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# **LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1**

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## **Comprehensive Annual Financial Report**

Fiscal Year Ended June 30, 2020



**LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1**

**LAKE HAVASU CITY, ARIZONA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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](http://www.lhusd.org)

December 29, 2020

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 comprehensive annual financial report of the Lake Havasu Unified School District No. 1 (District) for the fiscal year ended June 30, 2020.

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, 2020, 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, 2020, 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 5,103 students. The projected enrollment for the 2020-21 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 6<sup>th</sup> grade, one middle school - 7<sup>th</sup> through 8<sup>th</sup> grade, and one high school - 9<sup>th</sup> through 12<sup>th</sup> 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 comprehensive annual financial report for the fiscal year ended June 30, 2019. This was the 31st 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 comprehensive annual financial report for the fiscal year ended June 30, 2019. In order to be awarded these certificates, the District published an easily readable and efficiently organized comprehensive annual 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 comprehensive annual 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, 2020 certificates.

**Acknowledgments.** The preparation of the comprehensive annual 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



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

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

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2019.**

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



A handwritten signature in black ink, reading 'Claire Hertz'.

**Claire Hertz, SFO**  
President

A handwritten signature in black 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**

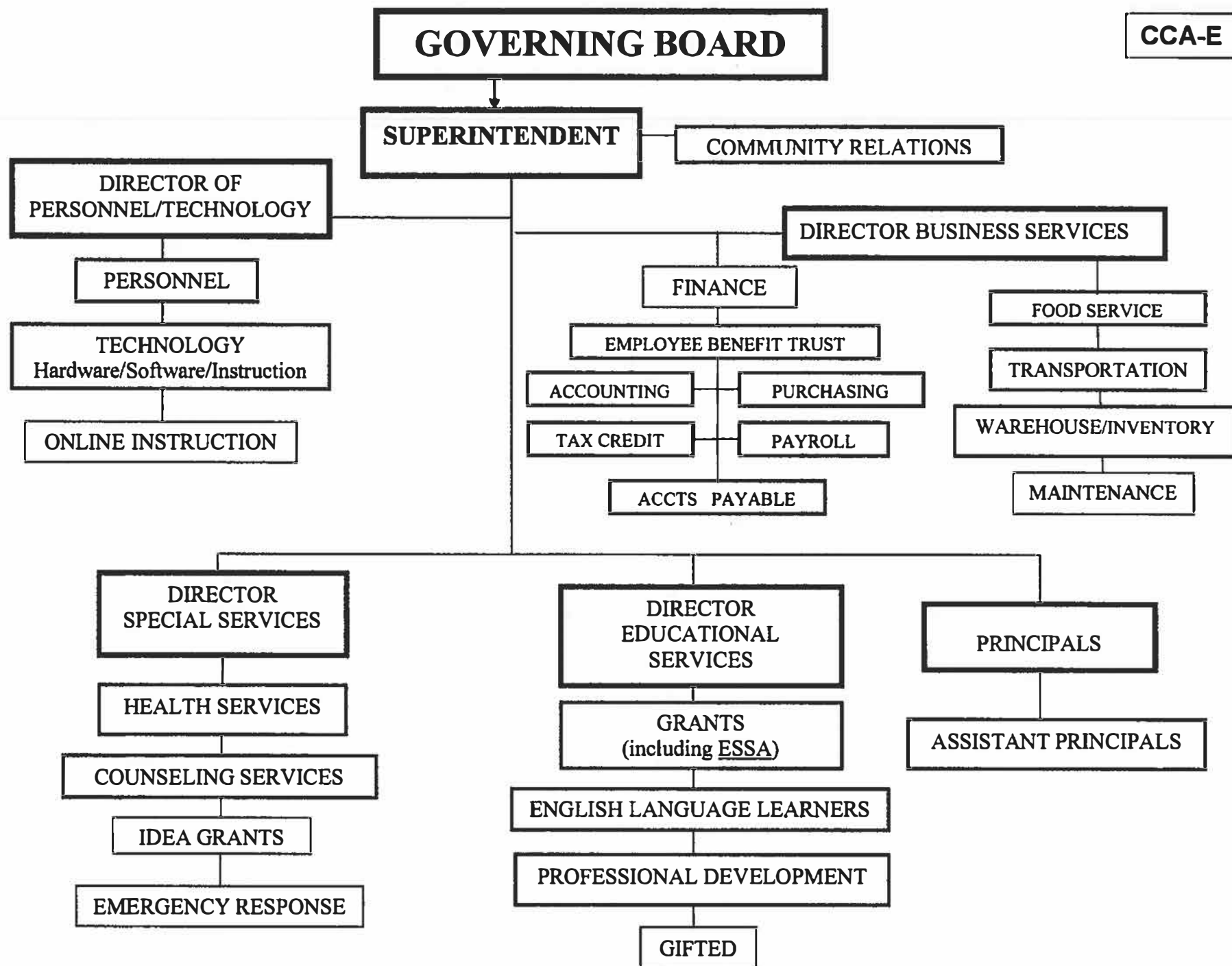
For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morill*

Executive Director/CEO





**LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1**

**LIST OF PRINCIPAL OFFICIALS**

**GOVERNING BOARD**

Lisa Roman, President

Kathy Cox, Vice President

Nichole Cohen, Member

John Masden, Member

Archana Aliyar, Member

**ADMINISTRATIVE STAFF**

Dr. Rebecca Stone, Superintendent

Mike Murray, Director of Business Services

Jaime Festa-Daigle, Director of Personnel and Technology

Aggie Wolter, Director of Special Services

Brad Gardner, Director of Educational Services

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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 the Financial Statements**

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, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

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, 2020, 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.

### ***Change in Accounting Principle***

As described in Note 1, the District implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, for the year ended June 30, 2020, which represents a change in accounting principle. Our opinion is not modified with respect to this matter.

### ***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, 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.

#### ***Other 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 Introductory Section, Combining and Individual Fund Financial Statements and Schedules, and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining and Individual Fund Financial Statements and Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining and Individual Fund Financial Statements and Schedules information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The Introductory Section and Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2020, 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 29, 2020

**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, 2020**

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, 2020. 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 \$330,806 which represents a one percent increase from the prior fiscal year primarily as a result of increases in per pupil state funding.
- General revenues accounted for \$41.7 million in revenue, or 83 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$8.7 million or 17 percent of total current fiscal year revenues.
- The District had approximately \$50.1 million in expenses related to governmental activities, an increase of 14 percent from the prior fiscal year primarily due to an increase in salary and health benefit expenses.
- Among major funds, the General Fund had \$34.9 million current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$33.0 million in expenditures. The General Fund's fund balance increase from \$13.4 million at the prior fiscal year end to \$14.9 million at the end of the current fiscal year was primarily due to an increase in state revenue related to an increase in state funding per student.
- Net position for the Internal Service Funds increased \$87,244 from the prior fiscal year. Operating revenues of \$6.6 million exceeded operating expenses of \$6.6 million at the end of the current fiscal year.

## **OVERVIEW OF FINANCIAL STATEMENTS**

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

**LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**YEAR ENDED JUNE 30, 2020**

**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, 2020**

**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, 2020**

**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 \$33.1 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, 2020 and June 30, 2019.

	As of June 30, 2020	As of June 30, 2019
Current and other assets	\$ 52,646,525	\$ 35,666,236
Capital assets, net	56,986,129	56,404,335
Total assets	<u>109,632,654</u>	<u>92,070,571</u>
Deferred outflows	<u>5,487,774</u>	<u>8,079,980</u>
Current and other liabilities	4,124,705	3,787,687
Long-term liabilities	73,173,889	58,817,752
Total liabilities	<u>77,298,594</u>	<u>62,605,439</u>
Deferred inflows	<u>4,761,871</u>	<u>5,090,732</u>
Net position:		
Net investment in capital assets	43,731,711	45,432,693
Restricted	10,519,609	9,096,443
Unrestricted	(21,191,357)	(22,074,756)
Total net position	<u>\$ 33,059,963</u>	<u>\$ 32,454,380</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 \$21.3 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, 2020**

**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.

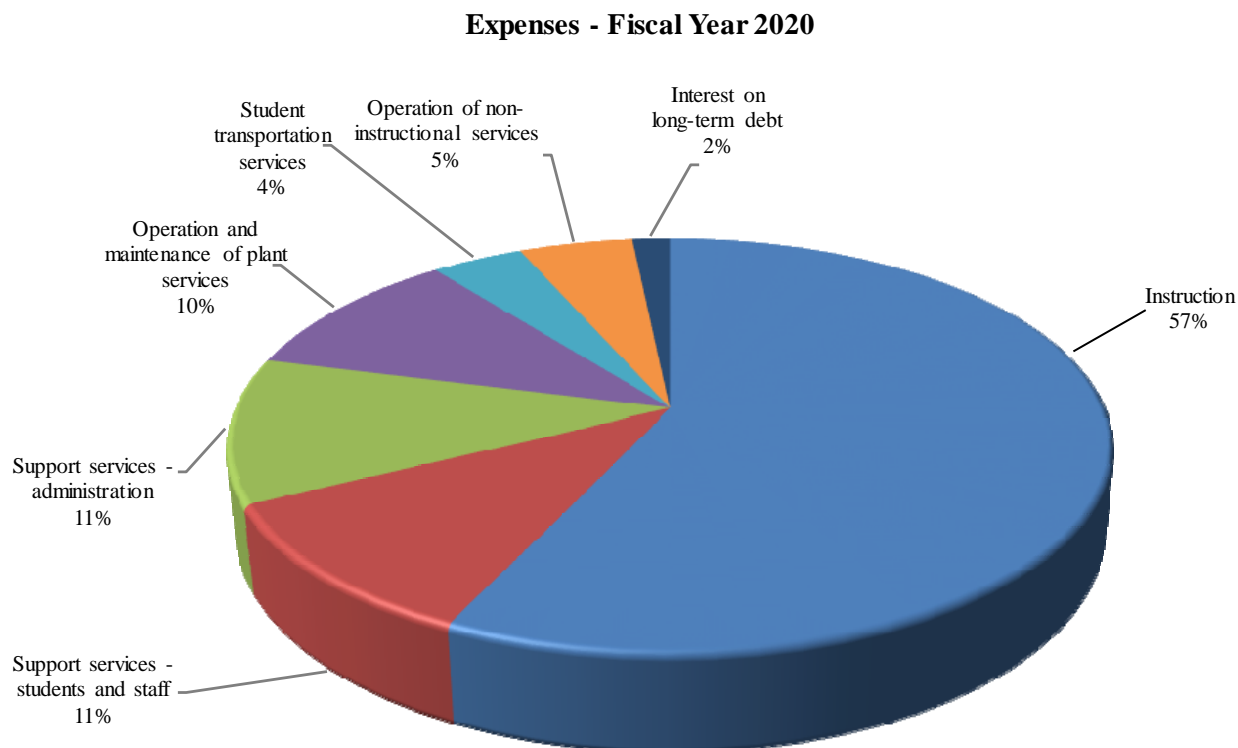
- The increase of \$18.6 million in bonds payable due to the issuance of school improvement bonds.
- The addition of \$3.6 million in capital assets through the construction and improvement of various buildings, and purchase of various assets including buses.

**Changes in net position.** The District's total revenues for the current fiscal year were \$50.5 million. The total cost of all programs and services was \$50.1 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2020 and June 30, 2019.

	Fiscal Year Ended June 30, 2020	Fiscal Year Ended June 30, 2019
<b>Revenues:</b>		
Program revenues:		
Charges for services	\$ 2,105,514	\$ 1,845,808
Operating grants and contributions	5,675,835	5,935,724
Capital grants and contributions	947,538	1,096,220
General revenues:		
Property taxes	27,142,318	25,963,912
Investment income	647,957	578,173
Unrestricted county aid	782,581	708,033
Unrestricted state aid	12,721,782	11,487,012
Unrestricted federal aid	432,381	338,919
<b>Total revenues</b>	<u>50,455,906</u>	<u>47,953,801</u>
<b>Expenses:</b>		
Instruction	28,591,197	24,422,343
Support services - students and staff	5,370,975	4,431,906
Support services - administration	5,627,077	5,183,178
Operation and maintenance of plant services	5,231,572	4,787,618
Student transportation services	2,005,530	1,810,893
Operation of non-instructional services	2,487,113	2,700,054
Interest on long-term debt	811,636	568,439
<b>Total expenses</b>	<u>50,125,100</u>	<u>43,904,431</u>
<b>Changes in net position</b>	330,806	4,049,370
<b>Net position, beginning, as restated</b>	32,729,157	28,405,010
<b>Net position, ending</b>	<u>\$ 33,059,963</u>	<u>\$ 32,454,380</u>

**LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2020**

**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 \$4.2 million in instructional expenditures primarily as a result of an increase in salary and health benefit expenses.
- The increase of \$1.2 million in unrestricted state aid due to a change in the state equalization funding calculation.
- 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 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, 2020**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

	Year Ended June 30, 2020		Year Ended June 30, 2019	
	Total	Net (Expense)/	Total	Net (Expense)/
	Expenses	Revenue	Expenses	Revenue
Instruction	\$ 28,591,197	\$ (23,483,668)	\$ 24,422,343	\$ (19,674,328)
Support services - students and staff	5,370,975	(4,530,277)	4,431,906	(3,156,193)
Support services - administration	5,627,077	(5,443,005)	5,183,178	(4,907,493)
Operation and maintenance of plant services	5,231,572	(4,553,675)	4,787,618	(4,787,618)
Student transportation services	2,005,530	(1,998,847)	1,810,893	(1,802,137)
Operation of non-instructional services	2,487,113	(575,105)	2,700,054	(130,471)
Interest on long-term debt	811,636	(811,636)	568,439	(568,439)
Total	<u>\$ 50,125,100</u>	<u>\$ (41,396,213)</u>	<u>\$ 43,904,431</u>	<u>\$ (35,026,679)</u>

- The cost of all governmental activities this year was \$50.1 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$8.7 million.
- Net cost of governmental activities of \$41.4 million was financed by general revenues, which are made up of primarily property taxes of \$27.1 million and state and county aid of \$13.5 million. Investment earnings accounted for \$647,957 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 \$43.9 million, an increase of \$16.6 million, or 61 percent.



**LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2020**

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

The General Fund is the principal operating fund of the District. The increase in fund balance of \$1.5 million to \$14.9 million was due primarily to increased state aid and grants as a result of an increase in per pupil funding. General Fund revenues increased \$1.1 million, primarily due to increased state aid and grants as a result of an increase in per pupil funding. General Fund expenditures increased \$400,981 due primarily to an increase in salary and health benefit expenses.

The Bond Building Fund balance increased \$14.1 million due primarily to the issuance of school improvement bonds.

**Proprietary funds.** Unrestricted net position of the Internal Service Fund at the end of the year amounted to \$4.1 million. The increase of \$87,244 from the prior fiscal year was primarily due to an increase in contribution revenue.

**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 \$565,051 increase, or one percent.

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

- The favorable variances of \$2.7 million in instruction expenditures and \$2.1 million in support services – administration expenditures were a result of an increase in salary and health benefit expenses.
- The favorable variance of \$1.2 million in operation and maintenance of plant services expenditures was a result of utility costs that were lower than expected, primarily as a result of the state-mandated closure.

**LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**YEAR ENDED JUNE 30, 2020**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** At year end, the District had invested \$118.4 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 \$3.4 million from the prior fiscal year primarily due to the construction and improvement of various buildings. Total depreciation expense for the current fiscal year was \$3.0 million.

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2020 and June 30, 2019.

	As of June 30, 2020	As of June 30, 2019
Capital assets - non-depreciable	\$ 6,152,703	\$ 3,999,086
Capital assets - depreciable, net	50,833,426	52,405,249
Total	<u>\$ 56,986,129</u>	<u>\$ 56,404,335</u>

The estimated cost to complete the current construction project is \$14.4 million.

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

**Debt Administration.** At year-end, the District had \$32.1 million in long-term debt outstanding, \$600,000 due within one year. Long-term debt increased by \$16.3 million due to the issuance of school improvement bonds.

The District's general obligation bonds are subject to two limits: the Constitutional debt limit (total debt limit) on all general obligation bonds (up to 30 percent of the total net full cash assessed valuation) and the statutory debt limit on Class B bonds (the greater of 20 percent of the net full cash assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$298.6 million and the Class B debt limit is \$199.1 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 9 through 10.

**LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2020**

**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 2020-21 budget. Among them:

- Fiscal year 2019-20 budget balance carry forward (estimated \$5.4 million).
- District student population (estimated 5,168 students).

COVID-19 did have an impact on the enrollment of the District and its financial stability. Schools pivoted to distance learning on March 16, 2020 per an announcement from the Governor and Superintendent of Public Instruction. Although the original closure was only to be until March 27, it was extended through the end of the school year. The effects of the pandemic were taken into consideration when developing the fiscal year 2020-21 budget.

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 five percent to \$40.9 million in fiscal year 2020-21 primarily due to an increase in base level funding from the state. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2020-21 budget.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Business and Finance Department, 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, 2020**

	Governmental Activities
<b><u>ASSETS</u></b>	
Current assets:	
Cash and investments	\$ 48,346,334
Property taxes receivable	580,827
Accounts receivable	171,356
Due from governmental entities	3,058,203
Inventory	289,805
Total current assets	<u>52,446,525</u>
Noncurrent assets:	
Due from governmental entities	200,000
Capital assets not being depreciated	6,152,703
Capital assets, net of accumulated depreciation	<u>50,833,426</u>
Total noncurrent assets	<u>57,186,129</u>
<b>Total assets</b>	<u><b>109,632,654</b></u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>	
Pension and other postemployment benefit plan items	<u>5,487,774</u>
<b><u>LIABILITIES</u></b>	
Current liabilities:	
Accounts payable	368,146
Construction contracts payable	881,275
Claims payable	595,000
Accrued payroll and employee benefits	2,172,793
Compensated absences payable	750,000
Unearned revenues	107,491
Bonds payable	600,000
Total current liabilities	<u>5,474,705</u>
Noncurrent liabilities:	
Non-current portion of long-term obligations	<u>71,823,889</u>
Total noncurrent liabilities	<u>71,823,889</u>
<b>Total liabilities</b>	<u><b>77,298,594</b></u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>	
Pension and other postemployment benefit plan items	<u>4,761,871</u>
<b><u>NET POSITION</u></b>	
Net investment in capital assets	43,731,711
Restricted	10,519,609
Unrestricted	<u>(21,191,357)</u>
<b>Total net position</b>	<u><b>\$ 33,059,963</b></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, 2020**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental activities:</b>					
Instruction	\$ 28,591,197	\$ 1,614,064	\$ 2,545,927	\$ 947,538	\$ (23,483,668)
Support services - students and staff	5,370,975		1,461,791		(3,909,184)
Support services - administration	5,627,077		184,072		(5,443,005)
Operation and maintenance of plant services	5,231,572	56,804			(5,174,768)
Student transportation services	2,005,530		6,683		(1,998,847)
Operation of non-instructional services	2,487,113	434,646	1,477,362		(575,105)
Interest on long-term debt	811,636				(811,636)
<b>Total governmental activities</b>	<u>\$ 50,125,100</u>	<u>\$ 2,105,514</u>	<u>\$ 5,675,835</u>	<u>\$ 947,538</u>	<u>(41,396,213)</u>

**General revenues:**

Taxes:

Property taxes, levied for general purposes	22,832,195
Property taxes, levied for debt service	1,337,396
Property taxes, levied for capital outlay	2,972,727
Investment income	647,957
Unrestricted county aid	782,581
Unrestricted state aid	12,721,782
Unrestricted federal aid	432,381
<b>Total general revenues</b>	<u>41,727,019</u>

**Changes in net position** 330,806

**Net position, beginning of year, as restated** 32,729,157

**Net position, end of year** \$ 33,059,963

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, 2020**

	<u>General</u>	<u>Bond Building</u>	<u>Non-Major Governmental Funds</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 13,519,470	\$ 19,762,148	\$ 10,449,836
Property taxes receivable	554,070		26,757
Accounts receivable			50,644
Due from governmental entities	2,374,621		633,582
Due from other funds	449,524		
Inventory	265,028		24,777
<b>Total assets</b>	<u><u>\$ 17,162,713</u></u>	<u><u>\$ 19,762,148</u></u>	<u><u>\$ 11,185,596</u></u>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 150,518	\$	\$ 217,628
Construction contracts payable		774,707	106,568
Due to other funds			449,524
Accrued payroll and employee benefits	2,012,035		160,758
Unearned revenues			107,491
<b>Total liabilities</b>	<u><u>2,162,553</u></u>	<u><u>774,707</u></u>	<u><u>1,041,969</u></u>
Deferred inflows of resources:			
Unavailable revenues - property taxes	125,283		731
Unavailable revenues - intergovernmental			122,630
<b>Total deferred inflows of resources</b>	<u><u>125,283</u></u>	<u><u></u></u>	<u><u>123,361</u></u>
Fund balances (deficits):			
Nonspendable	265,028		24,777
Restricted		18,987,441	10,518,878
Assigned	768,694		
Unassigned	13,841,155		(523,389)
<b>Total fund balances</b>	<u><u>14,874,877</u></u>	<u><u>18,987,441</u></u>	<u><u>10,020,266</u></u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u><u>\$ 17,162,713</u></u>	<u><u>\$ 19,762,148</u></u>	<u><u>\$ 11,185,596</u></u>

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

Total  
Governmental  
Funds

---

\$	43,731,454
	580,827
	50,644
	3,008,203
	449,524
	289,805
\$	<u>48,110,457</u>

\$	368,146
	881,275
	449,524
	2,172,793
	<u>107,491</u>
	<u>3,979,229</u>

	126,014
	<u>122,630</u>
	<u>248,644</u>

	289,805
	29,506,319
	768,694
	<u>13,317,766</u>
	<u>43,882,584</u>

\$	<u>48,110,457</u>
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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, 2020**

<b>Total governmental fund balances</b>	<b>\$</b>	<b>43,882,584</b>
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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	\$ 118,408,807	
Less accumulated depreciation	<u>(61,422,678)</u>	56,986,129

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

Property taxes	126,014	
Intergovernmental	<u>372,630</u>	498,644

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	5,487,774	
Deferred inflows of resources related to pensions	<u>(4,761,871)</u>	725,903

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.

4,140,592

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

Other postemployment benefits payable	(8,106,606)	
Compensated absences payable	(1,699,375)	
Net pension liability	(31,232,617)	
Bonds payable	<u>(32,135,291)</u>	<u>(73,173,889)</u>

<b>Net position of governmental activities</b>	<b>\$</b>	<b><u>33,059,963</u></b>
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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, 2020**

	General	Bond Building	Non-Major Governmental Funds
<b>Revenues:</b>			
Other local	\$ 1,728,915	\$ 193,859	\$ 2,348,153
Property taxes	23,100,693		4,339,564
State aid and grants	9,656,063		4,520,210
Federal aid, grants and reimbursements	432,381		4,332,272
<b>Total revenues</b>	<u>34,918,052</u>	<u>193,859</u>	<u>15,540,199</u>
<b>Expenditures:</b>			
Current -			
Instruction	18,552,674		5,654,787
Support services - students and staff	3,533,438		1,683,968
Support services - administration	4,775,031		344,040
Operation and maintenance of plant services	4,529,927		2,732
Student transportation services	1,256,393		6,578
Operation of non-instructional services	280,932		2,010,662
Capital outlay	104,172	3,948,089	2,258,608
Debt service -			
Principal retirement			2,150,580
Interest and fiscal charges			1,019,598
Bond issuance costs		167,411	
<b>Total expenditures</b>	<u>33,032,567</u>	<u>4,115,500</u>	<u>15,131,553</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>1,885,485</u>	<u>(3,921,641)</u>	<u>408,646</u>
<b>Other financing sources (uses):</b>			
Transfers in	49,980		613,109
Transfers out		(613,109)	(49,980)
Proceeds from the disposal of real or personal property	6,270		
Issuance of school improvement bonds		16,175,000	
Premium on sale of bonds		2,452,566	
Insurance recoveries	6,373		
<b>Total other financing sources (uses)</b>	<u>62,623</u>	<u>18,014,457</u>	<u>563,129</u>
<b>Changes in fund balances</b>	<u>1,948,108</u>	<u>14,092,816</u>	<u>971,775</u>
<b>Fund balances, beginning of year, as restated</b>	13,353,268	4,894,625	9,036,963
Increase (decrease) in reserve for prepaid items	(439,756)		
Increase (decrease) in reserve for inventory	13,257		11,528
<b>Fund balances, end of year</b>	<u>\$ 14,874,877</u>	<u>\$ 18,987,441</u>	<u>\$ 10,020,266</u>

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

Total  
Governmental  
Funds

---

\$ 4,270,927  
27,440,257  
14,176,273  
4,764,653  

---

50,652,110

24,207,461  
5,217,406  
5,119,071  
4,532,659  
1,262,971  
2,291,594  
6,310,869

2,150,580  
1,019,598  
167,411  

---

52,279,620

---

(1,627,510)

663,089  
(663,089)  
6,270  
16,175,000  
2,452,566  
6,373  

---

18,640,209

---

17,012,699

27,284,856

(439,756)  
24,785

---

\$ 43,882,584



**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, 2020**

**Changes in fund balances - total governmental funds** **\$ 17,012,699**

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	\$ 3,597,818	
Less current year depreciation	<u>(2,995,697)</u>	602,121

Issuance of long-term debt provides current financial resources to governmental funds, but the issuance increases long-term liabilities in the Statement of Net Position. (18,627,566)

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

Property taxes	(297,939)	
Intergovernmental	<u>59,914</u>	(238,025)

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

Capital lease principal retirement	1,100,580	
Bond principal retirement	<u>1,050,000</u>	2,150,580

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	2,740,417	
Pension expense	<u>(3,480,945)</u>	(740,528)

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

Prepaid items	(439,756)	
Inventory	24,785	
Loss on disposal of assets	(20,327)	
Amortization of deferred bond items	207,962	
Compensated absences	<u>311,617</u>	84,281

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.

87,244

**Changes in net position in governmental activities** **\$ 330,806**

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, 2020**

	Governmental Activities: Internal Service Funds
<b><u>ASSETS</u></b>	
Current assets:	
Cash and investments	\$ 4,614,880
Accounts receivable	120,712
Total current assets	<u>4,735,592</u>
<b>Total assets</b>	<u><u>4,735,592</u></u>
<b><u>LIABILITIES</u></b>	
Current liabilities:	
Claims payable	<u>595,000</u>
Total current liabilities	<u>595,000</u>
<b>Total liabilities</b>	<u><u>595,000</u></u>
<b><u>NET POSITION</u></b>	
Unrestricted	<u>4,140,592</u>
<b>Total net position</b>	<u><u>\$ 4,140,592</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, 2020**

	Governmental Activities: Internal Service Funds
<b>Operating revenues:</b>	
Contributions	\$ 6,633,148
Other	998
<b>Total operating revenues</b>	<u>6,634,146</u>
<b>Operating expenses:</b>	
Claims	5,079,398
Premiums	337,868
Professional fees - legal	3,150
Professional fees - other	10,763
Professional fees - consulting	1,122,687
Miscellaneous	1,705
Insurance	40,571
Repairs and maintenance	265
<b>Total operating expenses</b>	<u>6,596,407</u>
<b>Operating income (loss)</b>	<u>37,739</u>
<b>Nonoperating revenues (expenses):</b>	
Investment income	49,505
<b>Total nonoperating revenues (expenses)</b>	<u>49,505</u>
<b>Changes in net position</b>	<u>87,244</u>
<b>Total net position, beginning of year</b>	4,053,348
<b>Total net position, end of year</b>	<u><u>\$ 4,140,592</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 CASH FLOWS - PROPRIETARY FUNDS**  
**YEAR ENDED JUNE 30, 2020**

	<b>Governmental Activities: Internal Service Funds</b>
<b><u>Increase/Decrease in Cash and Cash Equivalents</u></b>	
<b>Cash flows from operating activities:</b>	
Cash received from contributions	\$ 7,218,046
Cash payments to suppliers for goods and services	(1,517,009)
Cash payments for claims	(5,100,398)
	<hr/>
<b>Net cash provided by/used for operating activities</b>	<b>600,639</b>
	<hr/>
<b>Cash flows from investing activities:</b>	
Purchase of investments	(2,399,910)
Investment income	49,505
Proceeds from sales and maturities of investments	240,660
	<hr/>
<b>Net cash provided by/used for investing activities</b>	<b>(2,109,745)</b>
	<hr/>
<b>Net increase/decrease in cash and cash equivalents</b>	<b>(1,509,106)</b>
	<hr/>
<b>Cash and cash equivalents, beginning of year</b>	<b>3,515,310</b>
	<hr/>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 2,006,204</b>
	<hr/> <hr/>
<b><u>Reconciliation of Cash and Cash Equivalents to the Statement of Net Position</u></b>	
Cash and investments	\$ 4,614,879
Less investments not maturing in less than three months	2,608,675
	<hr/>
<b>Total cash and cash equivalents</b>	<b>\$ 2,006,204</b>
	<hr/> <hr/>
<b><u>Reconciliation of Operating Income/Loss to Net Cash Provided by/Used for Operating Activities</u></b>	
<b>Operating income/loss</b>	<b>\$ 37,739</b>
Adjustments to reconcile operating income/loss to net cash provided by/used for operating activities:	
Changes in assets and liabilities:	
Increase/decrease in accounts receivable	583,900
Increase/decrease in claims payable	(21,000)
	<hr/>
<b>Total adjustments</b>	<b>562,900</b>
	<hr/>
<b>Net cash provided by/used for operating activities</b>	<b>\$ 600,639</b>
	<hr/> <hr/>

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, 2020**

**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.

During the year ended June 30, 2020, the District implemented the provisions of GASB Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities for accounting and financial reporting purposes, and provides guidance as to how those activities should be reported. Student Activities and employee withholding accounts reported in the prior year as fiduciary activities do not meet these new fiduciary activities criteria and have been reclassified as special revenue governmental funds and the General Fund. Beginning balances of the governmental funds and governmental activities have been restated by \$274,777 accordingly.

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

**A. Reporting Entity**

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

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

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

The financial reporting entity consists of a primary government and its component units. A component unit is a legally separate entity that must be included in the reporting entity in conformity with generally accepted accounting principles. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Furthermore, 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.

**LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**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.

**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.

**LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Fund Financial Statements** – Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due.

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.

**LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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.

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, 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.



**LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

Statute does not include any requirements for credit risk, concentration of credit risk, interest rate risk, or foreign currency risk. Arizona statute requires a pooled collateral program for public deposits and a Statewide Collateral Pool Administrator (Administrator) in the State Treasurer's Office. The purpose of the pooled collateral program is to ensure that governmental entities' public deposits placed in participating depositories are secured with collateral of 102 percent of the public deposits, less any applicable deposit 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.

**LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**G. Property Tax Calendar**

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

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

**H. Inventory**

All inventories are valued at cost using the 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.

**LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**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.

**LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**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.

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.

**LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**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.

***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.

**LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 2 – FUND BALANCE CLASSIFICATIONS**

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

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	\$ 265,028	\$	\$24,777
Restricted:			
Debt service			296,757
Capital projects			3,832,978
Bond building projects		18,987,441	
Voter approved initiatives			1,650,226
Federal and state projects			1,768,131
Food service			668,388
Extracurricular activities			1,104,734
Gifts and donations			387,144
Student activities			264,599
Career technical education			401,914
Other purposes			144,007
Assigned:	768,694		
Unassigned	13,841,155		(523,389)
Total fund balances	<u>\$14,874,877</u>	<u>\$ 18,987,441</u>	<u>\$ 10,020,266</u>

**LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 3 – RESTRICTED NET POSITION**

The table below provides detail of the major components of the District's restricted net position at year end.

	<u>Governmental Activities</u>
Restricted Net Position:	
Voter approved initiatives	\$ 1,650,226
Federal and state projects	1,768,131
Food service	668,388
Community school activities	74,634
Extracurricular activities	1,104,734
Gifts and donations	387,144
Career technical education	401,914
Student activities	264,599
Other purposes	69,373
Debt service	296,757
Capital Outlay	3,833,709
Total	<u><u>\$ 10,519,609</u></u>

**NOTE 4 – 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	\$ 66,105
Professional Development and Technology Grants	8,391
Special Education Grants	46,022
Vocational Education	2,112
Building Renewal Grant	400,759

The deficits arose because of operations during the year and prior year and because of pending grant reimbursements. Additional revenues received in fiscal year 2020-21 are expected to eliminate the deficit.

**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.

**LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 5 – 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 \$3,154,655 and the bank balance was \$3,294,875. At year end, \$2,683,932 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, 2020**

**NOTE 5 – 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	\$ 2,610,419	\$ 2,610,419
			<u>\$ 2,610,419</u>
Money Market		63,948	
County Treasurer's investment pool		<u>42,517,312</u>	451 days average maturities
Total		<u>\$ 45,191,679</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. More than five percent of the District investments were in U.S. Treasuries. These investments are nine percent of the District's total investments.

**LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 6 – 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	\$ 15,478	\$ 151,076
Due from state government	2,359,143	375,919
Due from other districts		106,587
Net due from governmental entities	<u>\$ 2,374,621</u>	<u>\$ 633,582</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 \$250,000 of which \$200,000 is included as a non-current asset in the Statement of Net Position.

**NOTE 7 – 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	443,511	2,186,504	32,887	2,597,128
Total capital assets, not being depreciated	<u>3,999,086</u>	<u>2,186,504</u>	<u>32,887</u>	<u>6,152,703</u>
Capital assets, being depreciated:				
Land improvements	2,940,461	9,645		2,950,106
Buildings and improvements	100,566,424	334,743	55,640	100,845,527
Vehicles, furniture and equipment	7,502,727	1,099,813	142,069	8,460,471
Total capital assets being depreciated	<u>111,009,612</u>	<u>1,444,201</u>	<u>197,709</u>	<u>112,256,104</u>
Less accumulated depreciation for:				
Land improvements	(1,386,071)	(125,445)		(1,511,516)
Buildings and improvements	(51,927,692)	(2,526,536)	(35,312)	(54,418,916)
Vehicles, furniture and equipment	(5,290,600)	(343,716)	(142,070)	(5,492,246)
Total accumulated depreciation	<u>(58,604,363)</u>	<u>(2,995,697)</u>	<u>(177,382)</u>	<u>(61,422,678)</u>
Total capital assets, being depreciated, net	52,405,249	(1,551,496)	20,327	50,833,426
Governmental activities capital assets, net	<u>\$ 56,404,335</u>	<u>\$ 635,008</u>	<u>\$ 53,214</u>	<u>\$ 56,986,129</u>

**LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 7 – CAPITAL ASSETS**

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 2,556,742
Support services – students and staff	12,479
Support services – administration	49,294
Operation and maintenance of plant services	49,323
Student transportation services	227,448
Operation of non-instructional services	100,411
Total depreciation expense – governmental activities	<u>\$ 2,995,697</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 \$2,597,128 on the projects and had estimated remaining contractual commitments of \$14,166,367. These projects are being funded with Bond Building funds.

**NOTE 8 – SHORT TERM DEBT – REVOLVING LINE OF CREDIT**

The District has a revolving line of credit to provide cash flow during the year to mitigate the impact of timing differences of expenditures and the receipt of state aid and property tax revenues. At year end, the District had \$1.0 million in unused line of credit.

**NOTE 9 – 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, 2020	Due Within One Year
<b>Governmental activities:</b>					
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	16,175,000	600,000
				<u>\$ 28,440,000</u>	<u>\$ 600,000</u>

**LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 9 – GENERAL OBLIGATION BONDS PAYABLE**

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

Year ending June 30:	Governmental Activities	
	Principal	Interest
2021	\$ 600,000	\$ 1,185,962
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
2026-30	6,785,000	4,732,300
2031-35	10,640,000	2,754,400
2036-40	6,470,000	601,250
Total	<u>\$ 28,440,000</u>	<u>\$ 13,850,548</u>

**NOTE 10 – 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
<b>Governmental activities:</b>					
Bonds payable:					
General obligation bonds	\$ 13,315,000	\$ 16,175,000	\$ 1,050,000	\$ 28,440,000	\$ 600,000
Premium	1,450,687	2,452,566	207,962	3,695,291	
Total bonds payable	<u>14,765,687</u>	<u>18,627,566</u>	<u>1,257,962</u>	<u>32,135,291</u>	<u>600,000</u>
Obligations under capital leases	1,100,580		1,100,580		
Total OPEB liability	10,097,015		1,990,409	8,106,606	
Net pension liability	30,728,281	504,336		31,232,617	
Compensated absences payable	<u>2,010,993</u>	<u>356,962</u>	<u>668,580</u>	<u>1,699,375</u>	<u>750,000</u>
Governmental activity long-term liabilities	<u>\$ 58,702,556</u>	<u>\$ 19,488,864</u>	<u>\$ 5,017,531</u>	<u>\$ 73,173,889</u>	<u>\$ 1,350,000</u>

**NOTE 11 – 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 \$449,524 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.

**LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 11 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

**Interfund transfers:**

	Transfers in		
	General	Non-Major	
Transfers out	Fund	Governmental	Total
		Funds	
Bond Building Fund	\$	\$ 613,109	\$ 613,109
Non-Major Governmental Funds	49,980		49,980
Total	\$ 49,980	\$ 613,109	\$ 663,089

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 12 – CONTINGENT LIABILITIES**

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

**NOTE 13 – RISK MANAGEMENT**

The District 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.

**LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 13 – RISK MANAGEMENT**

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. 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, 2020	Year ended June 30, 2019
Unpaid claims, beginning of fiscal year	\$ 616,000	\$ 655,000
Incurred claims (including IBNRs)	5,079,398	3,873,579
Claim payments	5,100,398	3,912,579
Unpaid claims, end of fiscal year	<u>\$ 595,000</u>	<u>\$ 616,000</u>

**NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

**Aggregate Amounts.** At June 30, 2020, the District reported the following aggregate amounts related to pensions and OPEB for all plans to which it contributes:

	Pension	OPEB	Total
Net liability	\$ 31,232,617	\$ 8,106,606	\$ 39,339,223
Deferred outflows of	5,010,354	477,420	5,487,774
Deferred inflows of resources	2,669,903	2,091,968	4,761,871
Expense	3,614,314	(133,369)	3,480,945
Contributions	2,740,417	504,126	3,244,543

**LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

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

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

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

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

\*With actuarially reduced benefits

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

**LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

**Contributions.** In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 12.11 percent (11.94 percent for retirement and 0.17 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 12.11 percent (11.45 percent for retirement, 0.49 percent for health insurance premium benefit, and 0.17 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, 2020 were \$2,740,417.

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 10.41 percent (10.29 for retirement, 0.05 percent for health insurance premium benefit, 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, 2019. 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, 2018, to the measurement date of June 30, 2019. 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, 2019.

At June 30, 2020, the District reported the following amounts for its proportionate share of the pension plan net liability. In addition, at June 30, 2019, the District's percentage proportion for the plan and the related change from its proportion measured as of June 30, 2018 was:

Net Liability	District % Proportion	Increase (Decrease)
\$ 31,232,617	0.215	(0.005)

**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, 2020 was \$3,614,314.



**LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 14 – 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	\$ 564,225	\$ 5,872
Changes of assumptions or other inputs	132,021	1,243,744
Net difference between projected and actual earnings on pension investments		702,001
Changes in proportion and differences between contributions and proportionate share of contributions	1,573,691	718,286
Contributions subsequent to the measurement date	2,740,417	
Total	<u>\$ 5,010,354</u>	<u>\$ 2,669,903</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, 2021. 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:		
2021	\$	642,167
2022		(1,095,334)
2023		(134,814)
2024		188,015

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

Actuarial valuation date	June 30, 2018
Actuarial roll forward date	June 30, 2019
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, 2020**

**NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

The actuarial assumptions used in the June 30, 2018 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%	6.09%
Credit	20	5.36
Interest rate sensitive bonds	10	1.62
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, 2020**

**NOTE 14 – 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	\$ 44,451,249	\$ 31,232,617	\$ 20,185,243

**Pension Plan Fiduciary Net Position.** Detailed information about the pension plan’s fiduciary net position is available in the separately issued ASRS financial report. The report is available on the ASRS website at [www.azasrs.gov](http://www.azasrs.gov).

**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, 2020**

**NOTE 14 – 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 \$504,126 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.** The following employees were covered as of the effective date of the OPEB valuation:

Inactive employees or beneficiaries	40
Active employees	100
Total	<u>140</u>

**Total OPEB Liability.** The District's total OPEB liability of \$8,106,606 was measured as of June 30, 2020. 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, 2020.

**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	2.21%
Inflation rate	8.00%
Projected salary increases	N/A
Health care cost trend rate:	
Medical and Prescription Drug	8% graded down to an ultimate rate of 4% over 15 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, 2020**

**NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

At June 30, 2020, the discount rate used to measure the total OPEB liability was 2.21 percent, which was a change from 3.50 percent used as of June 30, 2019.

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	\$ 10,097,015
Changes for the year:	
Service cost	426,883
Interest	267,406
Differences between expected and actual experience	(2,355,546)
Changes in assumptions or other inputs	174,974
Benefit payments	(504,126)
Total OPEB Liability – end of year	<u>\$ 8,106,606</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	1.21%	2.21%	3.21%
Total OPEB liability	\$ 8,871,168	\$ 8,106,606	\$ 7,441,617

**LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 14 – 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
	7.00% decreasing to 3.00%	8.00% decreasing to 4.00%	9.00% decreasing to 5.00%
Rates			
Total OPEB liability	\$ 7,701,613	\$ 8,106,606	\$ 8,564,504

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.** At June 30, 2020, 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	\$	\$ 1,962,955
Changes of assumptions or other inputs	477,420	129,013
Total	<u>\$ 477,420</u>	<u>\$ 2,091,968</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:	
2021	\$ (323,532)
2022	(323,532)
2023	(323,530)
2024	(280,527)
2025	(363,427)

**NOTE 15 - SUBSEQUENT EVENT**

As of July 1, 2020, the District has elected to join the Northwest Arizona Employee Benefit Trust (NAEBT) for employee benefits. The NAEBT includes several Mohave County municipalities including the City of Lake Havasu. The District will no longer be self-insured for employee benefits. The Lake Havasu Unified School District Employee Benefit Trust (LHUSDEBT) will pay the remaining claims that occurred prior to June 30, 2020 until all claims are paid. Any remaining funds of the LHUSDEBT will be transferred to the NAEBT.

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## **REQUIRED SUPPLEMENTARY INFORMATION**



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**LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**GENERAL**  
**YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Non-GAAP	Variance with
	Original	Final	Actual	Final Budget
				Positive
				(Negative)
<b>Revenues:</b>				
Other local	\$	\$	\$ 1,060,108	\$ 1,060,108
Property taxes			23,100,693	23,100,693
State aid and grants			9,656,063	9,656,063
<b>Total revenues</b>			<u>33,816,864</u>	<u>33,816,864</u>
<b>Expenditures:</b>				
Current -				
Instruction	20,956,166	20,735,282	18,019,037	2,716,245
Support services - students and staff	3,753,458	4,067,033	3,341,563	725,470
Support services - administration	6,016,063	6,878,511	4,768,209	2,110,302
Operation and maintenance of plant services	6,020,059	5,605,819	4,454,613	1,151,206
Student transportation services	1,487,661	1,553,105	1,248,548	304,557
Operation of non-instructional services	153,957	112,665	162,147	(49,482)
<b>Total expenditures</b>	<u>38,387,364</u>	<u>38,952,415</u>	<u>31,994,117</u>	<u>6,958,298</u>
<b>Changes in fund balances</b>	<u>(38,387,364)</u>	<u>(38,952,415)</u>	<u>1,822,747</u>	<u>40,775,162</u>
<b>Fund balances, beginning of year, as restated</b>			10,891,277	10,891,277
Increase (decrease) in reserve for prepaid items			(439,756)	(439,756)
Increase (decrease) in reserve for inventory			7,958	7,958
<b>Fund balances (deficits), end of year</b>	<u>\$ (38,387,364)</u>	<u>\$ (38,952,415)</u>	<u>\$ 12,282,226</u>	<u>\$ 51,234,641</u>

See accompanying notes to this schedule.

**LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**ARIZONA STATE RETIREMENT SYSTEM**  
**LAST SIX FISCAL YEARS**

	<u><b>2020</b></u>	<u><b>2019</b></u>	<u><b>2018</b></u>	<u><b>2017</b></u>
Measurement date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
District's proportion of the net pension (assets) liability	0.22%	0.22%	0.19%	0.21%
District's proportionate share of the net pension (assets) liability	\$ 31,232,617	\$ 30,728,281	\$ 29,641,915	\$ 33,289,208
District's covered payroll	\$ 22,592,925	\$ 21,877,706	\$ 18,542,106	\$ 19,302,212
District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	138.24%	140.45%	159.86%	172.46%
Plan fiduciary net position as a percentage of the total pension liability	73.24%	73.40%	69.92%	67.06%

**SCHEDULE OF PENSION CONTRIBUTIONS**  
**ARIZONA STATE RETIREMENT SYSTEM**  
**LAST SIX FISCAL YEARS**

	<u><b>2020</b></u>	<u><b>2019</b></u>	<u><b>2018</b></u>	<u><b>2017</b></u>
Actuarially determined contribution	\$ 2,740,417	\$ 2,525,889	\$ 2,384,670	\$ 1,998,839
Contributions in relation to the actuarially determined contribution	<u>2,740,417</u>	<u>2,525,889</u>	<u>2,384,670</u>	<u>1,998,839</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 23,933,773	\$ 22,592,925	\$ 21,877,706	\$ 18,542,106
Contributions as a percentage of covered payroll	11.45%	11.18%	10.90%	10.78%

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.

**2016**

June 30, 2015

0.21%

\$ 33,202,281

\$ 19,610,110

169.31%

68.35%

**2016**

\$ 2,094,290

2,094,290

\$

\$ 19,302,212

10.85%

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

	<u><b>2020</b></u>	<u><b>2019</b></u>	<u><b>2018</b></u>
Measurement date	June 30, 2020	June 30, 2019	June 30, 2018
<b>Total OPEB liability</b>			
Service cost	\$ 426,883	\$ 412,447	\$ 411,065
Interest	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	174,974	497,412	(258,028)
Benefit payments	<u>(504,126)</u>	<u>(499,885)</u>	<u>(390,702)</u>
<b>Net change in total OPEB liability</b>	<u>(1,990,409)</u>	<u>777,038</u>	<u>93,022</u>
<b>Total OPEB liability—beginning</b>	<u>10,097,015</u>	<u>9,319,977</u>	<u>9,226,955</u>
<b>Total OPEB liability—ending</b>	<u><u>\$ 8,106,606</u></u>	<u><u>\$ 10,097,015</u></u>	<u><u>\$ 9,319,977</u></u>
 <b>Covered-employee payroll</b>	 \$ 23,933,773	 \$ 22,592,925	 \$ 21,877,706
 <b>Total OPEB liability as a percentage of covered-employee payroll</b>	 33.87%	 44.69%	 42.60%

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

See accompanying notes to this schedule.

**LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2020**

**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.

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	\$ 33,032,567	\$ 14,874,877
Activity budgeted as special revenue funds	(1,029,605)	(2,591,787)
Activity budgeted as capital projects funds	<u>(8,845)</u>	<u>(864)</u>
Schedule of Revenues, Expenditures and Changes in Fund		
Balances – Budget and Actual – General Fund	<u>\$ 31,994,117</u>	<u>\$ 12,282,226</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, 2018, 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, 2020**

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 6,071,464	\$ 276,040	\$ 4,102,332
Property taxes receivable		20,717	6,040
Accounts receivable	50,644		
Due from governmental entities	620,707		12,875
Inventory	24,777		
<b>Total assets</b>	<u><u>\$ 6,767,592</u></u>	<u><u>\$ 296,757</u></u>	<u><u>\$ 4,121,247</u></u>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES</u></b>			
<b><u>AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 36,658	\$	\$ 180,970
Construction contracts payable			106,568
Due to other funds	48,765		400,759
Accrued payroll and employee benefits	160,758		
Unearned revenues	107,491		
<b>Total liabilities</b>	<u>353,672</u>		<u>688,297</u>
Deferred inflows of resources:			
Unavailable revenues - property taxes			731
Unavailable revenues - intergovernmental	122,630		
<b>Total deferred inflows of resources</b>	<u>122,630</u>		<u>731</u>
Fund balances (deficits):			
Nonspendable	24,777		
Restricted	6,389,143	296,757	3,832,978
Unassigned	(122,630)		(400,759)
<b>Total fund balances</b>	<u>6,291,290</u>	<u>296,757</u>	<u>3,432,219</u>
<b>Total liabilities, deferred inflows of resources</b>			
<b>and fund balances</b>	<u><u>\$ 6,767,592</u></u>	<u><u>\$ 296,757</u></u>	<u><u>\$ 4,121,247</u></u>

Total Non-Major  
Governmental  
Funds

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\$	10,449,836
	26,757
	50,644
	633,582
	24,777
\$	<u>11,185,596</u>

\$	217,628
	106,568
	449,524
	160,758
	<u>107,491</u>
	<u>1,041,969</u>

	731
	<u>122,630</u>
	<u>123,361</u>

	24,777
	10,518,878
	<u>(523,389)</u>
	<u>10,020,266</u>

\$	<u>11,185,596</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, 2020**

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<b>Revenues:</b>			
Other local	\$ 2,267,562	\$ 5,060	\$ 75,531
Property taxes		1,353,368	2,986,196
State aid and grants	3,975,923		544,287
Federal aid, grants and reimbursements	4,332,272		
<b>Total revenues</b>	<u>10,575,757</u>	<u>1,358,428</u>	<u>3,606,014</u>
<b>Expenditures:</b>			
Current -			
Instruction	5,654,787		
Support services - students and staff	1,683,968		
Support services - administration	344,040		
Operation and maintenance of plant services	2,732		
Student transportation services	6,578		
Operation of non-instructional services	2,010,662		
Capital outlay	445,177		1,813,431
Debt service -			
Principal retirement		1,050,000	1,100,580
Interest and fiscal charges		1,002,713	16,885
<b>Total expenditures</b>	<u>10,147,944</u>	<u>2,052,713</u>	<u>2,930,896</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>427,813</u>	<u>(694,285)</u>	<u>675,118</u>
<b>Other financing sources (uses):</b>			
Transfers in		613,109	
Transfers out	(49,980)		
<b>Total other financing sources (uses)</b>	<u>(49,980)</u>	<u>613,109</u>	
<b>Changes in fund balances</b>	<u>377,833</u>	<u>(81,176)</u>	<u>675,118</u>
<b>Fund balances, beginning of year</b>	5,901,929	377,933	2,757,101
Increase (decrease) in reserve for inventory	11,528		
<b>Fund balances, end of year</b>	<u>\$ 6,291,290</u>	<u>\$ 296,757</u>	<u>\$ 3,432,219</u>

Total Non-Major  
Governmental  
Funds

\$	2,348,153
	4,339,564
	4,520,210
	4,332,272
	<u>15,540,199</u>

5,654,787
1,683,968
344,040
2,732
6,578
2,010,662
2,258,608

2,150,580
1,019,598
<u>15,131,553</u>

<u>408,646</u>
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613,109
(49,980)
<u>563,129</u>

<u>971,775</u>
----------------

9,036,963
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11,528
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\$	<u>10,020,266</u>
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## **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.

**Student Success** - to account for student success monies.

**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.

**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.

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

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



**LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1**  
**COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2020**

	<u>Classroom Site</u>	<u>Instructional Improvement</u>	<u>Title I Grants</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 512,291	\$ 788,700	\$
Accounts receivable			
Due from governmental entities	230,404	132,640	66,105
Inventory			
<b>Total assets</b>	<u><u>\$ 742,695</u></u>	<u><u>\$ 921,340</u></u>	<u><u>\$ 66,105</u></u>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			17,504
Accrued payroll and employee benefits		13,809	48,601
Unearned revenues			
<b>Total liabilities</b>	<u>                    </u>	<u>13,809</u>	<u>66,105</u>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			<u>66,105</u>
Fund balances (deficits):			
Nonspendable			
Restricted	742,695	907,531	
Unassigned			(66,105)
<b>Total fund balances</b>	<u>742,695</u>	<u>907,531</u>	<u>(66,105)</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u><u>\$ 742,695</u></u>	<u><u>\$ 921,340</u></u>	<u><u>\$ 66,105</u></u>

Professional Development and Technology Grants	Title IV Grants	Special Education Grants	Vocational Education	E-Rate	College Credit Exam Incentives
\$	\$	\$	\$	\$ 455,669	\$ 10,795
8,391	2	46,022	2,112		
<u>\$ 8,391</u>	<u>\$ 2</u>	<u>\$ 46,022</u>	<u>\$ 2,112</u>	<u>\$ 455,669</u>	<u>\$ 10,795</u>
\$	\$	\$	\$	\$	\$
2,837	2	27,614	808		
5,554		18,408	1,304		
<u>8,391</u>	<u>2</u>	<u>46,022</u>	<u>2,112</u>		
<u>8,391</u>		<u>46,022</u>	<u>2,112</u>		
(8,391)		(46,022)	(2,112)	455,669	10,795
<u>(8,391)</u>		<u>(46,022)</u>	<u>(2,112)</u>	<u>455,669</u>	<u>10,795</u>
<u>\$ 8,391</u>	<u>\$ 2</u>	<u>\$ 46,022</u>	<u>\$ 2,112</u>	<u>\$ 455,669</u>	<u>\$ 10,795</u>

(Continued)

**LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1**  
**COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2020**

	<u>Results-based funding</u>	<u>Other State Projects</u>	<u>Food Service</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 1,315,571	\$ 88,044	\$ 690,604
Accounts receivable			
Due from governmental entities			28,444
Inventory			24,777
<b>Total assets</b>	<u><u>\$ 1,315,571</u></u>	<u><u>\$ 88,044</u></u>	<u><u>\$ 743,825</u></u>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$	\$ 1,604	\$
Due to other funds			
Accrued payroll and employee benefits	13,904	22,027	7,582
Unearned revenues		64,413	43,078
<b>Total liabilities</b>	<u>13,904</u>	<u>88,044</u>	<u>50,660</u>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Fund balances (deficits):			
Nonspendable			24,777
Restricted	1,301,667		668,388
Unassigned			
<b>Total fund balances</b>	<u>1,301,667</u>		<u>693,165</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u><u>\$ 1,315,571</u></u>	<u><u>\$ 88,044</u></u>	<u><u>\$ 743,825</u></u>

<u>Civic Center</u>	<u>Community School</u>	<u>Extracurricular Activities Fees Tax Credit</u>	<u>Gifts and Donations</u>	<u>Fingerprint</u>	<u>Textbooks</u>
\$ 10,098	\$ 81,057	\$ 1,072,258 43,327	\$ 387,756 7,317	\$ 15,492	\$ 10,485
<u>\$ 10,098</u>	<u>\$ 81,057</u>	<u>\$ 1,115,585</u>	<u>\$ 395,073</u>	<u>\$ 15,492</u>	<u>\$ 10,485</u>
\$	\$	\$ 10,851	\$ 7,929	\$	\$
	6,423				
<u></u>	<u>6,423</u>	<u>10,851</u>	<u>7,929</u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>
10,098	74,634	1,104,734	387,144	15,492	10,485
<u>10,098</u>	<u>74,634</u>	<u>1,104,734</u>	<u>387,144</u>	<u>15,492</u>	<u>10,485</u>
<u>\$ 10,098</u>	<u>\$ 81,057</u>	<u>\$ 1,115,585</u>	<u>\$ 395,073</u>	<u>\$ 15,492</u>	<u>\$ 10,485</u>

(Continued)

**LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1**  
**COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2020**

	<u>Insurance Refund</u>	<u>Career Technical Education</u>	<u>Student Activities</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 33,298	\$ 318,473	\$ 280,873
Accounts receivable			
Due from governmental entities		106,587	
Inventory			
<b>Total assets</b>	<u>\$ 33,298</u>	<u>\$ 425,060</u>	<u>\$ 280,873</u>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$	\$	\$ 16,274
Due to other funds			
Accrued payroll and employee benefits		23,146	
Unearned revenues			
<b>Total liabilities</b>	<u></u>	<u>23,146</u>	<u>16,274</u>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental	<u></u>	<u></u>	<u></u>
Fund balances (deficits):			
Nonspendable			
Restricted	33,298	401,914	264,599
Unassigned			
<b>Total fund balances</b>	<u>33,298</u>	<u>401,914</u>	<u>264,599</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 33,298</u>	<u>\$ 425,060</u>	<u>\$ 280,873</u>

Totals	
\$	6,071,464
	50,644
	620,707
	24,777
\$	<u>6,767,592</u>

\$	36,658
	48,765
	160,758
	<u>107,491</u>
	<u>353,672</u>

	<u>122,630</u>
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	24,777
	6,389,143
	<u>(122,630)</u>
	<u>6,291,290</u>

\$	<u>6,767,592</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, 2020**

	Classroom Site	Instructional Improvement	Title I Grants
<b>Revenues:</b>			
Other local	\$ 27,684	\$ 19,514	\$
State aid and grants	2,764,845	242,994	
Federal aid, grants and reimbursements			1,031,580
<b>Total revenues</b>	<u>2,792,529</u>	<u>262,508</u>	<u>1,031,580</u>
<b>Expenditures:</b>			
Current -			
Instruction	2,780,711	162,509	849,139
Support services - students and staff	108,173		53,873
Support services - administration			170,476
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			476
<b>Total expenditures</b>	<u>2,888,884</u>	<u>162,509</u>	<u>1,073,964</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(96,355)</u>	<u>99,999</u>	<u>(42,384)</u>
<b>Other financing sources (uses):</b>			
Transfers out			(23,721)
<b>Total other financing sources (uses)</b>			<u>(23,721)</u>
<b>Changes in fund balances</b>	<u>(96,355)</u>	<u>99,999</u>	<u>(66,105)</u>
<b>Fund balances (deficits), beginning of year, as restated</b>	839,050	807,532	
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ 742,695</u>	<u>\$ 907,531</u>	<u>\$ (66,105)</u>

Professional Development and Technology Grants	Title IV Grants	Limited English and Immigrant Students	Special Education Grants	Vocational Education	E-Rate
\$	\$	\$	\$	\$	\$ 13,036
164,916	3,578	342	900,591	133,294	621,093
164,916	3,578	342	900,591	133,294	634,129
8,838	3,500		524,764	35,846	
154,839		150	391,902	67,546	648,831
5,875			1,747	865	2,577
			6,578		29
			1,316	16,505	129,852
169,552	3,500	150	926,307	120,762	781,289
(4,636)	78	192	(25,716)	12,532	(147,160)
(3,755)	(78)	(3)	(20,107)	(2,316)	
(3,755)	(78)	(3)	(20,107)	(2,316)	
(8,391)		189	(45,823)	10,216	(147,160)
		(189)	(199)	(12,328)	602,829
\$ (8,391)	\$	\$	\$ (46,022)	\$ (2,112)	\$ 455,669

(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, 2020**

	State Vocational Education	Gifted	College Credit Exam Incentives
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants	58,452	4,178	7,822
Federal aid, grants and reimbursements			
<b>Total revenues</b>	<u>58,452</u>	<u>4,178</u>	<u>7,822</u>
<b>Expenditures:</b>			
Current -			
Instruction	42,028	187	8,877
Support services - students and staff	5,078	916	
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	11,346	3,075	
<b>Total expenditures</b>	<u>58,452</u>	<u>4,178</u>	<u>8,877</u>
<b>Excess (deficiency) of revenues over expenditures</b>			(1,055)
<b>Other financing sources (uses):</b>			
Transfers out			
<b>Total other financing sources (uses)</b>			
<b>Changes in fund balances</b>			(1,055)
<b>Fund balances (deficits), beginning of year, as restated</b>			11,850
Increase (decrease) in reserve for inventory			
<b>Fund balances, end of year</b>	<u>\$</u>	<u>\$</u>	<u>\$ 10,795</u>

Results-based funding	Other State Projects	Food Service	Civic Center	Community School	Extracurricular Activities Fees Tax Credit
\$ 605,841	\$ 291,791	\$ 434,646	\$ 8,108	\$ 10,045	\$ 585,893
		1,476,878			
<u>605,841</u>	<u>291,791</u>	<u>1,911,524</u>	<u>8,108</u>	<u>10,045</u>	<u>585,893</u>
232,726	100,526			22,574	308,058
	153,222			3,566	
	2,225	104,086	1,587		
		2,004,162			
	569	21,116		4,477	43,390
<u>232,726</u>	<u>256,542</u>	<u>2,129,364</u>	<u>1,587</u>	<u>30,617</u>	<u>351,448</u>
<u>373,115</u>	<u>35,249</u>	<u>(217,840)</u>	<u>6,521</u>	<u>(20,572)</u>	<u>234,445</u>
<u>373,115</u>	<u>35,249</u>	<u>(217,840)</u>	<u>6,521</u>	<u>(20,572)</u>	<u>234,445</u>
928,552	(35,249)	899,477	3,577	95,206	870,289
		11,528			
<u>\$ 1,301,667</u>	<u>\$</u>	<u>\$ 693,165</u>	<u>\$ 10,098</u>	<u>\$ 74,634</u>	<u>\$ 1,104,734</u>

(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, 2020**

	Gifts and Donations	Fingerprint	Textbooks
<b>Revenues:</b>			
Other local	\$ 157,288	\$ 793	\$ 442
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>	<u>157,288</u>	<u>793</u>	<u>442</u>
<b>Expenditures:</b>			
Current -			
Instruction	71,092		
Support services - students and staff	2,948		
Support services - administration	20,622	2,069	
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services	6,500		
Capital outlay	17,753		
<b>Total expenditures</b>	<u>118,915</u>	<u>2,069</u>	
<b>Excess (deficiency) of revenues over expenditures</b>	<u>38,373</u>	<u>(1,276)</u>	<u>442</u>
<b>Other financing sources (uses):</b>			
Transfers out			
<b>Total other financing sources (uses)</b>			
<b>Changes in fund balances</b>	<u>38,373</u>	<u>(1,276)</u>	<u>442</u>
<b>Fund balances (deficits), beginning of year, as restated</b>	348,771	16,768	10,043
Increase (decrease) in reserve for inventory			
<b>Fund balances, end of year</b>	<u>\$ 387,144</u>	<u>\$ 15,492</u>	<u>\$ 10,485</u>

<u>Insurance Refund</u>	<u>Career Technical Education</u>	<u>Student Activities</u>	<u>Totals</u>
\$ 818	\$ 815,777	\$ 193,518	\$ 2,267,562
			3,975,923
			4,332,272
<u>818</u>	<u>815,777</u>	<u>193,518</u>	<u>10,575,757</u>
	355,449	147,963	5,654,787
	59,360	33,564	1,683,968
	33,498		344,040
		1,116	2,732
			6,578
			2,010,662
	189,959	5,343	445,177
	<u>638,266</u>	<u>187,986</u>	<u>10,147,944</u>
<u>818</u>	<u>177,511</u>	<u>5,532</u>	<u>427,813</u>
			(49,980)
			<u>(49,980)</u>
<u>818</u>	<u>177,511</u>	<u>5,532</u>	<u>377,833</u>
32,480	224,403	259,067	5,901,929
			11,528
<u>\$ 33,298</u>	<u>\$ 401,914</u>	<u>\$ 264,599</u>	<u>\$ 6,291,290</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, 2020**

	Classroom Site		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 27,684	\$ 27,684
State aid and grants		2,764,845	2,764,845
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>2,792,529</u>	<u>2,792,529</u>
<b>Expenditures:</b>			
Current -			
Instruction	3,365,619	2,780,711	584,908
Support services - students and staff	75,760	108,173	(32,413)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>3,441,379</u>	<u>2,888,884</u>	<u>552,495</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(3,441,379)</u>	<u>(96,355)</u>	<u>3,345,024</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
Proceeds from the disposal of real or personal property			
<b>Total other financing sources (uses)</b>			
<b>Changes in fund balances</b>	<u>(3,441,379)</u>	<u>(96,355)</u>	<u>3,345,024</u>
<b>Fund balances (deficits), beginning of year, as restated</b>		839,050	839,050
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (3,441,379)</u>	<u>\$ 742,695</u>	<u>\$ 4,184,074</u>

Instructional Improvement			Student Success		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 19,514 242,994	\$ 19,514 242,994	\$	\$ 2,357	\$ 2,357
	262,508	262,508		2,357	2,357
200,000	162,509	37,491		99,635 305	(99,635) (305)
200,000	162,509	37,491		99,940	(99,940)
(200,000)	99,999	299,999		(97,583)	(97,583)
(200,000)	99,999	299,999		(97,583)	(97,583)
	807,532	807,532		97,583	97,583
\$ (200,000)	\$ 907,531	\$ 1,107,531	\$	\$	\$

(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, 2020**

	Title I Grants		Variance -
	Budget	Actual	Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		1,031,580	1,031,580
<b>Total revenues</b>		<u>1,031,580</u>	<u>1,031,580</u>
<b>Expenditures:</b>			
Current -			
Instruction	1,756,000	849,139	906,861
Support services - students and staff		53,873	(53,873)
Support services - administration		170,476	(170,476)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay		476	(476)
<b>Total expenditures</b>	<u>1,756,000</u>	<u>1,073,964</u>	<u>682,036</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(1,756,000)</u>	<u>(42,384)</u>	<u>1,713,616</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out		(23,721)	(23,721)
Proceeds from the disposal of real or personal property			
<b>Total other financing sources (uses)</b>		<u>(23,721)</u>	<u>(23,721)</u>
<b>Changes in fund balances</b>	<u>(1,756,000)</u>	<u>(66,105)</u>	<u>1,689,895</u>
<b>Fund balances (deficits), beginning of year, as restated</b>			
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (1,756,000)</u>	<u>\$ (66,105)</u>	<u>\$ 1,689,895</u>

Professional Development and Technology Grants			Title IV Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	164,916	164,916		3,578	3,578
	164,916	164,916		3,578	3,578
285,000	8,838 154,839 5,875	(8,838) 130,161 (5,875)	29,500	3,500	26,000
285,000	169,552	115,448	29,500	3,500	26,000
(285,000)	(4,636)	280,364	(29,500)	78	29,578
	(3,755)	(3,755)		(78)	(78)
	(3,755)	(3,755)		(78)	(78)
(285,000)	(8,391)	276,609	(29,500)		29,500
\$ (285,000)	\$ (8,391)	\$ 276,609	\$ (29,500)	\$	\$ 29,500

(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, 2020**

	Limited English and Immigrant Students		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		342	342
<b>Total revenues</b>		<u>342</u>	<u>342</u>
<b>Expenditures:</b>			
Current -			
Instruction			
Support services - students and staff	27,000	150	26,850
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>27,000</u>	<u>150</u>	<u>26,850</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(27,000)</u>	<u>192</u>	<u>27,192</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out		(3)	(3)
Proceeds from the disposal of real or personal property			
<b>Total other financing sources (uses)</b>		<u>(3)</u>	<u>(3)</u>
<b>Changes in fund balances</b>	<u>(27,000)</u>	<u>189</u>	<u>27,189</u>
<b>Fund balances (deficits), beginning of year, as restated</b>		(189)	(189)
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (27,000)</u>	<u>\$</u>	<u>\$ 27,000</u>

Special Education Grants			Vocational Education		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	900,591	900,591		133,294	133,294
	900,591	900,591		133,294	133,294
1,332,054	524,764	807,290		35,846	(35,846)
	391,902	(391,902)	110,000	67,546	42,454
	1,747	(1,747)		865	(865)
	6,578	(6,578)			
	1,316	(1,316)		16,505	(16,505)
1,332,054	926,307	405,747	110,000	120,762	(10,762)
(1,332,054)	(25,716)	1,306,338	(110,000)	12,532	122,532
	(20,107)	(20,107)		(2,316)	(2,316)
	(20,107)	(20,107)		(2,316)	(2,316)
(1,332,054)	(45,823)	1,286,231	(110,000)	10,216	120,216
	(199)	(199)		(12,328)	(12,328)
\$ (1,332,054)	\$ (46,022)	\$ 1,286,032	\$ (110,000)	\$ (2,112)	\$ 107,888

(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, 2020**

	Medicaid Reimbursement		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 18,230	\$ 18,230
State aid and grants			
Federal aid, grants and reimbursements		431,493	431,493
<b>Total revenues</b>		<u>449,723</u>	<u>449,723</u>
<b>Expenditures:</b>			
Current -			
Instruction		123,422	(123,422)
Support services - students and staff	679,000	179,046	499,954
Support services - administration		3,172	(3,172)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay		35,371	(35,371)
<b>Total expenditures</b>	<u>679,000</u>	<u>341,011</u>	<u>337,989</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(679,000)</u>	<u>108,712</u>	<u>787,712</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
Proceeds from the disposal of real or personal property			
<b>Total other financing sources (uses)</b>			
<b>Changes in fund balances</b>	<u>(679,000)</u>	<u>108,712</u>	<u>787,712</u>
<b>Fund balances (deficits), beginning of year, as restated</b>		678,977	678,977
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (679,000)</u>	<u>\$ 787,689</u>	<u>\$ 1,466,689</u>

National Forest Fees			E-Rate		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$ 13,036	\$ 13,036
	888	888		621,093	621,093
	888	888		634,129	634,129
				648,831	(648,831)
				2,577	(2,577)
				29	(29)
	792	(792)		129,852	(129,852)
	792	(792)		781,289	(781,289)
	96	96		(147,160)	(147,160)
	96	96		(147,160)	(147,160)
	1,149	1,149		602,829	602,829
\$	\$ 1,245	\$ 1,245	\$	\$ 455,669	\$ 455,669

(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, 2020**

	State Vocational Education		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants		58,452	58,452
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>58,452</u>	<u>58,452</u>
<b>Expenditures:</b>			
Current -			
Instruction	43,000	42,028	972
Support services - students and staff		5,078	(5,078)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay		11,346	(11,346)
<b>Total expenditures</b>	<u>43,000</u>	<u>58,452</u>	<u>(15,452)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(43,000)</u>		<u>43,000</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
Proceeds from the disposal of real or personal property			
<b>Total other financing sources (uses)</b>			
<b>Changes in fund balances</b>	<u>(43,000)</u>		<u>43,000</u>
<b>Fund balances (deficits), beginning of year, as restated</b>			
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (43,000)</u>	<u>\$</u>	<u>\$ 43,000</u>

Gifted			College Credit Exam Incentives		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	4,178	4,178		7,822	7,822
	4,178	4,178		7,822	7,822
	187	(187)		8,877	(8,877)
	916	(916)			
8,000	3,075	4,925			
8,000	4,178	3,822		8,877	(8,877)
(8,000)		8,000		(1,055)	(1,055)
(8,000)		8,000		(1,055)	(1,055)
				11,850	11,850
\$ (8,000)	\$	\$ 8,000	\$	\$ 10,795	\$ 10,795

(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, 2020**

	Results-based funding		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants		605,841	605,841
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>605,841</u>	<u>605,841</u>
<b>Expenditures:</b>			
Current -			
Instruction	100,000	232,726	(132,726)
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>100,000</u>	<u>232,726</u>	<u>(132,726)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(100,000)</u>	<u>373,115</u>	<u>473,115</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
Proceeds from the disposal of real or personal property			
<b>Total other financing sources (uses)</b>			
<b>Changes in fund balances</b>	<u>(100,000)</u>	<u>373,115</u>	<u>473,115</u>
<b>Fund balances (deficits), beginning of year, as restated</b>		928,552	928,552
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (100,000)</u>	<u>\$ 1,301,667</u>	<u>\$ 1,401,667</u>

Rural Assistance			Other State Projects		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
				291,791	291,791
				291,791	291,791
	550	(550)	378,059	100,526	(100,526)
				153,222	224,837
				2,225	(2,225)
	550	(550)	378,059	569	(569)
				256,542	121,517
	(550)	(550)	(378,059)	35,249	413,308
	(550)	(550)	(378,059)	35,249	413,308
	35,249	35,249		(35,249)	(35,249)
\$	\$ 34,699	\$ 34,699	\$ (378,059)	\$	\$ 378,059

(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, 2020**

	School Plant		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 36,188	\$ 36,188
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>36,188</u>	<u>36,188</u>
<b>Expenditures:</b>			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services	35,000		35,000
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>35,000</u>		<u>35,000</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(35,000)</u>	<u>36,188</u>	<u>71,188</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
Proceeds from the disposal of real or personal property		6,270	6,270
<b>Total other financing sources (uses)</b>		<u>6,270</u>	<u>6,270</u>
<b>Changes in fund balances</b>	<u>(35,000)</u>	<u>42,458</u>	<u>77,458</u>
<b>Fund balances (deficits), beginning of year, as restated</b>		344,694	344,694
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (35,000)</u>	<u>\$ 387,152</u>	<u>\$ 422,152</u>

Food Service			Civic Center		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 434,646	\$ 434,646	\$	\$ 8,108	\$ 8,108
	1,476,878	1,476,878			
	1,911,524	1,911,524		8,108	8,108
	104,086	(104,086)			
			15,000	1,587	13,413
2,800,000	2,004,162	795,838			
	21,116	(21,116)			
2,800,000	2,129,364	670,636	15,000	1,587	13,413
(2,800,000)	(217,840)	2,582,160	(15,000)	6,521	21,521
(2,800,000)	(217,840)	2,582,160	(15,000)	6,521	21,521
	899,477	899,477		3,577	3,577
	11,528	11,528			
\$ (2,800,000)	\$ 693,165	\$ 3,493,165	\$ (15,000)	\$ 10,098	\$ 25,098

(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, 2020**

	Community School		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 10,045	\$ 10,045
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>10,045</u>	<u>10,045</u>
<b>Expenditures:</b>			
Current -			
Instruction	40,000	22,574	17,426
Support services - students and staff		3,566	(3,566)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay		4,477	(4,477)
<b>Total expenditures</b>	<u>40,000</u>	<u>30,617</u>	<u>9,383</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(40,000)</u>	<u>(20,572)</u>	<u>19,428</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
Proceeds from the disposal of real or personal property			
<b>Total other financing sources (uses)</b>			
<b>Changes in fund balances</b>	<u>(40,000)</u>	<u>(20,572)</u>	<u>19,428</u>
<b>Fund balances (deficits), beginning of year, as restated</b>		95,206	95,206
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (40,000)</u>	<u>\$ 74,634</u>	<u>\$ 114,634</u>

Auxiliary Operations			Extracurricular Activities Fees Tax Credit		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 347,023	\$ 347,023	\$	\$ 585,893	\$ 585,893
	<u>347,023</u>	<u>347,023</u>		<u>585,893</u>	<u>585,893</u>
300,000	143,243	156,757	650,000	308,058	341,942
	11,974	(11,974)			
	3,650	(3,650)			
	75,314	(75,314)			
	118,785	(118,785)			
	17,029	(17,029)		43,390	(43,390)
<u>300,000</u>	<u>369,995</u>	<u>(69,995)</u>	<u>650,000</u>	<u>351,448</u>	<u>298,552</u>
<u>(300,000)</u>	<u>(22,972)</u>	<u>277,028</u>	<u>(650,000)</u>	<u>234,445</u>	<u>884,445</u>
<u>(300,000)</u>	<u>(22,972)</u>	<u>277,028</u>	<u>(650,000)</u>	<u>234,445</u>	<u>884,445</u>
	902,062	902,062		870,289	870,289
	5,299	5,299			
<u>\$ (300,000)</u>	<u>\$ 884,389</u>	<u>\$ 1,184,389</u>	<u>\$ (650,000)</u>	<u>\$ 1,104,734</u>	<u>\$ 1,754,734</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, 2020**

	Gifts and Donations		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 157,288	\$ 157,288
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>157,288</u>	<u>157,288</u>
<b>Expenditures:</b>			
Current -			
Instruction	200,000	71,092	128,908
Support services - students and staff		2,948	(2,948)
Support services - administration		20,622	(20,622)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services		6,500	(6,500)
Capital outlay		17,753	(17,753)
<b>Total expenditures</b>	<u>200,000</u>	<u>118,915</u>	<u>81,085</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(200,000)</u>	<u>38,373</u>	<u>238,373</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
Proceeds from the disposal of real or personal property			
<b>Total other financing sources (uses)</b>			
<b>Changes in fund balances</b>	<u>(200,000)</u>	<u>38,373</u>	<u>238,373</u>
<b>Fund balances (deficits), beginning of year, as restated</b>		348,771	348,771
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (200,000)</u>	<u>\$ 387,144</u>	<u>\$ 587,144</u>

Fingerprint			Textbooks		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 793	\$ 793	\$	\$ 442	\$ 442
	793	793		442	442
2,500	2,069	431	9,000		9,000
2,500	2,069	431	9,000		9,000
(2,500)	(1,276)	1,224	(9,000)	442	9,442
(2,500)	(1,276)	1,224	(9,000)	442	9,442
	16,768	16,768		10,043	10,043
\$ (2,500)	\$ 15,492	\$ 17,992	\$ (9,000)	\$ 10,485	\$ 19,485

**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, 2020**

	Litigation Recovery		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 5,573	\$ 5,573
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>5,573</u>	<u>5,573</u>
<b>Expenditures:</b>			
Current -			
Instruction	2,000		2,000
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>2,000</u>		<u>2,000</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(2,000)</u>	<u>5,573</u>	<u>7,573</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
Proceeds from the disposal of real or personal property			
<b>Total other financing sources (uses)</b>			
<b>Changes in fund balances</b>	<u>(2,000)</u>	<u>5,573</u>	<u>7,573</u>
<b>Fund balances (deficits), beginning of year, as restated</b>		141,032	141,032
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (2,000)</u>	<u>\$ 146,605</u>	<u>\$ 148,605</u>

Indirect Costs			Insurance Refund		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$ 818	\$ 818
				818	818
50,000	49,980	20			
50,000	49,980	20			
(50,000)	(49,980)	20		818	818
	49,980	49,980			
	49,980	49,980			
(50,000)		50,000		818	818
				32,480	32,480
\$ (50,000)	\$	\$ 50,000	\$	\$ 33,298	\$ 33,298

(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, 2020**

	Advertisement		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 231	\$ 231
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>		231	231
<b>Expenditures:</b>			
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			
<b>Total expenditures</b>	5,000		5,000
<b>Excess (deficiency) of revenues over expenditures</b>	(5,000)	231	5,231
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
Proceeds from the disposal of real or personal property			
<b>Total other financing sources (uses)</b>			
<b>Changes in fund balances</b>	(5,000)	231	5,231
<b>Fund balances (deficits), beginning of year, as restated</b>		9,185	9,185
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	\$ (5,000)	\$ 9,416	\$ 14,416

Career Technical Education			Intergovernmental agreements		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 815,777	\$ 815,777	\$	\$ 258,168	\$ 258,168
	815,777	815,777		258,168	258,168
500,000	355,449 59,360 33,498	144,551 (59,360) (33,498)	50,000	167,337	(117,337)
	189,959	(189,959)			
500,000	638,266	(138,266)	50,000	167,337	(117,337)
(500,000)	177,511	677,511	(50,000)	90,831	140,831
(500,000)	177,511	677,511	(50,000)	90,831	140,831
	224,403	224,403		249,761	249,761
\$ (500,000)	\$ 401,914	\$ 901,914	\$ (50,000)	\$ 340,592	\$ 390,592

(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, 2020**

	Student Activities		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 193,518	\$ 193,518
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>193,518</u>	<u>193,518</u>
<b>Expenditures:</b>			
Current -			
Instruction		147,963	(147,963)
Support services - students and staff		33,564	(33,564)
Support services - administration			
Operation and maintenance of plant services		1,116	(1,116)
Student transportation services			
Operation of non-instructional services			
Capital outlay		5,343	(5,343)
<b>Total expenditures</b>		<u>187,986</u>	<u>(187,986)</u>
<b>Excess (deficiency) of revenues over expenditures</b>		<u>5,532</u>	<u>5,532</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
Proceeds from the disposal of real or personal property			
<b>Total other financing sources (uses)</b>			
<b>Changes in fund balances</b>		<u>5,532</u>	<u>5,532</u>
<b>Fund balances (deficits), beginning of year, as restated</b>		259,067	259,067
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$</u>	<u>\$ 264,599</u>	<u>\$ 264,599</u>

Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 2,935,332	\$ 2,935,332
	3,975,923	3,975,923
	4,764,653	4,764,653
	<u>11,675,908</u>	<u>11,675,908</u>
8,582,173	6,188,424	2,393,749
1,554,819	1,875,843	(321,024)
2,500	350,862	(348,362)
50,000	78,046	(28,046)
	6,578	(6,578)
2,800,000	2,129,447	670,553
58,000	548,349	(490,349)
<u>13,047,492</u>	<u>11,177,549</u>	<u>1,869,943</u>
<u>(13,047,492)</u>	<u>498,359</u>	<u>13,545,851</u>
	49,980	49,980
	(49,980)	(49,980)
	6,270	6,270
	<u>6,270</u>	<u>6,270</u>
<u>(13,047,492)</u>	<u>504,629</u>	<u>13,552,121</u>
	8,361,621	8,361,621
	16,827	16,827
<u>\$ (13,047,492)</u>	<u>\$ 8,883,077</u>	<u>\$ 21,930,569</u>

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## **DEBT SERVICE FUND**

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

**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, 2020**

	Debt Service		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 5,060	\$ 5,060
Property taxes		1,353,368	1,353,368
<b>Total revenues</b>		<u>1,358,428</u>	<u>1,358,428</u>
<b>Expenditures:</b>			
Debt service -			
Principal retirement	1,632,963	1,050,000	582,963
Interest and fiscal charges		1,002,713	(1,002,713)
<b>Total expenditures</b>	<u>1,632,963</u>	<u>2,052,713</u>	<u>(419,750)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(1,632,963)</u>	<u>(694,285)</u>	<u>938,678</u>
<b>Other financing sources (uses):</b>			
Transfers in		613,109	613,109
<b>Total other financing sources (uses)</b>		<u>613,109</u>	<u>613,109</u>
<b>Changes in fund balances</b>	<u>(1,632,963)</u>	<u>(81,176)</u>	<u>1,551,787</u>
<b>Fund balances, beginning of year</b>		377,933	377,933
<b>Fund balances (deficits), end of year</b>	<u>\$ (1,632,963)</u>	<u>\$ 296,757</u>	<u>\$ 1,929,720</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, 2020**

	<u>Unrestricted Capital Outlay</u>	<u>Adjacent Ways</u>	<u>Energy and Water Savings</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 3,291,561	\$ 644,207	\$ 166,564
Property taxes receivable	6,040		
Due from governmental entities	12,875		
<b>Total assets</b>	<u><u>\$ 3,310,476</u></u>	<u><u>\$ 644,207</u></u>	<u><u>\$ 166,564</u></u>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 180,970	\$	\$
Construction contracts payable	106,568		
Due to other funds			
<b>Total liabilities</b>	<u><u>287,538</u></u>		
Deferred inflows of resources:			
Unavailable revenues - property taxes	<u><u>731</u></u>		
Fund balances (deficits):			
Restricted	3,022,207	644,207	166,564
Unassigned			
<b>Total fund balances</b>	<u><u>3,022,207</u></u>	<u><u>644,207</u></u>	<u><u>166,564</u></u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u><u>\$ 3,310,476</u></u>	<u><u>\$ 644,207</u></u>	<u><u>\$ 166,564</u></u>

<u>Building Renewal Grant</u>	<u>Totals</u>
\$	\$ 4,102,332
	6,040
	12,875
<u>\$</u>	<u>\$ 4,121,247</u>

\$	\$ 180,970
	106,568
<u>400,759</u>	<u>400,759</u>
<u>400,759</u>	<u>688,297</u>

<u></u>	<u>731</u>
---------	------------

	3,832,978
<u>(400,759)</u>	<u>(400,759)</u>
<u>(400,759)</u>	<u>3,432,219</u>

<u>\$</u>	<u>\$ 4,121,247</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, 2020**

	Unrestricted Capital Outlay	Adjacent Ways	Energy and Water Savings
<b>Revenues:</b>			
Other local	\$ 9,577	\$	\$ 65,954
Property taxes	2,986,196		
State aid and grants	57,880		
<b>Total revenues</b>	<u>3,053,653</u>	<u></u>	<u>65,954</u>
<b>Expenditures:</b>			
Capital outlay	1,170,490	9,434	
Debt service -			
Principal retirement	1,100,580		
Interest and fiscal charges	16,885		
<b>Total expenditures</b>	<u>2,287,955</u>	<u>9,434</u>	<u></u>
<b>Changes in fund balances</b>	<u>765,698</u>	<u>(9,434)</u>	<u>65,954</u>
<b>Fund balances (deficits), beginning of year</b>	2,256,509	653,641	100,610
<b>Fund balances (deficits), end of year</b>	<u><u>\$ 3,022,207</u></u>	<u><u>\$ 644,207</u></u>	<u><u>\$ 166,564</u></u>

Building Renewal Grant	Totals
\$	\$ 75,531
	2,986,196
486,407	544,287
<u>486,407</u>	<u>3,606,014</u>
633,507	1,813,431
	1,100,580
	16,885
<u>633,507</u>	<u>2,930,896</u>
<u>(147,100)</u>	<u>675,118</u>
(253,659)	2,757,101
<u>\$ (400,759)</u>	<u>\$ 3,432,219</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, 2020**

	Insurance Proceeds		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 1,037	\$ 1,037
Property taxes			
State aid and grants			
<b>Total revenues</b>		<u>1,037</u>	<u>1,037</u>
<b>Expenditures:</b>			
Current -			
Student transportation services	40,000	7,845	32,155
Capital outlay		1,000	(1,000)
Debt service -			
Principal retirement			
Interest and fiscal charges			
Bond issuance costs			
<b>Total expenditures</b>	<u>40,000</u>	<u>8,845</u>	<u>31,155</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(40,000)</u>	<u>(7,808)</u>	<u>32,192</u>
<b>Other financing sources (uses):</b>			
Transfers out			
Issuance of school improvement bonds			
Premium on sale of bonds			
Insurance recoveries		6,373	6,373
<b>Total other financing sources (uses)</b>		<u>6,373</u>	<u>6,373</u>
<b>Changes in fund balances</b>	<u>(40,000)</u>	<u>(1,435)</u>	<u>38,565</u>
<b>Fund balances (deficits), beginning of year</b>		2,299	2,299
<b>Fund balances (deficits), end of year</b>	<u>\$ (40,000)</u>	<u>\$ 864</u>	<u>\$ 40,864</u>

Unrestricted Capital Outlay			Adjacent Ways		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 9,577	\$ 9,577	\$	\$	\$
	2,986,196	2,986,196			
	57,880	57,880			
	3,053,653	3,053,653			
3,710,149	1,170,490	2,539,659		9,434	(9,434)
1,100,580	1,100,580				
16,885	16,885				
4,827,614	2,287,955	2,539,659		9,434	(9,434)
(4,827,614)	765,698	5,593,312		(9,434)	(9,434)
(4,827,614)	765,698	5,593,312		(9,434)	(9,434)
	2,256,509	2,256,509		653,641	653,641
\$ (4,827,614)	\$ 3,022,207	\$ 7,849,821	\$	\$ 644,207	\$ 644,207

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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, 2020**

	Bond Building		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$ 193,859	\$ 193,859
Property taxes			
State aid and grants			
<b>Total revenues</b>		<u>193,859</u>	<u>193,859</u>
<b>Expenditures:</b>			
Current -			
Student transportation services			
Capital outlay	5,000,000	3,948,089	1,051,911
Debt service -			
Principal retirement			
Interest and fiscal charges			
Bond issuance costs		167,411	(167,411)
<b>Total expenditures</b>	<u>5,000,000</u>	<u>4,115,500</u>	<u>884,500</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(5,000,000)</u>	<u>(3,921,641)</u>	<u>1,078,359</u>
<b>Other financing sources (uses):</b>			
Transfers out		(613,109)	(613,109)
Issuance of school improvement bonds		16,175,000	16,175,000
Premium on sale of bonds		2,452,566	2,452,566
Insurance recoveries			
<b>Total other financing sources (uses)</b>		<u>18,014,457</u>	<u>18,014,457</u>
<b>Changes in fund balances</b>	<u>(5,000,000)</u>	<u>14,092,816</u>	<u>19,092,816</u>
<b>Fund balances (deficits), beginning of year</b>		4,894,625	4,894,625
<b>Fund balances (deficits), end of year</b>	<u>\$ (5,000,000)</u>	<u>\$ 18,987,441</u>	<u>\$ 23,987,441</u>

Energy and Water Savings			Building Renewal Grant		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 65,954	\$ 65,954	\$	\$	\$
				486,407	486,407
	65,954	65,954		486,407	486,407
80,000		80,000	2,000,000	633,507	1,366,493
80,000		80,000	2,000,000	633,507	1,366,493
(80,000)	65,954	145,954	(2,000,000)	(147,100)	1,852,900
(80,000)	65,954	145,954	(2,000,000)	(147,100)	1,852,900
	100,610	100,610		(253,659)	(253,659)
\$ (80,000)	\$ 166,564	\$ 246,564	\$ (2,000,000)	\$ (400,759)	\$ 1,599,241

(Continued)



**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, 2020**

	Totals		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 270,427	\$ 270,427
Property taxes		2,986,196	2,986,196
State aid and grants		544,287	544,287
<b>Total revenues</b>		<u>3,800,910</u>	<u>3,800,910</u>
<b>Expenditures:</b>			
Current -			
Student transportation services	40,000	7,845	32,155
Capital outlay	10,790,149	5,762,520	5,027,629
Debt service -			
Principal retirement	1,100,580	1,100,580	
Interest and fiscal charges	16,885	16,885	
Bond issuance costs		167,411	(167,411)
<b>Total expenditures</b>	<u>11,947,614</u>	<u>7,055,241</u>	<u>4,892,373</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(11,947,614)</u>	<u>(3,254,331)</u>	<u>8,693,283</u>
<b>Other financing sources (uses):</b>			
Transfers out		(613,109)	(613,109)
Issuance of school improvement bonds		16,175,000	16,175,000
Premium on sale of bonds		2,452,566	2,452,566
Insurance recoveries		6,373	6,373
<b>Total other financing sources (uses)</b>		<u>18,020,830</u>	<u>18,020,830</u>
<b>Changes in fund balances</b>	<u>(11,947,614)</u>	<u>14,766,499</u>	<u>26,714,113</u>
<b>Fund balances (deficits), beginning of year</b>		7,654,025	7,654,025
<b>Fund balances (deficits), end of year</b>	<u>\$ (11,947,614)</u>	<u>\$ 22,420,524</u>	<u>\$ 34,368,138</u>

## 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)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>
<b>Net Position:</b>					
Net investment in capital assets	\$ 43,731,711	\$ 45,432,693	\$ 46,531,650	\$ 45,604,296	\$ 45,932,190
Restricted	10,519,609	9,096,443	7,734,458	6,457,647	5,589,417
Unrestricted	(21,191,357)	(22,074,756)	(25,861,098)	(25,246,415)	(29,751,353)
Total net position	<u>\$ 33,059,963</u>	<u>\$ 32,454,380</u>	<u>\$ 28,405,010</u>	<u>\$ 26,815,528</u>	<u>\$ 21,770,254</u>
	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>
<b>Net Position:</b>					
Net investment in capital assets	\$ 46,213,378	\$ 40,796,122	\$ 32,036,647	\$ 31,987,723	\$ 28,586,579
Restricted	4,966,839	6,569,902	7,590,728	6,893,775	7,078,842
Unrestricted	(32,022,241)	2,411,731	11,226,078	14,885,989	14,611,881
Total net position	<u>\$ 19,157,976</u>	<u>\$ 49,777,755</u>	<u>\$ 50,853,453</u>	<u>\$ 53,767,487</u>	<u>\$ 50,277,302</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)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>
<b>Expenses</b>					
Instruction	\$ 28,591,197	\$ 24,422,343	\$ 22,496,438	\$ 20,665,508	\$ 21,823,858
Support services - students and staff	5,370,975	4,431,906	4,038,352	3,702,504	4,070,894
Support services - administration	5,627,077	5,183,178	3,879,809	4,435,711	4,848,290
Operation and maintenance of plant services	5,231,572	4,787,618	5,001,350	4,092,886	4,192,143
Student transportation services	2,005,530	1,810,893	1,392,140	1,273,442	1,167,650
Operation of non-instructional services	2,487,113	2,700,054	2,516,900	2,272,843	2,223,239
Interest on long-term debt	811,636	568,439	703,258	52,905	52,802
Total expenses	<u>50,125,100</u>	<u>43,904,431</u>	<u>40,028,247</u>	<u>36,495,799</u>	<u>38,378,876</u>
<b>Program Revenues</b>					
Charges for services:					
Instruction	1,614,064	834,186	591,684	767,400	961,529
Operation of non-instructional services	434,646	960,500	889,828	929,021	903,839
Other activities	56,804	51,122	56,651	55,190	73,249
Operating grants and contributions	5,675,835	5,935,724	6,402,914	5,496,782	5,794,605
Capital grants and contributions	947,538	1,096,220	269,132	1,231,834	1,636,855
Total program revenues	<u>8,728,887</u>	<u>8,877,752</u>	<u>8,210,209</u>	<u>8,480,227</u>	<u>9,370,077</u>
<b>Net (Expense)/Revenue</b>	<u>\$ (41,396,213)</u>	<u>\$ (35,026,679)</u>	<u>\$ (31,818,038)</u>	<u>\$ (28,015,572)</u>	<u>\$ (29,008,799)</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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>Expenses</b>					
Instruction	\$ 21,768,789	\$ 21,685,061	\$ 23,799,629	\$ 21,583,414	\$ 25,603,971
Support services - students and staff	4,089,490	4,530,494	5,057,901	4,588,754	4,886,741
Support services - administration	4,330,613	4,302,656	3,815,743	4,485,813	3,938,285
Operation and maintenance of plant services	4,309,558	4,199,556	4,662,443	4,315,006	5,311,753
Student transportation services	1,255,699	1,292,389	1,698,660	1,273,997	1,363,735
Operation of non-instructional services	2,360,567	2,301,439	2,098,588	2,262,003	2,053,411
Interest on long-term debt	288,532	546,855	675,824	853,223	1,024,997
Total expenses	<u>38,403,248</u>	<u>38,858,450</u>	<u>41,808,788</u>	<u>39,362,210</u>	<u>44,182,893</u>
<b>Program Revenues</b>					
Charges for services:					
Instruction	1,588,348	1,276,878	1,683,251	1,768,659	2,331,557
Operation of non-instructional services	903,797	948,507	1,030,544	913,873	531,963
Other activities	71,014	117,109	50,658	14,124	98,549
Operating grants and contributions	5,030,979	5,503,608	5,098,688	5,220,533	6,414,289
Capital grants and contributions	711,227	109,377	189,191	331,775	496,946
Total program revenues	<u>8,305,365</u>	<u>7,955,479</u>	<u>8,052,332</u>	<u>8,248,964</u>	<u>9,873,304</u>
<b>Net (Expense)/Revenue</b>	<u>\$ (30,097,883)</u>	<u>\$ (30,902,971)</u>	<u>\$ (33,756,456)</u>	<u>\$ (31,113,246)</u>	<u>\$ (34,309,589)</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)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>
<b>Net (Expense)/Revenue</b>	\$ (41,396,213)	\$ (35,026,679)	\$ (31,818,038)	\$ (28,015,572)	\$ (29,008,799)
<b>General Revenues:</b>					
Taxes:					
Property taxes, levied for general purposes	22,832,195	23,500,337	24,522,034	20,450,733	19,643,666
Property taxes, levied for debt service	1,337,396	1,593,280	1,971,210		
Property taxes, levied for capital outlay	2,972,727	870,295	320,813	1,061,642	1,350,011
Investment income	647,957	578,173	378,728	95,588	64,890
Unrestricted county aid	782,581	708,033	622,259	617,699	684,413
Unrestricted state aid	12,721,782	11,487,012	12,989,247	9,863,198	9,659,487
Unrestricted federal aid	432,381	338,919	229,495	176,684	218,610
<b>Special Item - Gain on sale of capital assets</b>				914,650	
<b>Total general revenues</b>	<u>41,727,019</u>	<u>39,076,049</u>	<u>41,033,786</u>	<u>33,180,194</u>	<u>31,621,077</u>
<b>Changes in Net Position</b>	<u>\$ 330,806</u>	<u>\$ 4,049,370</u>	<u>\$ 9,215,748</u>	<u>\$ 5,164,622</u>	<u>\$ 2,612,278</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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>Net (Expense)/Revenue</b>	\$ (30,097,883)	\$ (30,902,971)	\$ (33,756,456)	\$ (31,113,246)	\$ (34,309,589)
<b>General Revenues:</b>					
Taxes:					
Property taxes, levied for general purposes	19,367,505	13,717,407	14,333,384	16,037,667	17,641,005
Property taxes, levied for debt service	4,489,063	4,723,683	4,737,572	4,929,231	4,505,176
Property taxes, levied for capital outlay	2,244,911	1,050,059	574,980	649,904	271,381
Investment income	88,297	310,893	97,295	151,893	230,242
Unrestricted county aid	714,643	813,289	1,003,626	1,316,981	1,224,934
Unrestricted state aid	8,245,844	9,034,924	9,911,291	11,516,546	11,355,535
Unrestricted federal aid	198,481	177,018	184,274	1,209	129,700
<b>Total general revenues</b>	<u>35,348,744</u>	<u>29,827,273</u>	<u>30,842,422</u>	<u>34,603,431</u>	<u>35,357,973</u>
<b>Changes in Net Position</b>	<u>\$ 5,250,861</u>	<u>\$ (1,075,698)</u>	<u>\$ (2,914,034)</u>	<u>\$ 3,490,185</u>	<u>\$ 1,048,384</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)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>
General Fund:					
Nondisposable	\$ 265,028	\$ 691,527	\$ 385,759	\$ 400,102	\$ 359,489
Restricted				7,199	
Assigned	768,694	791,666	847,013	791,750	685,782
Unassigned	13,841,155	11,854,365	10,538,794	6,564,447	4,127,272
Total General Fund	<u>\$ 14,874,877</u>	<u>\$ 13,337,558</u>	<u>\$ 11,771,566</u>	<u>\$ 7,763,498</u>	<u>\$ 5,172,543</u>
All Other Governmental Funds:					
Nondisposable	\$ 24,777	\$ 13,249	\$ 13,347	\$ 21,614	\$ 18,257
Restricted	29,506,319	13,960,896	15,692,158	23,235,241	5,543,138
Unassigned	(523,389)	(301,624)	(442,644)	(905,445)	(31,076)
Total all other governmental funds	<u>\$ 29,007,707</u>	<u>\$ 13,672,521</u>	<u>\$ 15,262,861</u>	<u>\$ 22,351,410</u>	<u>\$ 5,530,319</u>

(Continued)



**LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Fund:					
Nonspendable	\$ 355,144	\$ 284,525	\$	\$ 299,260	\$ 269,960
Assigned	654,644	566,293	578,165	742,608	627,284
Unassigned	1,791,293	1,451,998	4,156,530	5,787,579	6,030,360
Total General Fund	<u>\$ 2,801,081</u>	<u>\$ 2,302,816</u>	<u>\$ 4,734,695</u>	<u>\$ 6,829,447</u>	<u>\$ 6,927,604</u>
All Other Governmental Funds:					
Nonspendable	\$ 25,632	\$ 24,952	\$	\$ 26,614	\$ 22,281
Restricted	4,809,374	6,300,321	7,483,176	6,771,678	7,020,731
Assigned			626,789	914,000	768,988
Unassigned	(352,061)	(194,913)			
Total all other governmental funds	<u>\$ 4,482,945</u>	<u>\$ 6,130,360</u>	<u>\$ 8,109,965</u>	<u>\$ 7,712,292</u>	<u>\$ 7,812,000</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)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>
<b>Federal sources:</b>					
Federal grants	\$ 3,287,775	\$ 3,226,454	\$ 3,469,684	\$ 2,940,306	\$ 3,124,838
National School Lunch Program	1,476,878	1,609,022	1,659,263	1,713,703	1,732,618
Total federal sources	<u>4,764,653</u>	<u>4,835,476</u>	<u>5,128,947</u>	<u>4,654,009</u>	<u>4,857,456</u>
<b>State sources:</b>					
State equalization assistance	9,713,943	8,540,106	7,622,221	7,476,366	6,987,318
State grants	968,084	746,994	756,099	169,226	433,997
School Facilities Board	486,407	988,931	2,580,358	884,179	999,566
Other revenues	3,007,839	2,946,906	2,727,443	2,386,832	2,420,806
Total state sources	<u>14,176,273</u>	<u>13,222,937</u>	<u>13,686,121</u>	<u>10,916,603</u>	<u>10,841,687</u>
<b>Local sources:</b>					
Property taxes	27,440,257	25,793,366	26,841,587	21,508,759	21,186,333
County aid	782,581	708,033	622,259	617,699	684,413
Food service sales	434,646	529,332	468,384	499,381	503,564
Investment income	598,452	510,972	365,345	88,302	35,365
Other revenues	2,455,248	2,192,626	2,201,098	2,410,020	2,619,693
Total local sources	<u>31,711,184</u>	<u>29,734,329</u>	<u>30,498,673</u>	<u>25,124,161</u>	<u>25,029,368</u>
<b>Total revenues</b>	<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>	<u><u>\$ 40,728,511</u></u>

(Continued)

**LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1**  
**GOVERNMENTAL FUNDS REVENUES**  
**LAST TEN FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>Federal sources:</b>					
Federal grants	\$ 2,685,424	\$ 2,769,514	\$ 3,478,371	\$ 3,111,363	\$ 3,944,633
State Fiscal Stabilization (ARRA)					129,700
Education Jobs				589,565	505,187
National School Lunch Program	1,731,927	1,814,606	1,666,699	1,521,194	1,544,503
Total federal sources	<u>4,417,351</u>	<u>4,584,120</u>	<u>5,145,070</u>	<u>5,222,122</u>	<u>6,124,023</u>
<b>State sources:</b>					
State equalization assistance	6,070,671	6,614,287	8,014,550	9,647,892	9,848,828
State grants	244,998	318,645	377,339	198,567	194,333
School Facilities Board				70,060	
Other revenues	2,794,648	2,420,637	1,896,741	1,798,594	1,704,045
Total state sources	<u>9,110,317</u>	<u>9,353,569</u>	<u>10,288,630</u>	<u>11,715,113</u>	<u>11,747,206</u>
<b>Local sources:</b>					
Property taxes	26,043,794	19,470,717	19,675,856	21,621,380	22,783,472
County aid	714,643	813,289	1,003,626	1,316,981	1,224,934
Food service sales	517,109	537,401	545,006	492,193	531,963
Investment income	61,279	85,351	97,295	151,893	203,223
Other revenues	2,808,986	2,564,032	2,219,447	2,316,338	3,171,144
Total local sources	<u>30,145,811</u>	<u>23,470,790</u>	<u>23,541,230</u>	<u>25,898,785</u>	<u>27,914,736</u>
<b>Total revenues</b>	<u>\$ 43,673,479</u>	<u>\$ 37,408,479</u>	<u>\$ 38,974,930</u>	<u>\$ 42,836,020</u>	<u>\$ 45,785,965</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)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>
<b>Expenditures:</b>					
Current -					
Instruction	\$ 24,207,461	\$ 22,667,188	\$ 21,606,772	\$ 19,727,734	\$ 19,013,571
Support services - students and staff	5,217,406	4,606,765	4,279,704	3,944,527	3,981,038
Support services - administration	5,119,071	5,112,486	4,029,544	4,592,750	4,386,779
Operation and maintenance of plant services	4,532,659	5,173,610	5,126,321	4,261,255	4,226,703
Student transportation services	1,262,971	1,326,417	1,136,568	1,089,695	926,464
Operation of non-instructional services	2,291,594	2,539,848	2,381,880	2,208,408	2,104,060
Capital outlay	6,310,869	5,051,104	11,497,252	2,414,320	3,564,782
Debt service -					
Principal retirement	2,150,580	991,569	1,411,889	1,018,200	134,242
Interest and fiscal charges	1,019,598	653,773	788,592	52,905	52,802
Bond issuance costs	167,411			171,939	
<b>Total expenditures</b>	<b><u>\$ 52,279,620</u></b>	<b><u>\$ 48,122,760</u></b>	<b><u>\$ 52,258,522</u></b>	<b><u>\$ 39,481,733</u></b>	<b><u>\$ 38,390,441</u></b>
Expenditures for capitalized assets	\$ 3,597,818	\$ 3,560,201	\$ 10,978,996	\$ 1,575,629	\$ 3,141,151
Debt service as a percentage of noncapital expenditures	7%	4%	5%	3%	1%

(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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>Expenditures:</b>					
Current -					
Instruction	\$ 19,853,599	\$ 18,053,755	\$ 19,444,931	\$ 19,862,470	\$ 21,759,966
Support services - students and staff	4,157,036	4,226,366	4,647,786	4,644,571	4,692,108
Support services - administration	4,464,062	3,785,520	3,552,897	4,570,081	3,875,414
Operation and maintenance of plant services	4,222,513	4,210,348	4,416,808	4,338,151	5,366,191
Student transportation services	1,066,164	949,517	1,302,794	1,102,894	1,039,537
Operation of non-instructional services	2,237,395	2,258,387	1,884,516	1,994,305	1,900,104
Capital outlay	3,606,520	3,516,026	1,442,701	1,302,640	1,930,387
Debt service -					
Principal retirement	4,964,470	4,703,825	4,485,907	4,447,647	4,180,550
Interest and fiscal charges	288,532	425,696	627,360	804,759	967,358
Bond issuance costs					
<b>Total expenditures</b>	<u>\$ 44,860,291</u>	<u>\$ 42,129,440</u>	<u>\$ 41,805,700</u>	<u>\$ 43,067,518</u>	<u>\$ 45,711,615</u>
Expenditures for capitalized assets	\$ 3,254,304	\$ 1,943,846	\$ 500,903	\$ 575,220	\$ 610,351
Debt service as a percentage of noncapital expenditures	13%	13%	12%	12%	11%

**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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Excess (deficiency) of revenues over expenditures</b>	\$ (1,627,510)	\$ (330,018)	\$ (2,944,781)	\$ 1,213,040	\$ 2,338,070
<b>Other financing sources (uses):</b>					
Issuance of school improvement bonds	16,175,000			17,111,355	
Premium on sale of bonds	2,452,566				
Transfers in	663,089	209,305	266,646	763,288	23,379
Transfers out	(663,089)	(209,305)	(266,646)	(763,288)	(23,379)
Insurance recoveries	6,373		30,967	14,079	
Proceeds from sale of capital assets	6,270			998,000	
Total other financing sources (uses)	<u>18,640,209</u>	<u></u>	<u>30,967</u>	<u>18,123,434</u>	<u>1,083,796</u>
<b>Changes in fund balances</b>	<u>\$ 17,012,699</u>	<u>\$ (330,018)</u>	<u>\$ (2,913,814)</u>	<u>\$ 19,336,474</u>	<u>\$ 3,421,866</u>
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>Excess (deficiency) of revenues over expenditures</b>	\$ (1,186,812)	\$ (4,720,961)	\$ (2,830,770)	\$ (231,498)	\$ 74,350
<b>Other financing sources (uses):</b>					
Capital lease agreements			1,459,565		
Transfers in	22,138	659,021	36,052	37,750	48,802
Transfers out	(22,138)	(659,021)	(36,052)	(37,750)	(48,802)
Total other financing sources (uses)	<u></u>	<u></u>	<u>1,459,565</u>	<u></u>	<u></u>
<b>Changes in fund balances</b>	<u>\$ (1,186,812)</u>	<u>\$ (4,720,961)</u>	<u>\$ (1,371,205)</u>	<u>\$ (231,498)</u>	<u>\$ 74,350</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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Commercial, Industrial, Utilities and Mining	\$ 142,336,916	\$ 133,237,233	\$ 128,587,738	\$ 123,593,429	\$ 120,567,669
Agricultural and Vacant	44,325,621	43,538,344	43,453,784	43,431,324	45,995,740
Residential (Owner Occupied)	320,157,474	312,230,724	285,317,381	266,898,955	248,894,925
Residential (Rental)	277,805,255	247,400,466	239,271,785	224,659,105	213,750,830
Railroad, Private Cars and Airlines	371,180	384,781	348,158	299,542	290,300
Certain Government Property Improvements	1,631	1,554	16,693	15,898	15,141
Total	<u>\$ 784,998,077</u>	<u>\$ 736,793,102</u>	<u>\$ 696,995,539</u>	<u>\$ 658,898,253</u>	<u>\$ 629,514,605</u>
Gross Full Cash Value	\$ 9,510,563,318	\$ 8,846,175,925	\$ 8,228,447,225	\$ 7,565,238,974	\$ 6,541,796,359
Ratio of Net Limited Assessed Value to Gross Full Cash Value	8%	8%	8%	9%	10%
Total Direct Rate	4.11	4.18	4.54	3.99	4.01

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Commercial, Industrial, Utilities and Mining	\$ 125,205,109	\$ 132,055,131	\$ 130,395,600	\$ 134,138,442	\$ 163,594,892
Agricultural and Vacant	41,613,698	46,586,199	50,747,524	55,699,273	87,230,852
Residential (Owner Occupied)	361,887,527	359,297,842	364,963,987	355,318,402	432,787,485
Residential (Rental)	79,584,482	65,703,308	55,724,454	57,904,919	66,488,835
Railroad, Private Cars and Airlines	302,597	268,198	251,120	206,703	190,954
Certain Government Property Improvements	14,420	10,828			
Total	<u>\$ 608,607,833</u>	<u>\$ 603,921,506</u>	<u>\$ 602,082,685</u>	<u>\$ 603,267,739</u>	<u>\$ 750,293,018</u>
Gross Full Cash Value	\$ 5,857,651,899	\$ 5,761,459,919	\$ 5,724,797,198	\$ 5,648,474,083	\$ 7,048,614,650
Ratio of Net Limited Assessed Value to Gross Full Cash Value	10%	10%	11%	11%	11%
Total Direct Rate	4.90	3.98	4.05	4.37	3.65

**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**  
**NET FULL CASH ASSESSED VALUE OF TAXABLE PROPERTY BY CLASS**  
**LAST TEN FISCAL YEARS**

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Commercial, Industrial, Utilities and Mining	\$ 180,108,077	\$ 172,182,916	\$ 151,649,955	\$ 141,169,959	\$ 124,981,520
Agricultural and Vacant	70,602,090	65,576,953	65,387,444	62,192,251	57,559,006
Residential (Owner Occupied)	399,502,620	382,717,484	349,797,307	319,758,546	270,077,953
Residential (Rental)	344,835,175	305,097,797	293,324,470	271,070,033	234,443,798
Railroad, Private Cars and Airlines	430,205	437,876	390,027	314,432	294,330
Certain Government Property Improvements	1,679	1,559	17,122	18,003	15,444
Total	<u>\$ 995,479,846</u>	<u>\$ 926,014,585</u>	<u>\$ 860,566,325</u>	<u>\$ 794,523,224</u>	<u>\$ 687,372,051</u>
Gross Full Cash Value	\$ 9,510,563,318	\$ 8,846,175,925	\$ 8,228,447,225	\$ 7,565,238,974	\$ 6,541,796,359
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	10%	10%	10%	11%	11%
Estimated Net Full Cash Value	8,746,827,824	8,113,792,092	7,567,463,605	6,984,098,798	5,903,781,028
Total Direct Rate	4.11	4.18	4.54	3.99	4.01

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Commercial, Industrial, Utilities and Mining	\$ 127,418,912	\$ 133,759,057	\$ 131,614,284	\$ 134,614,280	\$ 165,977,880
Agricultural and Vacant	43,172,209	50,028,020	55,227,353	58,280,393	94,320,933
Residential (Owner Occupied)	364,570,427	362,854,362	369,138,329	356,163,805	434,509,340
Residential (Rental)	80,234,987	66,325,596	56,407,776	58,194,296	67,647,840
Railroad, Private Cars and Airlines	304,903	270,257	254,998	225,089	220,398
Certain Government Property Improvements	14,511	10,926			
Total	<u>\$ 615,715,949</u>	<u>\$ 613,248,218</u>	<u>\$ 612,642,740</u>	<u>\$ 607,477,863</u>	<u>\$ 762,676,391</u>
Gross Full Cash Value	\$ 5,857,651,899	\$ 5,761,459,919	\$ 5,724,797,198	\$ 5,648,474,083	\$ 7,048,614,650
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	11%	11%	11%	11%	11%
Estimated Net Full Cash Value	5,240,712,793	5,148,042,763	5,118,321,683	5,041,764,813	6,215,288,889
Total Direct Rate	4.90	3.98	4.05	4.37	3.65

**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**  
**PROPERTY TAX ASSESSMENT RATIOS**  
**LAST TEN FISCAL YEARS**

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Commercial, Industrial, Utilities and Mining	18 %	18 %	18 %	18 %	19 %
Agricultural and Vacant	15	15	15	15	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	15	14	15	14	15

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Commercial, Industrial, Utilities and Mining	19 %	20 %	20 %	20 %	21 %
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	16	15	15	15	17

**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**  
**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 Havasus	Irrigation District	Primary	Secondary	Total
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
2011	0.36	3.62	0.79	0.00	2.15	0.58	212.75/acre	2.75	0.90	3.65

**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**

	2020			2011	
	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
<b>Taxpayer</b>					
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	<u>\$ 30,877,845</u>	<u>3.94 %</u>	\$	<u>31,437,250</u>	<u>4.11 %</u>

**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**

<b>Fiscal Year Ended June 30</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Fiscal Years</b>	<b>Collected to the End of the Current Fiscal Year</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2020	\$ 27,238,924	\$ 26,589,647	97.62 %	\$	\$ 26,589,647	97.62 %
2019	25,980,480	25,433,279	97.89		25,433,279	97.89
2018	26,809,641	26,269,433	97.99	536,842	26,806,275	99.99
2017	21,542,599	21,074,091	97.83	466,099	21,540,190	99.99
2016	21,106,208	20,605,513	97.63	497,609	21,103,122	99.99
2015	26,100,398	25,371,503	97.21	727,149	26,098,652	99.99
2014	19,497,164	19,305,030	99.01	189,989	19,495,019	99.99
2013	19,683,126	19,072,123	96.90	608,270	19,680,393	99.99
2012	21,496,943	20,826,554	96.88	667,422	21,493,976	99.99
2011	22,621,563	21,846,489	96.57	770,450	22,616,939	99.98

**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	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Percentage of Personal Income	
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	
2011	20,900,000	745,416	20,154,584	0.29	384	1,504,968	22,404,968	0.32	427	0.44	

**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, 2020**

<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	\$ 244,529,678	100.00 %	\$ 244,529,678
Subtotal, Overlapping Debt			<u>244,529,678</u>
Direct:			
Lake Havasu Unified School District No. 1			<u>32,135,291</u>
Total Direct and Overlapping Governmental Activities Debt			<u><u>\$ 276,664,969</u></u>

**DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS**

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation	4.06 %	
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 4,754	
As a Percentage of Net Limited Assessed Valuation	35.21 %	
As a Percentage of Gross Full Cash Value	2.91 %	

**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, 2019 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 2020:**

Net full cash assessed valuation	\$ 995,479,846
Debt limit (20% of assessed value)	199,095,969
Debt applicable to limit	<u>32,135,291</u>
Legal debt margin	<u><u>\$ 166,960,678</u></u>

**Total Legal Debt Margin Calculation for Fiscal Year 2020:**

Net full cash assessed valuation	\$ 995,479,846
Debt limit (30% of assessed value)	298,643,954
Debt applicable to limit	<u>32,135,291</u>
Legal debt margin	<u><u>\$ 266,508,663</u></u>

	<b>Fiscal Year Ended June 30</b>				
	<u><b>2020</b></u>	<u><b>2019</b></u>	<u><b>2018</b></u>	<u><b>2017</b></u>	<u><b>2016</b></u>
Debt Limit	\$ 298,643,954	\$ 277,804,376	\$ 258,169,898	\$ 238,356,967	\$ 206,211,615
Total net debt applicable to limit	<u>32,135,291</u>	<u>14,736,476</u>	<u>15,782,144</u>	<u>17,111,355</u>	<u>-</u>
Legal debt margin	<u><u>\$ 266,508,663</u></u>	<u><u>\$ 263,067,900</u></u>	<u><u>\$ 242,387,754</u></u>	<u><u>\$ 221,245,612</u></u>	<u><u>\$ 206,211,615</u></u>
Total net debt applicable to the limit as a percentage of debt limit	11%	5%	6%	7%	0%
	<u><b>2015</b></u>	<u><b>2014</b></u>	<u><b>2013</b></u>	<u><b>2012</b></u>	<u><b>2011</b></u>
Debt Limit	\$ 184,714,785	\$ 183,974,465	\$ 183,792,822	\$ 170,322,635	\$ 228,802,917
Total net debt applicable to limit	<u>-</u>	<u>4,535,000</u>	<u>13,040,000</u>	<u>17,035,000</u>	<u>20,900,000</u>
Legal debt margin	<u><u>\$ 184,714,785</u></u>	<u><u>\$ 179,439,465</u></u>	<u><u>\$ 170,752,822</u></u>	<u><u>\$ 153,287,635</u></u>	<u><u>\$ 207,902,917</u></u>
Total net debt applicable to the limit as a percentage of debt limit	0%	2%	7%	10%	9%

**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**

<b>Year</b>	<b>Population</b>		<b>Personal Income (thousands)</b>		<b>Per Capita Income</b>	<b>Unemployment Rate</b>	<b>Estimated District Population</b>
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
2010	200,186		5,101,443		26,539	8.3	52,527

**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 for 2010 is the University of Arizona, Eller College of Management, Economic and Business Research Center. For 2011 through 2019, the source of the 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**

<b>Employer</b>	<b>2020</b>			<b>2011</b>		
	<b>Employees</b>	<b>Percentage of Total Employment</b>		<b>Employees</b>	<b>Percentage of Total Employment</b>	
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	<u>3,513</u>	<u>15.04</u>	%	<u>3,408</u>	<u>13.81</u>	%
Total employment	<u>23,371</u>			<u>24,666</u>		

**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**

<b>Full-time Equivalent Employees as of June 30</b>					
	<u><b>2020</b></u>	<u><b>2019</b></u>	<u><b>2018</b></u>	<u><b>2017</b></u>	<u><b>2016</b></u>
<b>Supervisory</b>					
Certified employees	258	271	261	248	268
Administration	17	17	17	17	14
Support Staff	247	258	260	260	247
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total</b>	<u><u>522</u></u>	<u><u>546</u></u>	<u><u>538</u></u>	<u><u>525</u></u>	<u><u>529</u></u>
	<u><b>2015</b></u>	<u><b>2014</b></u>	<u><b>2013</b></u>	<u><b>2012</b></u>	<u><b>2011</b></u>
<b>Supervisory</b>					
Certified employees	274	273	260	306	329
Administration	15	17	18	17	17
Support Staff	263	250	230	254	250
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total</b>	<u><u>552</u></u>	<u><u>540</u></u>	<u><u>508</u></u>	<u><u>577</u></u>	<u><u>596</u></u>

**LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1**  
**OPERATING STATISTICS**  
**LAST TEN FISCAL YEARS**

<b>Fiscal Year Ended June 30</b>	<b>Average Daily Membership</b>	<b>Operating Expenditures</b>	<b>Cost per Pupil</b>	<b>Percentage Change</b>	<b>Expenses</b>	<b>Cost per Pupil</b>	<b>Percentage Change</b>	<b>Teaching Staff</b>	<b>Pupil- Teacher Ratio</b>	<b>Percentage of Free/Reduced Students</b>
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	(2.16)	39,362,210	7,228	(7.77)	306	17.8	57.0
2011	5,638	38,633,320	6,852	2.47	44,182,893	7,837	3.21	329	17.1	56.6

**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**

	<b>Fiscal Year Ended June 30</b>									
	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>
<b><u>Schools</u></b>										
<b><u>Elementary</u></b>										
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	2,556	2,107	2,985	2,658	2,621	2,624	2,912	3,105
<b><u>Middle</u></b>										
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	887	1,328	461	859	909	909	942	950
<b><u>High</u></b>										
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	1,706	1,736	1,811	1,836	1,868	1,868	1,822	1,767
<b><u>Administrative</u></b>										
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
<b><u>Transportation</u></b>										
Garages	1	1	1	1	1	1	1	1	1	1
Buses	31	32	35	32	32	32	32	32	32	32
<b><u>Athletics</u></b>										
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	3	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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