003,626	1,316,981
Unrestricted state aid	9,659,487	8,245,844	9,034,924	9,911,291	11,516,546
Unrestricted federal aid	218,610	198,481	177,018	184,274	1,209
Total general revenues	<u>31,621,077</u>	<u>35,348,744</u>	<u>29,827,273</u>	<u>30,842,422</u>	<u>34,603,431</u>
Changes in Net Position	<u>\$ 2,612,278</u>	<u>\$ 5,250,861</u>	<u>\$ (1,075,698)</u>	<u>\$ (2,914,034)</u>	<u>\$ 3,490,185</u>

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

(Concluded)

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
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	\$ 304,227	\$ 265,028	\$ 691,527	\$ 385,759	\$ 400,102
Restricted					7,199
Assigned	850,540	768,694	791,666	847,013	791,750
Unassigned	15,134,779	13,841,155	11,854,365	10,538,794	6,564,447
Total General Fund	<u>\$ 16,289,546</u>	<u>\$ 14,874,877</u>	<u>\$ 13,337,558</u>	<u>\$ 11,771,566</u>	<u>\$ 7,763,498</u>
All Other Governmental Funds:					
Nonspendable	\$ 21,670	\$ 24,777	\$ 13,249	\$ 13,347	\$ 21,614
Restricted	16,336,169	29,506,319	13,960,896	15,692,158	23,235,241
Unassigned	(600,542)	(523,389)	(301,624)	(442,644)	(905,445)
Total all other governmental funds	<u>\$ 15,757,297</u>	<u>\$ 29,007,707</u>	<u>\$ 13,672,521</u>	<u>\$ 15,262,861</u>	<u>\$ 22,351,410</u>

(Continued)

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
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	\$ 359,489	\$ 355,144	\$ 284,525	\$	\$ 299,260
Assigned	685,782	654,644	566,293	578,165	742,608
Unassigned	4,127,272	1,791,293	1,451,998	4,156,530	5,787,579
Total General Fund	<u>\$ 5,172,543</u>	<u>\$ 2,801,081</u>	<u>\$ 2,302,816</u>	<u>\$ 4,734,695</u>	<u>\$ 6,829,447</u>
All Other Governmental Funds:					
Nonspendable	\$ 18,257	\$ 25,632	\$ 24,952	\$	\$ 26,614
Restricted	5,543,138	4,809,374	6,300,321	7,483,176	6,771,678
Assigned				626,789	914,000
Unassigned	(31,076)	(352,061)	(194,913)		
Total all other governmental funds	<u>\$ 5,530,319</u>	<u>\$ 4,482,945</u>	<u>\$ 6,130,360</u>	<u>\$ 8,109,965</u>	<u>\$ 7,712,292</u>

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

(Concluded)

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
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	\$ 5,935,799	\$ 3,287,775	\$ 3,226,454	\$ 3,469,684	\$ 2,940,306
National School Lunch Program	1,479,681	1,476,878	1,609,022	1,659,263	1,713,703
Total federal sources	<u>7,415,480</u>	<u>4,764,653</u>	<u>4,835,476</u>	<u>5,128,947</u>	<u>4,654,009</u>
State sources:					
State equalization assistance	8,874,016	9,713,943	8,540,106	7,622,221	7,476,366
State grants	920,048	968,084	746,994	756,099	169,226
School Facilities Board	43,958	486,407	988,931	2,580,358	884,179
Other revenues	2,984,399	3,007,839	2,946,906	2,727,443	2,386,832
Total state sources	<u>12,822,421</u>	<u>14,176,273</u>	<u>13,222,937</u>	<u>13,686,121</u>	<u>10,916,603</u>
Local sources:					
Property taxes	28,121,361	27,440,257	25,793,366	26,841,587	21,508,759
County aid	619,713	782,581	708,033	622,259	617,699
Food service sales	21,808	434,646	529,332	468,384	499,381
Investment income	268,651	598,452	510,972	365,345	88,302
Other revenues	1,778,196	2,455,248	2,192,626	2,201,098	2,410,020
Total local sources	<u>30,809,729</u>	<u>31,711,184</u>	<u>29,734,329</u>	<u>30,498,673</u>	<u>25,124,161</u>
Total revenues	<u><u>\$ 51,047,630</u></u>	<u><u>\$ 50,652,110</u></u>	<u><u>\$ 47,792,742</u></u>	<u><u>\$ 49,313,741</u></u>	<u><u>\$ 40,694,773</u></u>

(Continued)

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
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	\$ 3,124,838	\$ 2,685,424	\$ 2,769,514	\$ 3,478,371	\$ 3,111,363
State Fiscal Stabilization (ARRA)					
Education Jobs					589,565
National School Lunch Program	1,732,618	1,731,927	1,814,606	1,666,699	1,521,194
Total federal sources	<u>4,857,456</u>	<u>4,417,351</u>	<u>4,584,120</u>	<u>5,145,070</u>	<u>5,222,122</u>
State sources:					
State equalization assistance	6,987,318	6,070,671	6,614,287	8,014,550	9,647,892
State grants	433,997	244,998	318,645	377,339	198,567
School Facilities Board	999,566				70,060
Other revenues	2,420,806	2,794,648	2,420,637	1,896,741	1,798,594
Total state sources	<u>10,841,687</u>	<u>9,110,317</u>	<u>9,353,569</u>	<u>10,288,630</u>	<u>11,715,113</u>
Local sources:					
Property taxes	21,186,333	26,043,794	19,470,717	19,675,856	21,621,380
County aid	684,413	714,643	813,289	1,003,626	1,316,981
Food service sales	503,564	517,109	537,401	545,006	492,193
Investment income	35,365	61,279	85,351	97,295	151,893
Other revenues	2,619,693	2,808,986	2,564,032	2,219,447	2,316,338
Total local sources	<u>25,029,368</u>	<u>30,145,811</u>	<u>23,470,790</u>	<u>23,541,230</u>	<u>25,898,785</u>
Total revenues	<u>\$ 40,728,511</u>	<u>\$ 43,673,479</u>	<u>\$ 37,408,479</u>	<u>\$ 38,974,930</u>	<u>\$ 42,836,020</u>

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

(Concluded)

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
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	\$ 24,916,819	\$ 24,207,461	\$ 22,667,188	\$ 21,606,772	\$ 19,727,734
Support services - students and staff	4,881,668	5,217,406	4,606,765	4,279,704	3,944,527
Support services - administration	5,746,123	5,119,071	5,112,486	4,029,544	4,592,750
Operation and maintenance of plant services	5,616,533	4,532,659	5,173,610	5,126,321	4,261,255
Student transportation services	1,307,530	1,262,971	1,326,417	1,136,568	1,089,695
Operation of non-instructional services	1,434,394	2,291,594	2,539,848	2,381,880	2,208,408
Capital outlay	17,228,084	6,310,869	5,051,104	11,497,252	2,414,320
Debt service -					
Principal retirement	600,000	2,150,580	991,569	1,411,889	1,018,200
Interest and fiscal charges	1,188,313	1,019,598	653,773	788,592	52,905
Bond issuance costs		167,411			171,939
Total expenditures	<u>\$ 62,919,464</u>	<u>\$ 52,279,620</u>	<u>\$ 48,122,760</u>	<u>\$ 52,258,522</u>	<u>\$ 39,481,733</u>
Expenditures for capitalized assets	\$ 15,679,150	\$ 3,597,818	\$ 3,560,201	\$ 10,978,996	\$ 1,575,629
Debt service as a percentage of noncapital expenditures	4%	7%	4%	5%	3%

(Continued)

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
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	\$ 19,013,571	\$ 19,853,599	\$ 18,053,755	\$ 19,444,931	\$ 19,862,470
Support services - students and staff	3,981,038	4,157,036	4,226,366	4,647,786	4,644,571
Support services - administration	4,386,779	4,464,062	3,785,520	3,552,897	4,570,081
Operation and maintenance of plant services	4,226,703	4,222,513	4,210,348	4,416,808	4,338,151
Student transportation services	926,464	1,066,164	949,517	1,302,794	1,102,894
Operation of non-instructional services	2,104,060	2,237,395	2,258,387	1,884,516	1,994,305
Capital outlay	3,564,782	3,606,520	3,516,026	1,442,701	1,302,640
Debt service -					
Principal retirement	134,242	4,964,470	4,703,825	4,485,907	4,447,647
Interest and fiscal charges	52,802	288,532	425,696	627,360	804,759
Bond issuance costs					
Total expenditures	<u>\$ 38,390,441</u>	<u>\$ 44,860,291</u>	<u>\$ 42,129,440</u>	<u>\$ 41,805,700</u>	<u>\$ 43,067,518</u>
Expenditures for capitalized assets	\$ 3,141,151	\$ 3,254,304	\$ 1,943,846	\$ 500,903	\$ 575,220
Debt service as a percentage of noncapital expenditures	1%	13%	13%	12%	12%

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

(Concluded)

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
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	\$ (11,871,834)	\$ (1,627,510)	\$ (330,018)	\$ (2,944,781)	\$ 1,213,040
Other financing sources (uses):					
Issuance of school improvement bonds		16,175,000			17,111,355
Premium on sale of bonds		2,452,566			
Transfers in	64,704	663,089	209,305	266,646	763,288
Transfers out	(64,704)	(663,089)	(209,305)	(266,646)	(763,288)
Insurance recoveries		6,373		30,967	14,079
Proceeds from sale of capital assets		6,270			998,000
Total other financing sources (uses)		18,640,209		30,967	18,123,434
Changes in fund balances	<u>\$ (11,871,834)</u>	<u>\$ 17,012,699</u>	<u>\$ (330,018)</u>	<u>\$ (2,913,814)</u>	<u>\$ 19,336,474</u>
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Excess (deficiency) of revenues over expenditures	\$ 2,338,070	\$ (1,186,812)	\$ (4,720,961)	\$ (2,830,770)	\$ (231,498)
Other financing sources (uses):					
Capital lease agreements	1,083,796			1,459,565	
Transfers in	23,379	22,138	659,021	36,052	37,750
Transfers out	(23,379)	(22,138)	(659,021)	(36,052)	(37,750)
Total other financing sources (uses)	1,083,796			1,459,565	
Changes in fund balances	<u>\$ 3,421,866</u>	<u>\$ (1,186,812)</u>	<u>\$ (4,720,961)</u>	<u>\$ (1,371,205)</u>	<u>\$ (231,498)</u>

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

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
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	\$ 139,652,114	\$ 142,336,916	\$ 133,237,233	\$ 128,587,738	\$ 123,593,429
Agricultural and Vacant	39,749,098	44,325,621	43,538,344	43,453,784	43,431,324
Residential (Owner Occupied)	330,406,838	320,157,474	312,230,724	285,317,381	266,898,955
Residential (Rental)	276,071,958	277,805,255	247,400,466	239,271,785	224,659,105
Railroad, Private Cars and Airlines		371,180	384,781	348,158	299,542
Certain Government Property Improvements	1,626	1,631	1,554	16,693	15,898
Total	<u>\$ 785,881,634</u>	<u>\$ 784,998,077</u>	<u>\$ 736,793,102</u>	<u>\$ 696,995,539</u>	<u>\$ 658,898,253</u>
Gross Full Cash Value	\$ 7,534,927,264	\$ 9,510,563,318	\$ 8,846,175,925	\$ 8,228,447,225	\$ 7,565,238,974
Ratio of Net Limited Assessed Value to Gross Full Cash Value	10%	8%	8%	8%	9%
Total Direct Rate	-	4.11	4.18	4.54	3.99

<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	\$ 120,567,669	\$ 125,205,109	\$ 132,055,131	\$ 130,395,600	\$ 134,138,442
Agricultural and Vacant	45,995,740	41,613,698	46,586,199	50,747,524	55,699,273
Residential (Owner Occupied)	248,894,925	361,887,527	359,297,842	364,963,987	355,318,402
Residential (Rental)	213,750,830	79,584,482	65,703,308	55,724,454	57,904,919
Railroad, Private Cars and Airlines	290,300	302,597	268,198	251,120	206,703
Certain Government Property Improvements	15,141	14,420	10,828		
Total	<u>\$ 629,514,605</u>	<u>\$ 608,607,833</u>	<u>\$ 603,921,506</u>	<u>\$ 602,082,685</u>	<u>\$ 603,267,739</u>
Gross Full Cash Value	\$ 6,541,796,359	\$ 5,857,651,899	\$ 5,761,459,919	\$ 5,724,797,198	\$ 5,648,474,083
Ratio of Net Limited Assessed Value to Gross Full Cash Value	10%	10%	10%	11%	11%
Total Direct Rate	4.01	4.90	3.98	4.04	4.37

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

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
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.

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
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	\$ 172,415,418	\$ 180,108,077	\$ 172,182,916	\$ 151,649,955	\$ 141,169,959
Agricultural and Vacant	64,259,695	70,602,090	65,576,953	65,387,444	62,192,251
Residential (Owner Occupied)	434,099,440	399,502,620	382,717,484	349,797,307	319,758,546
Residential (Rental)	360,253,171	344,835,175	305,097,797	293,324,470	271,070,033
Railroad, Private Cars and Airlines		430,205	437,876	390,027	314,432
Certain Government Property Improvements	1,626	1,679	1,559	17,122	18,003
Total	<u>\$ 1,031,029,350</u>	<u>\$ 995,479,846</u>	<u>\$ 926,014,585</u>	<u>\$ 860,566,325</u>	<u>\$ 794,523,224</u>
Gross Full Cash Value	\$ 7,534,927,264	\$ 9,510,563,318	\$ 8,846,175,925	\$ 8,228,447,225	\$ 7,565,238,974
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	14%	10%	10%	10%	11%
Estimated Net Full Cash Value	6,943,284,862	8,746,827,824	8,113,792,092	7,567,463,605	6,984,098,798
Total Direct Rate	-	4.11	4.18	4.54	3.99

<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	\$ 124,981,520	\$ 127,418,912	\$ 133,759,057	\$ 131,614,284	\$ 134,614,280
Agricultural and Vacant	57,559,006	43,172,209	50,028,020	55,227,353	58,280,393
Residential (Owner Occupied)	270,077,953	364,570,427	362,854,362	369,138,329	356,163,805
Residential (Rental)	234,443,798	80,234,987	66,325,596	56,407,776	58,194,296
Railroad, Private Cars and Airlines	294,330	304,903	270,257	254,998	225,089
Certain Government Property Improvements	15,444	14,511	10,926		
Total	<u>\$ 687,372,051</u>	<u>\$ 615,715,949</u>	<u>\$ 613,248,218</u>	<u>\$ 612,642,740</u>	<u>\$ 607,477,863</u>
Gross Full Cash Value	\$ 6,541,796,359	\$ 5,857,651,899	\$ 5,761,459,919	\$ 5,724,797,198	\$ 5,648,474,083
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	11%	11%	11%	11%	11%
Estimated Net Full Cash Value	5,903,781,028	5,240,712,793	5,148,042,763	5,118,321,683	5,041,764,813
Total Direct Rate	4.01	4.90	3.98	4.04	4.37

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.

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Overlapping Rates							District Direct Rates		
	State		Communit	Havasu		City of	Lake Havasu			
	Equalization	County	y College District	Sanitary District	Desert Hills Fire District	Lake Havasu	Irrigation District	Primary	Secondary	Total
2021										
2020	0.46	1.95	1.33	0.00	3.25	0.67	268.85/acre	3.37	0.74	4.11
2019	0.47	1.97	1.34	0.00	3.25	0.67	268.85/acre	3.39	0.79	4.18
2018	0.49	1.97	1.34	0.00	3.25	0.67	268.85/acre	3.67	0.87	4.54
2017	0.50	1.97	1.33	0.00	3.25	1.57	268.85/acre	3.99		3.99
2016	0.51	4.61	1.29	0.00	3.25	1.54	268.85/acre	4.01		4.01
2015	0.51	4.54	1.22	0.00	3.25	1.28	268.85/acre	4.17	0.73	4.90
2014	0.51	4.49	1.15	0.00	3.25	1.05	268.85/acre	3.20	0.78	3.98
2013	0.47	4.40	1.10	0.00	3.25	0.73	268.85/acre	3.26	0.78	4.04
2012	0.43	4.23	0.80	0.00	2.50	0.76	268.85/acre	3.38	0.99	4.37

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

**LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
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
Unisource Enegery Corporation	12,931,925	1.65 %	\$ 9,012,491	1.18
PHC Lake Havasu Inc.	4,975,026	0.63	5,506,860	0.72
Island Develpement Group, LLC	2,336,214	0.30	1,400,000	0.18
Walmart Stores, Inc.	2,252,926	0.29	1,862,200	0.24
Citizens Rural Division	2,119,980	0.27	3,594,539	0.47
Havasu Regional Medical Center LI	1,272,787	0.16	1,572,440	0.21
Mickel Havasu LLC	1,198,144	0.15		
Zac Havasu LLC	1,090,929	0.14		
Lowes	1,621,937	0.21	1,392,130	0.18
Home Depot USA, Inc.	1,077,977	0.14		
Shops at Lake Havasu City			5,247,769	0.69
Sterilite Corporation			1,848,821	0.24
London Bridge Resort			1,511,474	0.20
Total	\$ 30,877,845	3.94 %	\$ 32,948,724	4.11 %

Source: The source of this information is the Mohave County Assessor's records.

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.

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
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	\$ 28,384,140	\$ 27,816,173	98.00 %		\$ 27,816,173	98.00 %
2020	27,238,924	26,589,647	97.62	539,785	27,129,432	99.60
2019	25,980,480	25,433,279	97.89	535,691	25,968,970	99.96
2018	26,809,641	26,269,433	97.99	528,364	26,797,797	99.96
2017	21,542,599	21,074,091	97.83	444,401	21,518,492	99.89
2016	21,106,208	20,605,513	97.63	470,968	21,076,481	99.86
2015	26,100,398	25,371,503	97.21	645,875	26,017,378	99.68
2014	19,497,164	19,305,030	99.01	177,435	19,482,465	99.92
2013	19,683,126	19,072,123	96.90	706,071	19,778,194	100.48
2012	21,496,943	20,826,554	96.88	647,632	21,474,186	99.89

Source: The source of this information is the Mohave 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.

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
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	Percentage of Estimated Actual Value (Full Cash Value)		Per Capita	Percentage of Personal Income		
2021	\$ 31,327,329	\$ 73,358	\$ 31,253,971	0.41	%	\$	\$	\$ 31,327,329	0.42	%	\$	0.43	%
2020	32,135,291	296,757	31,838,534	0.33		548		32,135,291	0.34		553	0.46	
2019	14,765,687	393,905	14,371,782	0.16		250	1,100,580	15,866,267	0.18		276	0.23	
2018	15,726,021	132,478	15,593,543	0.19		285	1,217,149	16,943,170	0.21		309	0.26	
2017	17,111,355		17,111,355	0.23		301	1,329,038	18,440,393	0.24		325	0.37	
2016							2,347,238	2,347,238	0.04		44	0.05	
2015							1,397,684	1,397,684	0.02		26	0.02	
2014	4,535,000	893,623	3,641,377	0.06		69	1,827,154	6,362,154	0.11		120	0.12	
2013	13,040,000	884,200	12,155,800	0.21		231	2,180,979	15,220,979	0.27		289	0.29	
2012	17,035,000	947,916	16,087,084	0.28		271	1,052,321	18,087,321	0.32		304	0.35	

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

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

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
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:			
City of Lake Havasu	\$ 212,274,567	94% %	\$ 199,753,836
Subtotal, Overlapping Debt			<u>199,753,836</u>
Direct:			
Lake Havasu Unified School District No. 1			<u>31,327,329</u>
Total Direct and Overlapping Governmental Activities Debt			<u><u>\$ 231,081,165</u></u>

DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation		3.98 %
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 3,925	
As a Percentage of Net Limited Assessed Valuation		29.39 %
As a Percentage of Gross Full Cash Value		3.07 %

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.

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

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

Net full cash assessed valuation	\$ 1,031,029,350
Debt limit (20% of assessed value)	206,205,870
Debt applicable to limit	31,327,329
Legal debt margin	<u>\$ 174,878,541</u>

Total Legal Debt Margin Calculation for Fiscal Year 2021:

Net full cash assessed valuation	\$ 1,031,029,350
Debt limit (30% of assessed value)	309,308,805
Debt applicable to limit	31,327,329
Legal debt margin	<u>\$ 277,981,476</u>

	Fiscal Year Ended June 30				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Debt Limit	\$ 309,308,805	\$ 298,643,954	\$ 277,804,376	\$ 258,169,898	\$ 238,356,967
Total net debt applicable to limit	<u>31,327,329</u>	<u>32,135,291</u>	<u>14,736,476</u>	<u>15,782,144</u>	<u>17,111,355</u>
Legal debt margin	<u>\$ 277,981,476</u>	<u>\$ 266,508,663</u>	<u>\$ 263,067,900</u>	<u>\$ 242,387,754</u>	<u>\$ 221,245,612</u>
Total net debt applicable to the limit as a percentage of debt limit	10%	11%	5%	6%	7%
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Debt Limit	\$ 206,211,615	\$ 184,714,785	\$ 183,974,465	\$ 183,792,822	\$ 170,322,635
Total net debt applicable to limit	<u>-</u>	<u>-</u>	<u>4,535,000</u>	<u>13,040,000</u>	<u>17,035,000</u>
Legal debt margin	<u>\$ 206,211,615</u>	<u>\$ 184,714,785</u>	<u>\$ 179,439,465</u>	<u>\$ 170,752,822</u>	<u>\$ 153,287,635</u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	2%	7%	10%

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.

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
COUNTY-WIDE DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS

Year	Population		Personal Income (thousands)		Per Capita Income	Unemployment Rate	Estimated District Population
2020	212,181	\$	7,297,603	\$	34,393	12.1 %	58,859
2019	216,985		6,980,623		33,148	5.3	58,129
2018	209,550		6,946,164		23,527	5.8	57,477
2017	209,792		6,395,143		30,865	5.9	54,801
2016	205,764		4,966,320		24,136	6.8	56,793
2015	204,737		4,294,154		20,974	8.2	53,232
2014	203,361		5,633,946		27,704	8.8	53,193
2013	203,030		5,451,762		26,852	9.4	52,908
2012	214,400		5,290,530		24,676	9.9	52,720
2011	201,563		5,200,533		25,801	10.8	59,466

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" information is the Arizona Office of Employment and Population Statistics.

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
PRINCIPAL EMPLOYERS
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR

Employer	2021			2012		
	Employees	Percentage of Total Employment		Employees	Percentage of Total Employment	
Havasu Regional Medical Center	750	3.21	%	640	2.59	%
Lake Havasu City	608	2.60		605	2.45	
Lake Havasu Unified School District No. 1	580	2.48		610	2.47	
Walmart				315	1.28	
Sterilite Corporation	275	1.18			0.00	
Shugrue's Restaurant	230	0.98		200	0.81	
Walmart	270	1.16		350	1.42	
London Bridge Resort	250	1.07		180	0.73	
Anderson's Auto Group	207	0.89			0.00	
Bashas'	193	0.83		186	0.75	
Mohave Community College				172	0.70	
River Medical	150	0.64		150	0.61	
Total	3,513	15.04	%	3,408	13.81	%
Total employment	23,371			24,666		

Source: The source of this information is the Business Journal Book of Lists and the U.S. Bureau of Labor Statistics.

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
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					
Certified employees	293	258	271	261	248
Administration	18	17	17	17	17
Support Staff	289	247	258	260	260
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>600</u>	<u>522</u>	<u>546</u>	<u>538</u>	<u>525</u>
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Supervisory					
Certified employees	268	274	273	260	306
Administration	14	15	17	18	17
Support Staff	247	263	250	230	254
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>529</u>	<u>552</u>	<u>540</u>	<u>508</u>	<u>577</u>

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

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
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	4,889	\$ 43,903,066	\$ 8,980	7.50 %	\$ 51,032,626	\$ 10,438	6.27 %	293	16.7	48.7 %
2020	5,103	42,631,162	8,354	3.41	50,125,100	9,822	14.73	258	19.8	48.9
2019	5,128	41,426,314	8,078	8.17	43,904,431	8,561	10.44	271	18.9	49.4
2018	5,164	38,560,789	7,468	7.80	40,028,247	7,752	9.85	261	19.8	51.5
2017	5,171	35,824,369	6,927	5.13	36,495,799	7,057	(3.34)	248	20.9	48.5
2016	5,257	34,638,615	6,589	(0.83)	38,378,876	7,301	3.00	268	19.6	58.1
2015	5,418	36,000,769	6,645	5.33	38,403,248	7,088	(3.18)	274	19.8	59.9
2014	5,308	33,483,893	6,308	(3.35)	38,858,450	7,321	(5.43)	273	19.4	57.3
2013	5,401	35,249,732	6,527	(2.65)	41,808,788	7,741	7.10	260	20.8	58.0
2012	5,446	36,512,472	6,704	0.26	39,362,210	7,228	(4.81)	306	17.8	57.0

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

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

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
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>										
Elementary										
Buildings	18	18	18	18	18	18	18	18	18	18
Square feet	302,442	302,442	302,442	302,442	302,442	302,442	302,442	302,442	302,442	302,442
Capacity	3,389	3,389	3,389	3,389	3,389	3,389	3,389	3,389	3,389	3,389
Enrollment	2,553	2,553	2,553	2,556	2,107	2,985	2,658	2,621	2,624	2,912
Middle										
Buildings	1	1	1	1	1	1	1	1	1	1
Square feet	183,694	183,694	183,694	183,694	183,694	183,694	183,694	183,694	183,694	183,694
Capacity	1,653	1,653	1,653	1,653	1,653	1,653	1,653	1,653	1,653	1,653
Enrollment	844	844	844	887	1,328	461	859	909	909	942
High										
Buildings	13	13	13	13	13	13	13	13	13	13
Square feet	286,861	286,861	286,861	286,861	286,861	286,861	286,861	286,861	286,861	286,861
Capacity	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377
Enrollment	1,712	1,712	1,712	1,706	1,736	1,811	1,836	1,868	1,868	1,822
<u>Administrative</u>										
Buildings	3	3	3	3	3	3	3	3	3	3
Square feet	19,652	19,652	19,652	19,652	19,652	19,652	19,652	19,652	19,652	19,652
<u>Transportation</u>										
Garages	1	1	1	1	1	1	1	1	1	1
Buses	39	31	32	35	32	32	32	32	32	32
<u>Athletics</u>										
Football fields	1	1	1	1	1	1	1	1	1	1
Soccer fields	2	2	2	2	2	2	2	2	2	2
Running tracks	2	3	3	3	3	3	3	3	3	3
Baseball/softball	6	6	6	6	6	6	6	6	6	6
Swimming pools										
Playgrounds	12	12	12	12	12	12	12	12	12	12

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

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