
LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2019



LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1

LAKE HAVASU CITY, ARIZONA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

DISTRICT OFFICE

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

January 27, 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, 2019.

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, 2019, 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, 2019, 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 5,128 students. The projected enrollment for the 2019-20 is 5,194 students.

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

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

The financial reporting entity consists of a primary government and its component units. A component unit is a legally separate entity that must be included in the reporting entity in conformity with generally accepted accounting principles. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Furthermore, the component unit combined with the District for financial statement purposes and the District is not included in any other governmental entity. Consequently, the District's financial statements include only the funds of those organizational entities for which its elected governing board is financially accountable. The District's major operations include education, student transportation, construction, and maintenance of District facilities, food services, and bookstore and athletic operations.

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

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

Currently the District has six elementary schools - Kindergarten through 6th grade, one middle school - 7th through 8th grade, and one high school - 9th through 12th grades, with a total enrollment of 5,128 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, 2018. This was the 30th 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, 2018. 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, 2019 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,



Diana Asseier
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, 2018.**

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



A handwritten signature in black ink, reading 'Tom Wohlleber'.

Tom Wohlleber, CSRM
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

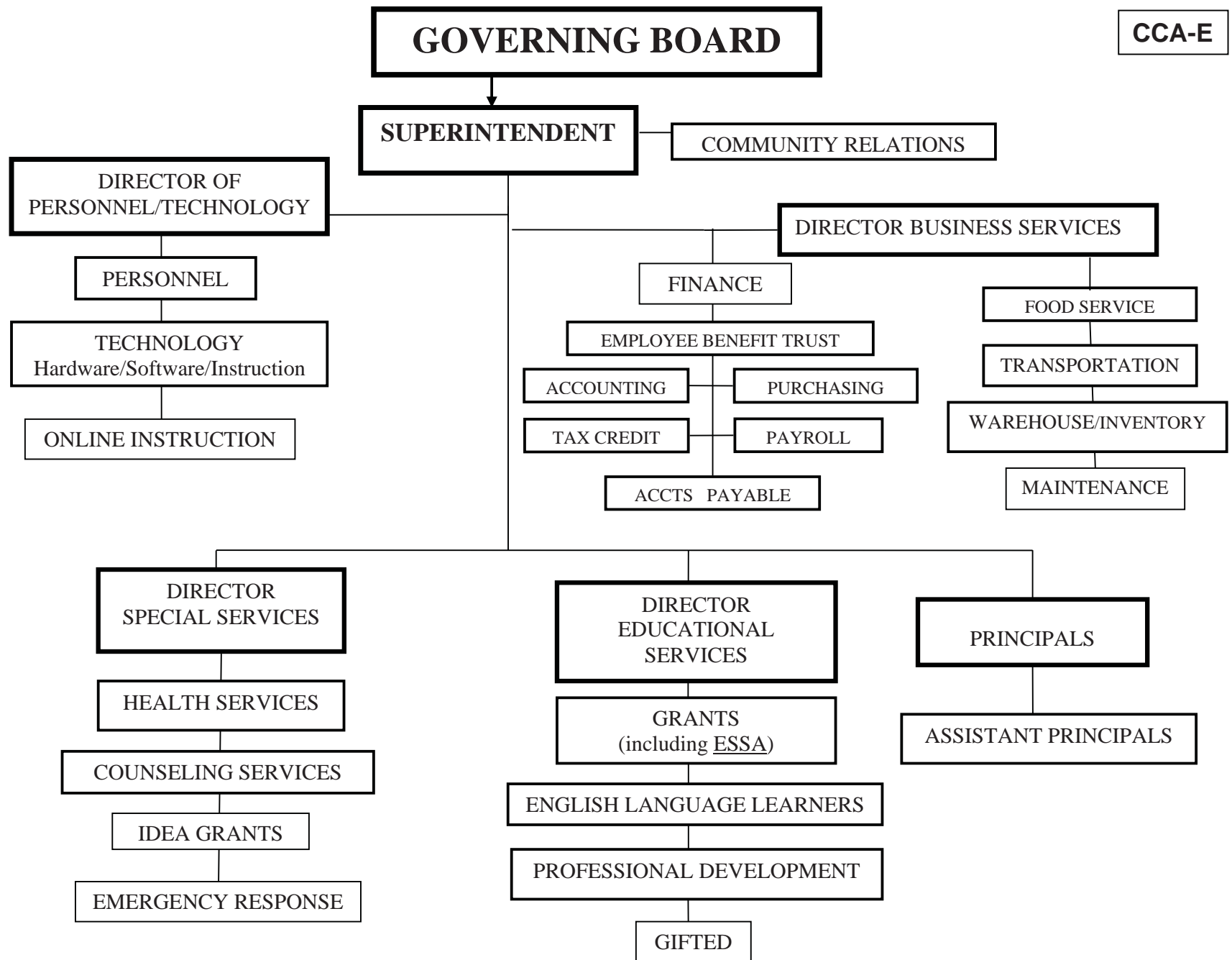
**Lake Havasu Unified School
District No. 1, Arizona**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO



LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1

LIST OF PRINCIPAL OFFICIALS

GOVERNING BOARD

Kathy Cox, President

Lisa Roman, Vice President

Nichole Cohen, Member

John Masden, Member

Archana Aliyar, Member

ADMINISTRATIVE STAFF

Diana Asseier, 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, 2019, 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, 2019, 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.

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 January 27, 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
January 27, 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, 2019**

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, 2019. 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 \$4.0 million which represents a 14 percent increase from the prior fiscal year primarily as a result of increases in deferred outflows of resources related to employer contributions subsequent to the measurement date.
- General revenues accounted for \$39.1 million in revenue, or 81 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$8.9 million or 19 percent of total current fiscal year revenues.
- The District had approximately \$43.9 million in expenses related to governmental activities, an increase of 10 percent from the prior fiscal year primarily due to an increase in teacher salaries.
- Among major funds, the General Fund had \$33.8 million current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$32.6 million in expenditures. The General Fund's fund balance increase from \$11.8 million at the prior fiscal year end to \$13.3 million at the end of the current fiscal year was primarily due to an increase in state revenue related to increases in state funding per student.
- Net position for the Internal Service Funds increased \$870,785 from the prior fiscal year. Operating revenues of \$6.2 million exceeded operating expenses of \$5.4 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, 2019

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 three categories: governmental funds, proprietary funds, and fiduciary 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, 2019**

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

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.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. Due to their custodial nature, fiduciary funds do not have a measurement focus.

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, 2019

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 \$32.5 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, 2019 and June 30, 2018.

	As of June 30, 2019	As of June 30, 2018
Current and other assets	\$ 35,666,236	\$ 36,520,687
Capital assets, net	56,404,335	55,506,937
Total assets	<u>92,070,571</u>	<u>92,027,624</u>
Deferred outflows	<u>8,079,980</u>	<u>4,036,239</u>
Current and other liabilities	3,787,687	5,558,220
Long-term liabilities	58,817,752	57,771,159
Total liabilities	<u>62,605,439</u>	<u>63,329,379</u>
Deferred inflows	<u>5,090,732</u>	<u>4,329,474</u>
Net position:		
Net investment in capital assets	45,432,693	46,531,650
Restricted	9,096,443	7,734,458
Unrestricted	<u>(22,074,756)</u>	<u>(25,861,098)</u>
Total net position	<u>\$ 32,454,380</u>	<u>\$ 28,405,010</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 \$22.1 million as a result of the District's 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, 2019**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

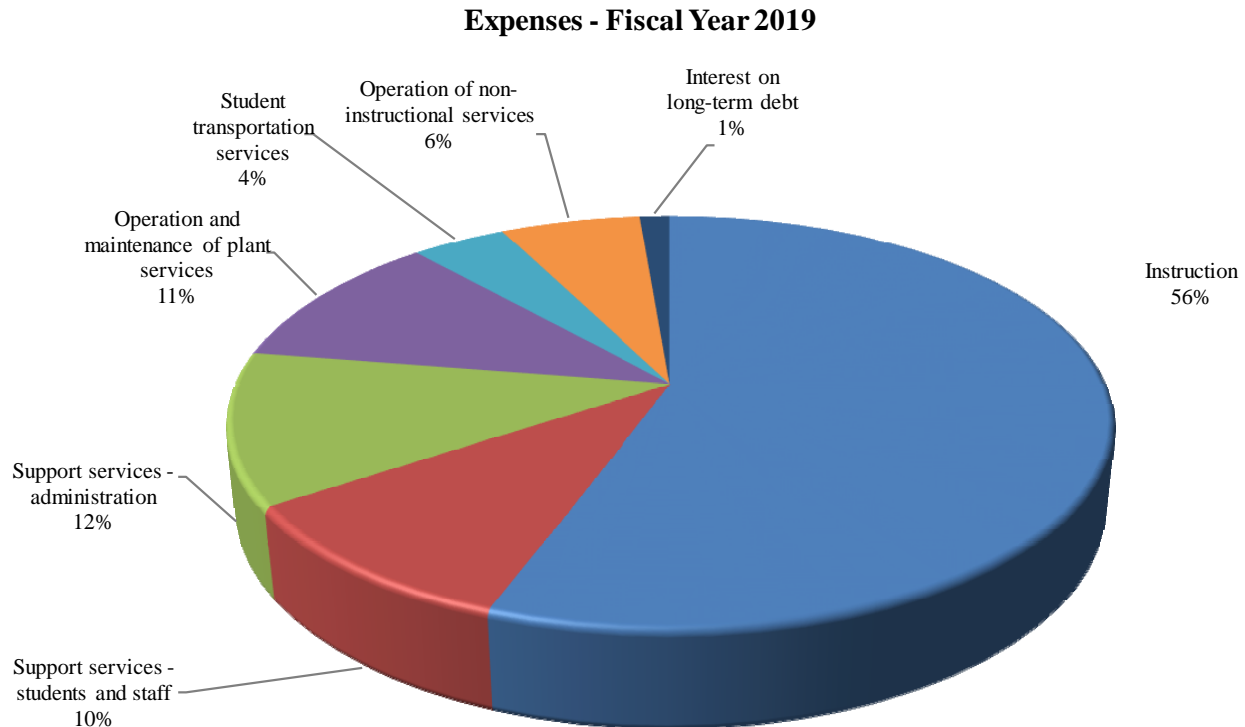
- The decrease of \$1.1 million in outstanding debt due to current year lease and bond payments.
- The addition of \$3.6 million in capital assets through the construction and improvement of various buildings, and purchase of various assets including buses.

Changes in net position. The District's total revenues for the current fiscal year were \$48.0 million. The total cost of all programs and services was \$43.9 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2019 and June 30, 2018.

	Fiscal Year Ended June 30, 2019	Fiscal Year Ended June 30, 2018
Revenues:		
Program revenues:		
Charges for services	\$ 1,845,808	\$ 1,538,163
Operating grants and contributions	5,935,724	6,402,914
Capital grants and contributions	1,096,220	269,132
General revenues:		
Property taxes	25,963,912	26,814,057
Investment income	578,173	378,728
Unrestricted county aid	708,033	622,259
Unrestricted state aid	11,487,012	12,989,247
Unrestricted federal aid	338,919	229,495
Total revenues	<u>47,953,801</u>	<u>49,243,995</u>
Expenses:		
Instruction	24,422,343	22,496,438
Support services - students and staff	4,431,906	4,038,352
Support services - administration	5,183,178	3,879,809
Operation and maintenance of plant services	4,787,618	5,001,350
Student transportation services	1,810,893	1,392,140
Operation of non-instructional services	2,700,054	2,516,900
Interest on long-term debt	568,439	703,258
Total expenses	<u>43,904,431</u>	<u>40,028,247</u>
Changes in net position	4,049,370	9,215,748
Net position, beginning	28,405,010	19,189,262
Net position, ending	<u><u>\$ 32,454,380</u></u>	<u><u>\$ 28,405,010</u></u>

**LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019**

GOVERNMENT-WIDE FINANCIAL ANALYSIS



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

- A decrease of \$1.5 million in unrestricted state aid primarily due to a decrease in building renewal grant funds.
- The increase in instructional expenses of \$1.5 million was due to a 10 percent teacher base salary increase.
- An increase of \$1.2 million in support services administration expenses as a result of an increase in base salary for all staff as well as a 10 percent medical premium increase.

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, 2019**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

	Year Ended June 30, 2019		Year Ended June 30, 2018	
	Total	Net (Expense)/	Total	Net (Expense)/
	Expenses	Revenue	Expenses	Revenue
Instruction	\$ 24,422,343	\$ (19,674,328)	\$ 22,496,438	\$ (18,099,126)
Support services - students and staff	4,431,906	(3,156,193)	4,038,352	(3,690,366)
Support services - administration	5,183,178	(4,907,493)	3,879,809	(3,796,787)
Operation and maintenance of plant services	4,787,618	(4,787,618)	5,001,350	(4,337,018)
Student transportation services	1,810,893	(1,802,137)	1,392,140	(1,223,674)
Operation of non-instructional services	2,700,054	(130,471)	2,516,900	32,191
Interest on long-term debt	568,439	(568,439)	703,258	(703,258)
Total	<u>\$ 43,904,431</u>	<u>\$ (35,026,679)</u>	<u>\$ 40,028,247</u>	<u>\$ (31,818,038)</u>

- The cost of all governmental activities this year was \$43.9 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$8.9 million.
- Net cost of governmental activities of \$35.0 million was financed by general revenues, which are made up of primarily property taxes of \$26.0 million and state and county aid of \$12.2 million. Investment earnings accounted for \$578,173 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 \$27.0 million, a decrease of \$24,348, or less than one percent.

**LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The General Fund is the principal operating fund of the District. The increase in fund balance of \$1.6 million to \$13.3 million was due primarily to increased state aid and grants as a result of an increase in per pupil funding. General Fund revenues decreased \$24,576, which is insignificant. General Fund expenditures increased \$2.7 million due primarily to a 10 percent teacher base salary increase.

The Bond Building Fund balance decreased \$3.1 million due primarily to construction costs of various projects.

Proprietary funds. Unrestricted net position of the Internal Service Fund at the end of the year amounted to \$4.1 million. The increase of \$870,785 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 \$1.6 million increase, or five 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 variance of \$2.7 in instruction expenditures was a result of increases in the final revised May budget limits which were made after the bulk of expenditures had been completed.
- The favorable variance of \$1.1 in operation and maintenance of plant services expenditures was a result of utility costs that were lower than expected.
- The favorable variance of \$898,783 in support services – students and staff expenditures was a result of increases in the final revised May budget limits which were made after the bulk of expenditures had been completed.

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District had invested \$115.0 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 \$3.0 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 \$2.7 million.

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2019 and June 30, 2018.

	As of June 30, 2019	As of June 30, 2018
Capital assets - non-depreciable	\$ 3,999,086	\$ 11,180,788
Capital assets - depreciable, net	52,405,249	44,326,149
Total	<u>\$ 56,404,335</u>	<u>\$ 55,506,937</u>

The estimated cost to complete the current construction project is \$1.9 million.

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

Debt Administration. At year-end, the District had \$15.9 million in long-term debt outstanding, \$2.2 million due within one year. Long-term debt decreased by \$1.1 million due to current year bond and lease principal payments.

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 \$277.8 million and the Class B debt limit is \$185.2 million which are more than the District's total outstanding general obligation and Class B debt, respectively.

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

**LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019**

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 2019-20 budget. Among them:

- Fiscal year 2018-19 budget balance carry forward (estimated \$3.3 million).
- District student population (estimated 5,194 students).

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 six percent to \$38.4 million in fiscal year 2019-20 primarily due to slightly more aggressive and confident with carryforward amounts due to experience, and additional increases in salary base levels and inflation factors. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2019-20 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, 2019

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 28,887,609
Property taxes receivable	565,851
Accounts receivable	759,299
Due from governmental entities	4,420,248
Prepaid items	439,756
Inventory	265,020
Total current assets	<u>35,337,783</u>
Noncurrent assets:	
Due from governmental entities	250,000
Net other postemployment benefit assets	78,453
Capital assets not being depreciated	3,999,086
Capital assets, net of accumulated depreciation	52,405,249
Total noncurrent assets	<u>56,732,788</u>
Total assets	<u><u>92,070,571</u></u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Pension and other postemployment benefit plan items	<u>8,079,980</u>
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	355,362
Construction contracts payable	627,017
Claims payable	616,000
Accrued payroll and employee benefits	2,033,721
Compensated absences payable	750,000
Unearned revenues	155,587
Obligations under capital leases	1,100,580
Bonds payable	1,050,000
Total current liabilities	<u>6,688,267</u>
Noncurrent liabilities:	
Non-current portion of long-term obligations	55,917,172
Total noncurrent liabilities	<u>55,917,172</u>
Total liabilities	<u><u>62,605,439</u></u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension and other postemployment benefit plan items	<u>5,090,732</u>
<u>NET POSITION</u>	
Net investment in capital assets	45,432,693
Restricted	9,096,443
Unrestricted	(22,074,756)
Total net position	<u><u>\$ 32,454,380</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 ACTIVITIES
YEAR ENDED JUNE 30, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 24,422,343	\$ 834,186	\$ 2,817,609	\$ 1,096,220	\$ (19,674,328)
Support services - students and staff	4,431,906		1,275,713		(3,156,193)
Support services - administration	5,183,178	51,122	224,563		(4,907,493)
Operation and maintenance of plant services	4,787,618				(4,787,618)
Student transportation services	1,810,893		8,756		(1,802,137)
Operation of non-instructional services	2,700,054	960,500	1,609,083		(130,471)
Interest on long-term debt	568,439				(568,439)
Total governmental activities	<u>\$ 43,904,431</u>	<u>\$ 1,845,808</u>	<u>\$ 5,935,724</u>	<u>\$ 1,096,220</u>	<u>(35,026,679)</u>
General revenues:					
Taxes:					
Property taxes, levied for general purposes					23,500,337
Property taxes, levied for debt service					1,593,280
Property taxes, levied for capital outlay					870,295
Investment income					578,173
Unrestricted county aid					708,033
Unrestricted state aid					11,487,012
Unrestricted federal aid					338,919
Total general revenues					<u>39,076,049</u>
Changes in net position					4,049,370
Net position, beginning of year					<u>28,405,010</u>
Net position, end of year					<u>\$ 32,454,380</u>

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

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FUND FINANCIAL STATEMENTS

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2019

	<u>General</u>	<u>Bond Building</u>	<u>Building Renewal Grant</u>
<u>ASSETS</u>			
Cash and investments	\$ 11,239,046	\$ 5,185,872	\$
Property taxes receivable	526,774		
Accounts receivable			
Due from governmental entities	2,969,817		359,893
Due from other funds	368,393		
Prepaid items	439,756		
Inventory	251,771		
Total assets	<u><u>\$ 15,795,557</u></u>	<u><u>\$ 5,185,872</u></u>	<u><u>\$ 359,893</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 226,155	\$ 2,056	\$
Construction contracts payable		289,191	337,826
Due to other funds			275,726
Accrued payroll and employee benefits	1,838,063		
Unearned revenues			
Total liabilities	<u><u>2,064,218</u></u>	<u><u>291,247</u></u>	<u><u>613,552</u></u>
Deferred inflows of resources:			
Unavailable revenues - property taxes	393,781		
Unavailable revenues - intergovernmental			
Total deferred inflows of resources	<u><u>393,781</u></u>	<u><u></u></u>	<u><u></u></u>
Fund balances (deficits):			
Nonspendable	691,527		
Restricted		4,894,625	
Assigned	791,666		
Unassigned	11,854,365		(253,659)
Total fund balances	<u><u>13,337,558</u></u>	<u><u>4,894,625</u></u>	<u><u>(253,659)</u></u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 15,795,557</u></u>	<u><u>\$ 5,185,872</u></u>	<u><u>\$ 359,893</u></u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 8,497,955	\$ 24,922,873
39,077	565,851
54,687	54,687
1,040,538	4,370,248
	368,393
	439,756
13,249	265,020
<u>\$ 9,645,506</u>	<u>\$ 30,986,828</u>

\$ 127,151	\$ 355,362
	627,017
92,667	368,393
195,658	2,033,721
<u>155,587</u>	<u>155,587</u>
<u>571,063</u>	<u>3,540,080</u>

30,172	423,953
<u>12,716</u>	<u>12,716</u>
<u>42,888</u>	<u>436,669</u>

13,249	704,776
9,066,271	13,960,896
	791,666
<u>(47,965)</u>	<u>11,552,741</u>
<u>9,031,555</u>	<u>27,010,079</u>

<u>\$ 9,645,506</u>	<u>\$ 30,986,828</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, 2019

Total governmental fund balances	\$	27,010,079
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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	\$ 115,008,698	
Less accumulated depreciation	<u>(58,604,363)</u>	56,404,335

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

Property taxes	423,953	
Intergovernmental	<u>312,716</u>	736,669

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

Deferred outflows of resources related to pensions/OPEB	8,079,980	
Deferred inflows of resources related to pensions/OPEB	<u>(5,090,732)</u>	2,989,248

The Net OPEB asset is not a current financial resource and, therefore, is not reported in the funds.

78,453

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.

4,053,348

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

Compensated absences payable	(2,010,992)	
Obligations under capital leases	(1,100,580)	
Net OPEB liability	(10,212,212)	
Net pension liability	(30,728,281)	
Bonds payable	<u>(14,765,687)</u>	<u>(58,817,752)</u>

Net position of governmental activities	\$	<u>32,454,380</u>
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The notes to the basic financial statements are an integral part of this statement.

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

	<u>General</u>	<u>Bond Building</u>	<u>Building Renewal Grant</u>
Revenues:			
Other local	\$ 1,643,983	\$ 155,730	\$
Property taxes	23,354,885		
State aid and grants	8,500,448		988,931
Federal aid, grants and reimbursements	338,919		
Total revenues	<u>33,838,235</u>	<u>155,730</u>	<u>988,931</u>
Expenditures:			
Current -			
Instruction	17,556,506		
Support services - students and staff	3,338,929		
Support services - administration	4,760,508		
Operation and maintenance of plant services	5,170,080		
Student transportation services	1,310,838		
Operation of non-instructional services	347,883		
Capital outlay	146,842	3,073,258	829,792
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	<u>32,631,586</u>	<u>3,073,258</u>	<u>829,792</u>
Excess (deficiency) of revenues over expenditures	<u>1,206,649</u>	<u>(2,917,528)</u>	<u>159,139</u>
Other financing sources (uses):			
Transfers in	53,575		
Transfers out		(155,730)	
Total other financing sources (uses)	<u>53,575</u>	<u>(155,730)</u>	
Changes in fund balances	<u>1,260,224</u>	<u>(3,073,258)</u>	<u>159,139</u>
Fund balances (deficits), beginning of year	11,771,566	7,967,883	(412,798)
Increase (decrease) in reserve for prepaid items	439,756		
Increase (decrease) in reserve for inventory	(133,988)		
Fund balances (deficits), end of year	<u>\$ 13,337,558</u>	<u>\$ 4,894,625</u>	<u>\$ (253,659)</u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 2,141,250	\$ 3,940,963
2,438,481	25,793,366
3,733,558	13,222,937
4,496,557	4,835,476
<u>12,809,846</u>	<u>47,792,742</u>
5,110,682	22,667,188
1,267,836	4,606,765
351,978	5,112,486
3,530	5,173,610
15,579	1,326,417
2,191,965	2,539,848
1,001,212	5,051,104
991,569	991,569
653,773	653,773
<u>11,588,124</u>	<u>48,122,760</u>
<u>1,221,722</u>	<u>(330,018)</u>
155,730	209,305
<u>(53,575)</u>	<u>(209,305)</u>
<u>102,155</u>	
<u>1,323,877</u>	<u>(330,018)</u>
7,707,776	27,034,427
(98)	439,756
	(134,086)
<u>\$ 9,031,555</u>	<u>\$ 27,010,079</u>

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, 2019

Changes in fund balances - total governmental funds **\$ (330,018)**

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 as depreciation expense.

Expenditures for capitalized assets	\$ 3,560,201	
Less current year depreciation	<u>(2,662,803)</u>	897,398

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

Property taxes	170,546	
Intergovernmental	<u>(76,735)</u>	93,811

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	116,569	
Bond principal retirement	<u>875,000</u>	991,569

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

Current year pension/OPEB contributions	2,665,965	
Pension/OPEB expense	<u>(1,817,887)</u>	848,078

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	(134,086)	
OPEB liability	499,885	
Amortization of deferred bond items	85,334	
Compensated absences	<u>(213,142)</u>	677,747

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.

870,785

Changes in net position in governmental activities **\$ 4,049,370**

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, 2019

	Governmental Activities: Internal Service Funds
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 3,964,736
Accounts receivable	704,612
Total current assets	<u>4,669,348</u>
Total assets	<u><u>4,669,348</u></u>
<u>LIABILITIES</u>	
Current liabilities:	
Claims payable	<u>616,000</u>
Total current liabilities	<u>616,000</u>
Total liabilities	<u><u>616,000</u></u>
<u>NET POSITION</u>	
Unrestricted	4,053,348
Total net position	<u><u>\$ 4,053,348</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, 2019

	Governmental Activities: Internal Service Funds
Operating revenues:	
Contributions	\$ 6,232,483
Total operating revenues	<u>6,232,483</u>
Operating expenses:	
Claims	3,873,579
Premiums	330,441
Professional fees - benefit management	314,004
Professional fees - legal	30,674
Professional fees - other	3,600
Professional fees - consulting	755,367
Miscellaneous	1,814
Insurance	49,343
Property taxes	4,590
Rent	42,050
Repairs and maintenance	11,803
Telephone and utilities	11,681
Total operating expenses	<u>5,428,946</u>
Operating income (loss)	<u>803,537</u>
Nonoperating revenues (expenses):	
Investment income	67,248
Total nonoperating revenues (expenses)	<u>67,248</u>
Changes in net position	<u>870,785</u>
Total net position, beginning of year	3,182,563
Total net position, end of year	<u>\$ 4,053,348</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, 2019

	Governmental Activities: Internal Service Funds
<u>Increase/Decrease in Cash and Cash Equivalents</u>	
Cash flows from operating activities:	
Cash received from contributions	\$ 5,789,852
Cash payments to suppliers for goods and services	(1,555,367)
Cash payments for claims	(3,912,579)
	<hr/>
Net cash provided by/used for operating activities	321,906
	<hr/>
Cash flows from investing activities:	
Purchase of investments	(7,446,923)
Investment income	67,248
Proceeds from sales and maturities of investments	7,659,801
	<hr/>
Net cash provided by/used for investing activities	280,126
	<hr/>
Net increase/decrease in cash and cash equivalents	602,032
	<hr/>
Cash and cash equivalents, beginning of year	2,913,278
	<hr/>
Cash and cash equivalents, end of year	\$ 3,515,310
	<hr/> <hr/>
<u>Reconciliation of Cash and Cash Equivalents to the Statement of Net Position</u>	
Cash and investments	\$ 3,964,736
Less investments not maturing in less than three months	449,426
	<hr/>
Total cash and cash equivalents	\$ 3,515,310
	<hr/> <hr/>
<u>Reconciliation of Operating Income/Loss to Net Cash Provided by/Used for Operating Activities</u>	
Operating income/loss	\$ 803,537
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	(442,631)
Increase/decrease in claims payable	(39,000)
	<hr/>
Total adjustments	(481,631)
	<hr/>
Net cash provided by/used for operating activities	\$ 321,906
	<hr/> <hr/>

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

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2019

	<u>Agency</u>
<u>ASSETS</u>	
Cash and investments	\$ 274,777
Total assets	<u>\$ 274,777</u>
<u>LIABILITIES</u>	
Deposits held for others	\$ 15,710
Due to student groups	259,067
Total liabilities	<u>\$ 274,777</u>

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

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Lake Havasu Unified School District No. 1 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

A. Reporting Entity

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

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

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

The financial reporting entity consists of a primary government and its component units. A component unit is a legally separate entity that must be included in the reporting entity in conformity with generally accepted accounting principles. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Furthermore, the component unit combined with the District for financial statement presentation purposes, and the District are not included in any other governmental reporting entity. Consequently, the District's financial statements include the funds of those organizational entities for which its elected governing board is financially accountable. The District's major operations include education, student transportation, construction and maintenance of District facilities, food services, bookstore and athletic operations.

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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.

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.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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. Fiduciary funds are reported by fund type.

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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

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.

Fiduciary Funds – The Fiduciary Funds are Agency Funds which account for resources held by the District on behalf of others. This fund type includes the Student Activities Fund which accounts for monies raised by students to finance student clubs and organizations held by the District as an agent. In addition, funds that account for employee withholdings before the monies are remitted to the appropriate entities are included in the Agency Funds.

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.

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The agency funds are custodial in nature and do not have a measurement focus and are reported using the accrual basis of accounting. The agency funds are reported by fund type.

D. Cash and Investments

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

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

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

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

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.

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

E. Investment Income

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

F. Receivables and Payables

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

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

G. Property Tax Calendar

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

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

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

H. Inventory

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

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

I. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items are recorded as expenses when consumed in the government-wide financial statements and as expenditures when purchased in the fund financial statements.

J. Capital Assets

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

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

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

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Land improvements	8 - 30 years
Buildings and improvements	15 - 50 years
Vehicles, furniture and equipment	3 - 30 years

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

K. Deferred Outflows/Inflows of Resources

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

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

L. Compensated Absences

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

M. Pensions and Other Postemployment Benefits

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

N. Long-term Obligations

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

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

O. Interfund Activity

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

P. Net Position Flow Assumption

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

Q. Estimates

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

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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.

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

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

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

	General Fund	Bond Building Fund	Building Renewal Grant	Non-Major Governmental Funds
Fund Balances:				
Nonspendable:				
Inventory	\$ 251,771	\$	\$	\$ 13,249
Prepaid items	439,756			
Restricted:				
Debt service				377,933
Capital projects				3,010,760
Bond building projects		4,894,625		
Voter approved initiatives				1,646,582
Federal and state projects				1,543,231
Food service				886,228
Community school				95,206
Extracurricular activities				870,289
Gifts and donations				348,771
Career technical education				224,403
Other purposes				62,868
Assigned:	791,666			
Unassigned	11,854,365		(253,659)	(47,965)
Total fund balances	<u>\$13,337,558</u>	<u>\$ 4,894,625</u>	<u>\$ (253,659)</u>	<u>\$ 9,031,555</u>

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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	\$ 1,646,582
Federal and state projects	1,543,231
Food service	886,228
Community school activities	95,206
Extracurricular activities	870,289
Gifts and donations	348,771
Career technical education	224,403
Other local initiatives	62,868
Debt service	393,905
Capital Outlay	3,024,960
Total	<u>\$ 9,096,443</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:	
Limited English and Immigrant Students	\$ 189
Special Education Grants	199
Vocational Education	12,328
Other State Projects	35,249

The deficits arose because of operations during the year and because of pending grant reimbursements. Additional revenues received in fiscal year 2019-20 are expected to eliminate the deficit.

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 4 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

NOTE 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 \$2,547,605 and the bank balance was \$2,831,246. At year end, \$1,883,301 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, 2019

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	\$ 2,362,955	\$ 2,362,955
Certificates of Deposit	Level 1	239,926	239,926
			<u>\$ 2,602,881</u>
Money Market		21,982	
County Treasurer's investment pool		<u>23,962,513</u>	343 days average maturities
Total		<u><u>\$ 26,587,376</u></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, 2019

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	Building Renewal Grant	Non-Major Governmental Funds
Due from other governmental entities:			
Due from federal government	\$ 26,170	\$	\$ 269,216
Due from state government	2,943,647	359,893	633,025
Due from other districts			138,297
Net due from governmental entities	<u>\$ 2,969,817</u>	<u>\$ 359,893</u>	<u>\$ 1,040,538</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 \$300,000 of which \$250,000 is included as a non-current asset in the Statement of Net Position.

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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	7,625,213	434,120	7,615,822	443,511
Total capital assets, not being depreciated	11,180,788	434,120	7,615,822	3,999,086
Capital assets, being depreciated:				
Land improvements	2,916,517	23,944		2,940,461
Buildings and improvements	90,524,621	10,041,803		100,566,424
Leasehold improvements	278,772		278,772	
Vehicles, furniture and equipment	7,100,890	676,156	274,319	7,502,727
Total capital assets being depreciated	100,820,800	10,741,903	553,091	111,009,612
Less accumulated depreciation for:				
Land improvements	(1,260,633)	(125,438)		(1,386,071)
Buildings and improvements	(49,632,573)	(2,295,119)		(51,927,692)
Leasehold improvements	(278,772)		(278,772)	
Vehicles, furniture and equipment	(5,322,673)	(242,246)	(274,319)	(5,290,600)
Total accumulated depreciation	(56,494,651)	(2,662,803)	(553,091)	(58,604,363)
Total capital assets, being depreciated, net	44,326,149	8,079,100		52,405,249
Governmental activities capital assets, net	\$ 55,506,937	\$ 8,513,220	\$ 7,615,822	\$ 56,404,335

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 2,245,883
Support services – students and staff	13,239
Support services – administration	29,999
Operation and maintenance of plant services	39,434
Student transportation services	223,096
Operation of non-instructional services	111,152
Total depreciation expense – governmental activities	<u>\$ 2,662,803</u>

Construction Commitments – At year end, the District had contractual commitments related to various capital projects for the construction of various upgrades and asphalt work included in the bond projects plan. At year end the District had spent \$443,511 on the projects and had estimated remaining contractual commitments of \$1,921,246. These projects are being funded with Bond Building funds.

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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 – OBLIGATIONS UNDER LEASES

Capital Leases – The District had entered into a lease agreement for the purpose of obtaining energy retrofits including solar panels. Revenues from the E-Rate and Energy and Water Savings Funds, non-major governmental funds, will be used to pay the capital lease obligations. Additionally, the District entered into a lease agreement for the purpose obtaining a bus. Revenues from the Career Technical Education Fund, a non-major governmental fund, will be used to pay the capital lease obligations. These lease agreements qualify as capital leases for accounting purposes and, therefore have been recorded at the present value of their future minimum lease payments as of inception date. Amortization of assets recorded under capital leases is included with depreciation expense.

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

	Governmental Activities
Asset:	
Buildings and improvements	\$ 1,459,565
Vehicles, furniture and equipment	187,274
Less: Accumulated depreciation	296,429
Total	<u>\$ 1,350,410</u>

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

	Governmental Activities
Year Ending June 30, 2020	<u>\$ 1,323,476</u>
Total minimum lease payments	1,323,476
Less: amount representing interest	<u>222,896</u>
Present value of minimum lease payments	<u>1,100,580</u>
Due within one year	<u>\$ 1,100,580</u>

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 10 – GENERAL OBLIGATION BONDS PAYABLE

Bonds payable at year end consisted of the following outstanding general obligation bonds. The bonds are both callable and noncallable with interest payable semiannually. Property taxes from the Debt Service Fund are used to pay bonded debt.

<u>Purpose</u>	<u>Original Amount Issued</u>	<u>Interest Rates</u>	<u>Remaining Maturities</u>	<u>Outstanding Principal June 30, 2019</u>	<u>Due Within One Year</u>
Governmental activities:					
SIB Project of 2016, Series A (2017)	\$ 15,490,000	2.25%- 5.0%	7/1/2020-36	<u>\$ 13,315,000</u>	<u>\$ 1,050,000</u>

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

		<u>Governmental Activities</u>	
		<u>Principal</u>	<u>Interest</u>
Year ending June 30:			
	2020	\$ 1,050,000	\$ 582,962
	2021		540,962
	2022		540,962
	2023	660,000	540,962
	2024	685,000	514,562
	2025-29	3,875,000	2,127,500
	2030-34	4,810,000	1,186,350
	2035-36	2,235,000	169,000
Total		<u>\$ 13,315,000</u>	<u>\$ 6,203,260</u>

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 11 – CHANGES IN LONG-TERM LIABILITIES

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 14,190,000	\$	\$ 875,000	\$ 13,315,000	\$ 1,050,000
Premium	1,536,021		85,334	1,450,687	
Total bonds payable	<u>15,726,021</u>		<u>960,334</u>	<u>14,765,687</u>	<u>1,050,000</u>
Obligations under capital leases	1,217,149		116,569	1,100,580	1,100,580
Net OPEB liability	68,247	46,950		115,197	
Total OPEB liability	9,319,977	777,038		10,097,015	
Net pension liability	29,641,915	1,086,366		30,728,281	
Compensated absences payable	<u>1,797,850</u>	<u>810,872</u>	<u>597,730</u>	<u>2,010,992</u>	<u>750,000</u>
Governmental activity long-term liabilities	<u>\$ 57,771,159</u>	<u>\$ 2,721,226</u>	<u>\$ 1,674,633</u>	<u>\$ 58,817,752</u>	<u>\$ 2,900,580</u>

NOTE 12 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At year end, interfund balances were as follows:

Due to/from other funds:

	<u>General Fund</u>
Building Renewal Grant Fund	\$ 275,726
Non-Major Governmental Funds	92,667
Total Due from Other Funds	<u>\$ 368,393</u>

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

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 12 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund transfers:

	Transfers in		
	General	Non-Major	
Transfers out	Fund	Governmental	Total
Bond Building Fund	\$	\$ 155,730	\$ 155,730
Non-Major Governmental Funds	53,575		53,575
Total	<u>\$ 53,575</u>	<u>\$ 155,730</u>	<u>\$ 209,305</u>

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

NOTE 13 – CONTINGENT LIABILITIES

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

NOTE 14 – 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.

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 14 – RISK MANAGEMENT

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

The District 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, 2019	Year ended June 30, 2018
Unpaid claims, beginning of fiscal year	\$ 655,000	\$ 316,011
Incurred claims (including IBNRs)	3,873,579	3,518,818
Claim payments	3,912,579	3,179,829
Unpaid claims, end of fiscal year	<u>\$ 616,000</u>	<u>\$ 655,000</u>

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 15 – 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.

Aggregate Amounts. At June 30, 2019, the District reported the following aggregate amounts related to pensions and OPEB for all state sponsored plans to which it contributes:

	Pension	OPEB
Net assets	\$	\$ (78,453)
Net liability	30,728,281	115,197
Deferred outflows of resources	7,332,936	332,534
Deferred inflows of resources	4,678,319	240,395
Expense	874,048	124,431
Contributions	2,525,889	140,076

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

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 15 – PENSIONS AND OTHER POSTEMPLOYMENT 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.

Retired and disabled members, with at least five years of credited service, are eligible to receive health insurance premium benefits. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. For members with 10 or more years of service, benefits range from \$100 per month to \$260 per month depending on the age of the member and dependents. For members with five to nine years of service, the benefits are the same dollar amounts as above multiplied by a vesting fraction based on completed years of service.

Active members are eligible for a long-term disability benefit in the event they become unable to perform their work. The monthly benefit is equal to two-thirds of their monthly earnings. Members receiving benefits continue to earn service credit up to their normal retirement dates. Members with long-term disability commencement dates after June 30, 1999 are limited to 30 years of service or the service on record as of the effective disability date, if their service is greater than 30 years.

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 11.80 percent (11.64 percent for retirement and 0.16 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 11.80 percent (11.18 percent for retirement, 0.46 percent for health insurance premium benefit, and 0.16 percent for long-term disability) of the active members' annual covered payroll. The District's contributions for the year ended June 30, 2019 were as follows:

	<u>Contributions</u>
Pension	\$ 2,525,889
Health Insurance Premium	103,927
Long-Term Disability	36,149

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 15 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Employers are also required to pay an Alternate Contribution Rate (ACR), for retired members who return to work in positions that would typically be filled by an employee who contributes to ASRS. The District was required by statute to contribute at the actuarially determined rate of 10.53 percent (10.41 for retirement, 0.06 percent for health insurance premium benefit, and 0.06 percent for long-term disability). ACR contributions are included in employer contributions presented above.

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

Pension and OPEB Assets/Liability. The net pension and OPEB assets/liability were measured as of June 30, 2018. The total liability used to calculate the net asset or net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2017, to the measurement date of June 30, 2018. The total liability as of June 30, 2018 reflects changes in actuarial assumptions based on the results of an actuarial experience study for the five-year period ended June 30, 2016, including decreasing the discount rate from 8.0 percent to 7.5 percent, changing the projected salary increases from 3-6.75 percent to 2.7-7.2 percent, decreasing the inflation rate from 3 percent to 2.3 percent, and changing the mortality rates. The District's proportion of the net assets/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, 2018.

At June 30, 2019, the District reported the following amounts for its proportionate share of the ASRS plans net assets/liability. In addition, at June 30, 2018, the District's percentage proportion for each plan and the related change from its proportion measured as of June 30, 2017 was:

	Net (Assets) Liability	District % Proportion	Increase (Decrease)
Pension	\$ 30,728,281	0.220	0.030
Health Insurance Premium	(78,453)	0.022	0.029
Long-Term Disability	115,197	0.220	0.032

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 15 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Pension/OPEB Expense and Deferred Outflows/Inflows of Resources. The District has deferred outflows and inflows of resources related to the net pension and OPEB assets/liabilities. Certain changes in the net pension and OPEB assets/liability are recognized as pension and OPEB expense over a period of time rather than the year of occurrence. For the year ended June 30, 2019, the District recognized pension and OPEB expense as follows:

	Expense
Pension	\$ 874,048
Health Insurance Premium	81,138
Long-Term Disability	43,293

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

	Deferred Outflows of Resources		
	Pension	Health Insurance Premium	Long-Term Disability
Differences between expected and actual experience	\$ 846,539	\$	\$ 2,946
Changes of assumptions or other inputs	813,126	151,297	24,951
Changes in proportion and differences between contributions and proportionate share of contributions	3,147,382	1,553	11,711
Contributions subsequent to the measurement date	2,525,889	103,927	36,149
Total	<u>\$ 7,332,936</u>	<u>\$ 256,777</u>	<u>\$ 75,757</u>

	Deferred Inflows of Resources		
	Pension	Health Insurance Premium	Long-Term Disability
Differences between expected and actual experience	\$ 169,400	\$ 72,409	\$
Changes of assumptions or other inputs	2,724,484		
Net difference between projected and actual earnings on pension investments	738,942	156,722	11,158
Changes in proportion and differences between contributions and proportionate share of contributions	1,045,493	98	8
Total	<u>\$ 4,678,319</u>	<u>\$ 229,229</u>	<u>\$ 11,166</u>

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 15 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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 and OPEB assets/liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized in pension and OPEB expense as follows:

Year Ending June 30:	Pension	Health Insurance Premium	Long-Term Disability
2020	\$ 933,980	\$ (30,066)	\$ 1,962
2021	647,056	(30,066)	1,963
2022	(1,120,921)	(30,066)	1,963
2023	(331,387)	3,328	4,952
2024		10,491	5,502
Thereafter			12,100

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

	Pension	OPEB
Actuarial valuation date	June 30, 2017	June 30, 2017
Actuarial roll forward date	June 30, 2018	June 30, 2018
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return	7.5%	7.5%
Projected salary increases	2.7-7.2%	Not applicable
Inflation	2.3%	2.3%
Permanent base increases	Included	Not applicable
Mortality rates	2017 SRA Scale U-MP	Health Ins: 2017 SRA Scale U-MP, LTD: 2012 GLDT
Healthcare cost trend rate	Not applicable	Not applicable

The actuarial assumptions used in the June 30, 2017 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.

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 15 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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 for all ASRS plans are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	50%	5.50%
Fixed income	35	3.83
Real estate	20	5.85
Total	100%	

Discount Rate. The discount rate used to measure the ASRS total pension and OPEB liability was 7.5 percent, which was a decrease of 0.5 from the discount rate used as of June 30, 2017. 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 and OPEB liability.

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 15 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Sensitivity of the Proportionate Share of the Net Pension and OPEB Asset/Liability to Changes in the Discount Rate. The following presents the District’s proportionate share of the net pension and OPEB assets/liability calculated using the discount rate of 7.5 percent, as well as what the proportionate share of the net pension and OPEB asset/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:

	Proportionate share of the net (assets) liability		
	1% Decrease	Current Discount Rate	1% Increase
Rate	6.5%	7.5%	8.5%
Pension	\$ 43,803,872	\$ 30,728,281	\$ 19,803,836
Health Insurance Premium	277,977	(78,453)	(382,060)
Long-Term Disability	130,550	115,197	100,300

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

B. Single-Employer OPEB Plan

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

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

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 15 – 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 \$499,885 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	43
currently receiving benefit payments	
Active employees	129
Total	<u>172</u>

Total OPEB Liability. The District's total OPEB liability of \$10,097,015 was measured as of June 30, 2019. The total liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of January 1, 2018, to the measurement date of June 30, 2019.

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, 2018 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, 2018
Actuarial valuation date	January 1, 2018
Interest rate	3.87%
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, 2019

NOTE 15 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

The discount rate is based on the estimate of expected long-term plan experience.

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	\$ 9,319,977
Changes for the year:	
Service cost	412,447
Interest	367,064
Changes in assumptions or other inputs	497,412
Benefit payments	(499,885)
Total OPEB Liability – end of year	<u>\$ 10,097,015</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 (2.87%)	Current Discount Rate (3.870%)	1% Increase (4.870%)
Total OPEB liability	\$ 11,041,387	\$ 10,097,015	\$ 9,274,476

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 (7.00% decreasing to 3.00%)	Current Healthcare Cost Trend Rates (8.00% decreasing to 4.00%)	1% Increase (9.00% decreasing to 5.00%)
Total OPEB liability	\$ 9,325,085	\$ 10,097,015	\$ 10,970,911

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 15 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At June 30, 2019, 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
Changes of assumptions or other inputs	\$ 414,510	\$ 172,018
Total	\$ 414,510	\$ 172,018

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:

2020	\$	39,897
2021		39,897
2022		39,897
2023		39,899
2024		82,902

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REQUIRED SUPPLEMENTARY INFORMATION

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL
YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other local	\$	\$	\$ 992,382	\$ 992,382
Property taxes			23,354,885	23,354,885
State aid and grants			8,500,448	8,500,448
Total revenues			<u>32,847,715</u>	<u>32,847,715</u>
Expenditures:				
Current -				
Instruction	19,091,222	19,870,138	17,135,876	2,734,262
Support services - students and staff	3,570,362	4,051,272	3,152,489	898,783
Support services - administration	5,453,457	5,044,774	4,473,072	571,702
Operation and maintenance of plant services	5,227,208	5,740,585	4,618,294	1,122,291
Student transportation services	1,304,318	1,472,238	1,310,838	161,400
Operation of non-instructional services	108,984	155,859	141,190	14,669
Total expenditures	<u>34,755,551</u>	<u>36,334,866</u>	<u>30,831,759</u>	<u>5,503,107</u>
Changes in fund balances	<u>(34,755,551)</u>	<u>(36,334,866)</u>	<u>2,015,956</u>	<u>38,350,822</u>
Fund balances, beginning of year			8,555,091	8,555,091
Increase (decrease) in reserve for prepaid items			439,756	439,756
Increase (decrease) in reserve for inventory			(135,236)	(135,236)
Fund balances (deficits), end of year	<u>\$ (34,755,551)</u>	<u>\$ (36,334,866)</u>	<u>\$ 10,875,567</u>	<u>\$ 47,210,433</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 FOUR FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Measurement date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension (assets) liability	0.22%	0.19%	0.21%	0.21%	0.21%
District's proportionate share of the net pension (assets) liability	\$ 30,728,281	\$ 29,641,915	\$ 33,289,208	\$ 33,202,281	\$ 31,250,858
District's covered payroll	\$ 21,877,706	\$ 18,542,106	\$ 19,302,212	\$ 19,610,110	\$ 19,958,327
District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	140.45%	159.86%	172.46%	169.31%	156.58%
Plan fiduciary net position as a percentage of the total pension liability	73.40%	69.92%	67.06%	68.35%	69.49%

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 2,525,889	\$ 2,384,670	\$ 1,998,839	\$ 2,094,290	\$ 2,135,541
Contributions in relation to the actuarially determined contribution	<u>2,525,889</u>	<u>2,384,670</u>	<u>1,998,839</u>	<u>2,094,290</u>	<u>2,135,541</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 22,592,925	\$ 21,877,706	\$ 18,542,106	\$ 19,302,212	\$ 19,610,110
Contributions as a percentage of covered payroll	11.18%	10.90%	10.78%	10.85%	10.89%

NOTE: The pension and OPEB 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.

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
ARIZONA STATE RETIREMENT SYSTEM - HEALTH INSURANCE PREMIUM
JUNE 30, 2019

	<u>2019</u>	<u>2018</u>
Measurement date	June 30, 2018	June 30, 2017
District's proportion of the net OPEB (assets) liability	0.22%	0.19%
District's proportionate share of the net OPEB (assets) liability	\$ (78,453)	\$ (102,619)
District's covered payroll	\$ 21,877,706	\$ 18,542,106
District's proportionate share of the net OPEB (assets) liability as a percentage of its covered payroll	-0.36%	-0.55%
Plan fiduciary net position as a percentage of the total OPEB liability	102.20%	103.57%

SCHEDULE OF OPEB CONTRIBUTIONS
ARIZONA STATE RETIREMENT SYSTEM - HEALTH INSURANCE PREMIUM
JUNE 30, 2019

	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 103,927	\$ 96,262
Contributions in relation to the actuarially determined contribution	<u>103,927</u>	<u>96,262</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 22,592,925	\$ 21,877,706
Contributions as a percentage of covered payroll	0.46%	0.44%

NOTE: The pension and OPEB 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.

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
ARIZONA STATE RETIREMENT SYSTEM - LONG-TERM DISABILITY
JUNE 30, 2019

	<u>2019</u>	<u>2018</u>
Measurement date	June 30, 2018	June 30, 2017
District's proportion of the net OPEB (assets) liability	0.22%	0.19%
District's proportionate share of the net OPEB (assets) liability	\$ 115,197	\$ 68,247
District's covered payroll	\$ 21,877,706	\$ 18,542,106
District's proportionate share of the net OPEB (assets) liability as a percentage of its covered payroll	0.53%	0.37%
Plan fiduciary net position as a percentage of the total OPEB liability	77.83%	84.44%

SCHEDULE OF OPEB CONTRIBUTIONS
ARIZONA STATE RETIREMENT SYSTEM - LONG-TERM DISABILITY
JUNE 30, 2019

	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 36,149	\$ 35,004
Contributions in relation to the actuarially determined contribution	<u>36,149</u>	<u>35,004</u>
Contribution deficiency (excess)	<u><u>\$</u></u>	<u><u>\$</u></u>
District's covered payroll	\$ 22,592,925	\$ 21,877,706
Contributions as a percentage of covered payroll	0.16%	0.16%

NOTE: The pension and OPEB 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.

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFITS PLAN
JUNE 30, 2019

	<u>2019</u>	<u>2018</u>
Measurement date	June 30, 2019	June 30, 2018
Total OPEB liability		
Service cost	\$ 412,447	\$ 411,065
Interest	367,064	330,687
Changes of assumptions or other inputs	497,412	(258,028)
Benefit payments	<u>(499,885)</u>	<u>(390,702)</u>
Net change in total OPEB liability	777,038	93,022
Total OPEB liability—beginning	<u>9,319,977</u>	<u>9,226,955</u>
Total OPEB liability—ending	<u><u>\$ 10,097,015</u></u>	<u><u>\$ 9,319,977</u></u>
 Covered payroll	 \$ 22,592,925	 \$ 21,877,706
 Total OPEB liability as a percentage of covered payroll	 44.69%	 42.60%

NOTE: The pension and OPEB 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.

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2019

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 items.

- Certain activities reported in the General Fund are budgeted in separate funds in accordance with Arizona Revised Statutes.
- Prepaid items are budgeted in the year prepaid.

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	\$ 32,631,586	\$ 13,337,558
Activity budgeted as special revenue funds	(1,070,498)	(2,459,692)
Activity budgeted as capital projects funds		(2,299)
Prior-year prepaid items	<u>(729,329)</u>	<u> </u>
Schedule of Revenues, Expenditures and Changes in Fund		
Balances – Budget and Actual – General Fund	<u>\$ 30,831,759</u>	<u>\$ 10,875,567</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, 2017, 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, 2019

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<u>ASSETS</u>			
Cash and investments	\$ 5,093,691	\$ 370,675	\$ 3,033,589
Property taxes receivable		23,230	15,847
Accounts receivable	54,687		
Due from governmental entities	1,028,087		12,451
Inventory	13,249		
Total assets	<u><u>\$ 6,189,714</u></u>	<u><u>\$ 393,905</u></u>	<u><u>\$ 3,061,887</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES</u>			
<u>AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 90,224	\$	\$ 36,927
Due to other funds	92,667		
Accrued payroll and employee benefits	195,658		
Unearned revenues	155,587		
Total liabilities	<u><u>534,136</u></u>		<u><u>36,927</u></u>
Deferred inflows of resources:			
Unavailable revenues - property taxes		15,972	14,200
Unavailable revenues - intergovernmental	12,716		
Total deferred inflows of resources	<u><u>12,716</u></u>	<u><u>15,972</u></u>	<u><u>14,200</u></u>
Fund balances (deficits):			
Nonspendable	13,249		
Restricted	5,677,578	377,933	3,010,760
Unassigned	(47,965)		
Total fund balances	<u><u>5,642,862</u></u>	<u><u>377,933</u></u>	<u><u>3,010,760</u></u>
Total liabilities, deferred inflows of resources			
and fund balances	<u><u>\$ 6,189,714</u></u>	<u><u>\$ 393,905</u></u>	<u><u>\$ 3,061,887</u></u>

Total Non-Major
Governmental
Funds

\$	8,497,955
	39,077
	54,687
	1,040,538
	13,249
\$	<u>9,645,506</u>

\$	127,151
	92,667
	195,658
	<u>155,587</u>
	<u>571,063</u>

	30,172
	<u>12,716</u>
	<u>42,888</u>

	13,249
	9,066,271
	<u>(47,965)</u>
	<u>9,031,555</u>

\$	<u>9,645,506</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, 2019

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Revenues:			
Other local	\$ 2,086,745	\$ 5,379	\$ 49,126
Property taxes		1,577,366	861,115
State aid and grants	3,693,900		39,658
Federal aid, grants and reimbursements	4,496,557		
Total revenues	<u>10,277,202</u>	<u>1,582,745</u>	<u>949,899</u>
Expenditures:			
Current -			
Instruction	5,110,682		
Support services - students and staff	1,267,836		
Support services - administration	351,978		
Operation and maintenance of plant services	3,530		
Student transportation services	15,579		
Operation of non-instructional services	2,191,965		
Capital outlay	575,819		425,393
Debt service -			
Principal retirement	35,626	875,000	80,943
Interest and fiscal charges	35,811	617,962	
Total expenditures	<u>9,588,826</u>	<u>1,492,962</u>	<u>506,336</u>
Excess (deficiency) of revenues over expenditures	<u>688,376</u>	<u>89,783</u>	<u>443,563</u>
Other financing sources (uses):			
Transfers in		155,730	
Transfers out	(53,575)		
Total other financing sources (uses)	<u>(53,575)</u>	<u>155,730</u>	
Changes in fund balances	<u>634,801</u>	<u>245,513</u>	<u>443,563</u>
Fund balances, beginning of year	5,008,159	132,420	2,567,197
Increase (decrease) in reserve for inventory	(98)		
Fund balances, end of year	<u>\$ 5,642,862</u>	<u>\$ 377,933</u>	<u>\$ 3,010,760</u>

Total Non-Major
Governmental
Funds

\$	2,141,250
	2,438,481
	3,733,558
	4,496,557
	<u>12,809,846</u>

5,110,682
1,267,836
351,978
3,530
15,579
2,191,965
1,001,212

991,569
653,773
<u>11,588,124</u>

<u>1,221,722</u>

155,730
<u>(53,575)</u>
<u>102,155</u>

<u>1,323,877</u>

7,707,776

(98)

\$	<u>9,031,555</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.

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2019

	<u>Classroom Site</u>	<u>Instructional Improvement</u>	<u>Title I Grants</u>
<u>ASSETS</u>			
Cash and investments	\$ 387,046	\$ 750,953	\$
Accounts receivable		18,413	
Due from governmental entities	452,004	104,504	80,366
Inventory			
Total assets	<u><u>\$ 839,050</u></u>	<u><u>\$ 873,870</u></u>	<u><u>\$ 80,366</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$ 53,547	\$
Due to other funds			10,505
Accrued payroll and employee benefits		12,791	69,861
Unearned revenues			
Total liabilities		<u><u>66,338</u></u>	<u><u>80,366</u></u>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Fund balances (deficits):			
Nonspendable			
Restricted	839,050	807,532	
Unassigned			
Total fund balances	<u><u>839,050</u></u>	<u><u>807,532</u></u>	
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 839,050</u></u>	<u><u>\$ 873,870</u></u>	<u><u>\$ 80,366</u></u>

Professional Development and Technology Grants	Limited English and Immigrant Students	Special Education Grants	Vocational Education	E-Rate	College Credit Exam Incentives
\$ 872	\$	\$	\$	\$ 602,829	\$ 11,850
4,041	8,477	130,761	12,328		
<u>\$ 4,913</u>	<u>\$ 8,477</u>	<u>\$ 130,761</u>	<u>\$ 12,328</u>	<u>\$ 602,829</u>	<u>\$ 11,850</u>
\$	\$	\$	\$	\$	\$
4,913	8,477	69,506 61,255	2,770 4,179 5,379		
<u>4,913</u>	<u>8,477</u>	<u>130,761</u>	<u>12,328</u>		
	189	199	12,328		
	(189)	(199)	(12,328)	602,829	11,850
	<u>(189)</u>	<u>(199)</u>	<u>(12,328)</u>	<u>602,829</u>	<u>11,850</u>
<u>\$ 4,913</u>	<u>\$ 8,477</u>	<u>\$ 130,761</u>	<u>\$ 12,328</u>	<u>\$ 602,829</u>	<u>\$ 11,850</u>

(Continued)

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2019

	<u>Results-based funding</u>	<u>Other State Projects</u>	<u>Food Service</u>
<u>ASSETS</u>			
Cash and investments	\$ 928,552	\$ 45,162	\$ 909,087
Accounts receivable			
Due from governmental entities		64,066	33,243
Inventory			13,249
Total assets	<u><u>\$ 928,552</u></u>	<u><u>\$ 109,228</u></u>	<u><u>\$ 955,579</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$ 20,933
Due to other funds			
Accrued payroll and employee benefits		17,497	6,562
Unearned revenues		126,980	28,607
Total liabilities		<u>144,477</u>	<u>56,102</u>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Fund balances (deficits):			
Nonspendable			13,249
Restricted	928,552		886,228
Unassigned		(35,249)	
Total fund balances	<u>928,552</u>	<u>(35,249)</u>	<u>899,477</u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 928,552</u></u>	<u><u>\$ 109,228</u></u>	<u><u>\$ 955,579</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>
\$ 3,577	\$ 95,206	\$ 870,289	\$ 321,207 36,274	\$ 16,768	\$ 10,043
<u>\$ 3,577</u>	<u>\$ 95,206</u>	<u>\$ 870,289</u>	<u>\$ 357,481</u>	<u>\$ 16,768</u>	<u>\$ 10,043</u>
\$	\$	\$	\$ 8,710	\$	\$
			8,710		
3,577	95,206	870,289	348,771	16,768	10,043
<u>3,577</u>	<u>95,206</u>	<u>870,289</u>	<u>348,771</u>	<u>16,768</u>	<u>10,043</u>
<u>\$ 3,577</u>	<u>\$ 95,206</u>	<u>\$ 870,289</u>	<u>\$ 357,481</u>	<u>\$ 16,768</u>	<u>\$ 10,043</u>

(Continued)

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2019

	<u>Insurance Refund</u>	<u>Career Technical Education</u>	<u>Totals</u>
<u>ASSETS</u>			
Cash and investments	\$ 32,480	\$ 107,770	\$ 5,093,691
Accounts receivable			54,687
Due from governmental entities		138,297	1,028,087
Inventory			13,249
Total assets	<u>\$ 32,480</u>	<u>\$ 246,067</u>	<u>\$ 6,189,714</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$ 4,264	\$ 90,224
Due to other funds			92,667
Accrued payroll and employee benefits		17,400	195,658
Unearned revenues			155,587
Total liabilities		<u>21,664</u>	<u>534,136</u>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			<u>12,716</u>
Fund balances (deficits):			
Nonspendable			13,249
Restricted	32,480	224,403	5,677,578
Unassigned			(47,965)
Total fund balances	<u>32,480</u>	<u>224,403</u>	<u>5,642,862</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 32,480</u>	<u>\$ 246,067</u>	<u>\$ 6,189,714</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, 2019

	Classroom Site	Instructional Improvement	Title I Grants
Revenues:			
Other local	\$ 22,879	\$ 36,491	\$
State aid and grants	2,712,022	234,884	
Federal aid, grants and reimbursements			1,357,183
Total revenues	<u>2,734,901</u>	<u>271,375</u>	<u>1,357,183</u>
Expenditures:			
Current -			
Instruction	2,317,539	280,438	970,828
Support services - students and staff	47,685	8,635	97,461
Support services - administration		1,429	177,575
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			83,803
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	<u>2,365,224</u>	<u>290,502</u>	<u>1,329,667</u>
Excess (deficiency) of revenues over expenditures	<u>369,677</u>	<u>(19,127)</u>	<u>27,516</u>
Other financing sources (uses):			
Transfers out			(27,516)
Total other financing sources (uses)			<u>(27,516)</u>
Changes in fund balances	<u>369,677</u>	<u>(19,127)</u>	
Fund balances (deficits), beginning of year	469,373	826,659	
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ 839,050</u>	<u>\$ 807,532</u>	<u>\$</u>

Professional Development and Technology Grants	Title IV Grants	Limited English and Immigrant Students	Special Education Grants	Vocational Education	E-Rate
\$	\$	\$	\$	\$	\$ 13,163
181,414	21,030	9,458	924,601	102,358	291,491
181,414	21,030	9,458	924,601	102,358	304,654
7,785	20,579	8,288	480,451	30,187	
167,344		1,152	385,347	74,245	281,886
2,397			3,803	1,364	
			7,370		
			1,280	4,080	24,827
					33,985
177,526	20,579	9,440	878,251	109,876	340,698
3,888	451	18	46,350	(7,518)	(36,044)
(3,888)	(451)	(207)	(19,229)	(2,284)	
(3,888)	(451)	(207)	(19,229)	(2,284)	
		(189)	27,121	(9,802)	(36,044)
			(27,320)	(2,526)	638,873
\$	\$	\$ (189)	\$ (199)	\$ (12,328)	\$ 602,829

(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, 2019

	State Vocational Education	Gifted	College Credit Exam Incentives
Revenues:			
Other local	\$	\$	\$
State aid and grants	56,719	5,571	10,741
Federal aid, grants and reimbursements			
Total revenues	<u>56,719</u>	<u>5,571</u>	<u>10,741</u>
Expenditures:			
Current -			
Instruction	30,286		3,391
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	26,433	5,571	
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	<u>56,719</u>	<u>5,571</u>	<u>3,391</u>
Excess (deficiency) of revenues over expenditures			<u>7,350</u>
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances			<u>7,350</u>
Fund balances (deficits), beginning of year			4,500
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$</u>	<u>\$</u>	<u>\$ 11,850</u>

Results-based funding	Other State Projects	Food Service	Civic Center	Community School	Extracurricular Activities Fees Tax Credit
\$ 481,502	\$ 192,461	\$ 529,332	\$ 14,939	\$ 14,620	\$ 671,240
<u>481,502</u>	<u>192,461</u>	<u>1,609,022</u> <u>2,138,354</u>	<u>14,939</u>	<u>14,620</u>	<u>671,240</u>
	112,761			38,223	348,745
	111,010			7,074	
	3,888	116,005	6,092		
			3,314		
		2,186,141	5,824		
	51	110,316		1,705	70,542
<u></u>	<u>227,710</u>	<u>2,412,462</u>	<u>15,230</u>	<u>47,002</u>	<u>419,287</u>
<u>481,502</u>	<u>(35,249)</u>	<u>(274,108)</u>	<u>(291)</u>	<u>(32,382)</u>	<u>251,953</u>
<u></u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>
<u>481,502</u>	<u>(35,249)</u>	<u>(274,108)</u>	<u>(291)</u>	<u>(32,382)</u>	<u>251,953</u>
447,050		1,173,683	3,868	127,588	618,336
		(98)			
<u>\$ 928,552</u>	<u>\$ (35,249)</u>	<u>\$ 899,477</u>	<u>\$ 3,577</u>	<u>\$ 95,206</u>	<u>\$ 870,289</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, 2019

	<u>Gifts and Donations</u>	<u>Fingerprint</u>	<u>Textbooks</u>
Revenues:			
Other local	\$ 190,443	\$ 994	\$ 597
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	<u>190,443</u>	<u>994</u>	<u>597</u>
Expenditures:			
Current -			
Instruction	69,043		216
Support services - students and staff	38,940		
Support services - administration	8,377	462	
Operation and maintenance of plant services			
Student transportation services	54		
Operation of non-instructional services			
Capital outlay	74,206		
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	<u>190,620</u>	<u>462</u>	<u>216</u>
Excess (deficiency) of revenues over expenditures	<u>(177)</u>	<u>532</u>	<u>381</u>
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	<u>(177)</u>	<u>532</u>	<u>381</u>
Fund balances (deficits), beginning of year	348,948	16,236	9,662
Increase (decrease) in reserve for inventory			
Fund balances, end of year	<u>\$ 348,771</u>	<u>\$ 16,768</u>	<u>\$ 10,043</u>

<u>Insurance Refund</u>	<u>Career Technical Education</u>	<u>Totals</u>
\$ 677	\$ 591,370	\$ 2,086,745
		3,693,900
		4,496,557
<u>677</u>	<u>591,370</u>	<u>10,277,202</u>
	391,922	5,110,682
	47,057	1,267,836
	30,586	351,978
	216	3,530
	8,155	15,579
		2,191,965
	173,005	575,819
	35,626	35,626
	1,826	35,811
<u></u>	<u>688,393</u>	<u>9,588,826</u>
<u>677</u>	<u>(97,023)</u>	<u>688,376</u>
<u></u>	<u></u>	<u>(53,575)</u>
<u></u>	<u></u>	<u>(53,575)</u>
<u>677</u>	<u>(97,023)</u>	<u>634,801</u>
31,803	321,426	5,008,159
		(98)
<u>\$ 32,480</u>	<u>\$ 224,403</u>	<u>\$ 5,642,862</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, 2019

	Classroom Site		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 22,879	\$ 22,879
State aid and grants		2,712,022	2,712,022
Federal aid, grants and reimbursements			
Total revenues		<u>2,734,901</u>	<u>2,734,901</u>
Expenditures:			
Current -			
Instruction	2,979,171	2,317,539	661,632
Support services - students and staff	70,354	47,685	22,669
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	<u>3,049,525</u>	<u>2,365,224</u>	<u>684,301</u>
Excess (deficiency) of revenues over expenditures	<u>(3,049,525)</u>	<u>369,677</u>	<u>3,419,202</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	<u>(3,049,525)</u>	<u>369,677</u>	<u>3,419,202</u>
Fund balances (deficits), beginning of year		469,373	469,373
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (3,049,525)</u>	<u>\$ 839,050</u>	<u>\$ 3,888,575</u>

Instructional Improvement			Student Success		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 36,491 234,884	\$ 36,491 234,884	\$	\$ 2,036	\$ 2,036
	<u>271,375</u>	<u>271,375</u>		<u>2,036</u>	<u>2,036</u>
200,000	280,438 8,635 1,429	(80,438) (8,635) (1,429)			
<u>200,000</u>	<u>290,502</u>	<u>(90,502)</u>			
<u>(200,000)</u>	<u>(19,127)</u>	<u>180,873</u>		<u>2,036</u>	<u>2,036</u>
<u>(200,000)</u>	<u>(19,127)</u>	<u>180,873</u>		<u>2,036</u>	<u>2,036</u>
	826,659	826,659		95,547	95,547
<u>\$ (200,000)</u>	<u>\$ 807,532</u>	<u>\$ 1,007,532</u>	<u>\$</u>	<u>\$ 97,583</u>	<u>\$ 97,583</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, 2019

	Title I Grants		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		1,357,183	1,357,183
Total revenues		<u>1,357,183</u>	<u>1,357,183</u>
Expenditures:			
Current -			
Instruction	1,750,000	970,828	779,172
Support services - students and staff		97,461	(97,461)
Support services - administration		177,575	(177,575)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay		83,803	(83,803)
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	<u>1,750,000</u>	<u>1,329,667</u>	<u>420,333</u>
Excess (deficiency) of revenues over expenditures	<u>(1,750,000)</u>	<u>27,516</u>	<u>1,777,516</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(27,516)	(27,516)
Total other financing sources (uses)		<u>(27,516)</u>	<u>(27,516)</u>
Changes in fund balances	<u>(1,750,000)</u>		<u>1,750,000</u>
Fund balances (deficits), beginning of year			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (1,750,000)</u>	<u>\$</u>	<u>\$ 1,750,000</u>

Professional Development and Technology Grants			Title IV Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	181,414	181,414		21,030	21,030
	181,414	181,414		21,030	21,030
	7,785	(7,785)		20,579	(20,579)
250,000	167,344	82,656			
	2,397	(2,397)			
250,000	177,526	72,474		20,579	(20,579)
(250,000)	3,888	253,888		451	451
	(3,888)	(3,888)		(451)	(451)
	(3,888)	(3,888)		(451)	(451)
(250,000)		250,000			
\$ (250,000)	\$	\$ 250,000	\$	\$	\$

(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, 2019

	Limited English and Immigrant Students		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		9,458	9,458
Total revenues		<u>9,458</u>	<u>9,458</u>
Expenditures:			
Current -			
Instruction	21,500	8,288	13,212
Support services - students and staff		1,152	(1,152)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	<u>21,500</u>	<u>9,440</u>	<u>12,060</u>
Excess (deficiency) of revenues over expenditures	<u>(21,500)</u>	<u>18</u>	<u>21,518</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(207)	(207)
Total other financing sources (uses)		<u>(207)</u>	<u>(207)</u>
Changes in fund balances	<u>(21,500)</u>	<u>(189)</u>	<u>21,311</u>
Fund balances (deficits), beginning of year			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (21,500)</u>	<u>\$ (189)</u>	<u>\$ 21,311</u>

Special Education Grants			Vocational Education		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	924,601	924,601		102,358	102,358
	924,601	924,601		102,358	102,358
1,120,165	480,451	639,714	104,000	30,187	73,813
	385,347	(385,347)		74,245	(74,245)
	3,803	(3,803)		1,364	(1,364)
	7,370	(7,370)			
	1,280	(1,280)		4,080	(4,080)
1,120,165	878,251	241,914	104,000	109,876	(5,876)
(1,120,165)	46,350	1,166,515	(104,000)	(7,518)	96,482
	(19,229)	(19,229)		(2,284)	(2,284)
	(19,229)	(19,229)		(2,284)	(2,284)
(1,120,165)	27,121	1,147,286	(104,000)	(9,802)	94,198
	(27,320)	(27,320)		(2,526)	(2,526)
\$ (1,120,165)	\$ (199)	\$ 1,119,966	\$ (104,000)	\$ (12,328)	\$ 91,672

(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, 2019

	Medicaid Reimbursement		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 14,393	\$ 14,393
State aid and grants			
Federal aid, grants and reimbursements		337,967	337,967
Total revenues		<u>352,360</u>	<u>352,360</u>
Expenditures:			
Current -			
Instruction		128,101	(128,101)
Support services - students and staff	662,250	181,345	480,905
Support services - administration		7,805	(7,805)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay		25,433	(25,433)
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	<u>662,250</u>	<u>342,684</u>	<u>319,566</u>
Excess (deficiency) of revenues over expenditures	<u>(662,250)</u>	<u>9,676</u>	<u>671,926</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	<u>(662,250)</u>	<u>9,676</u>	<u>671,926</u>
Fund balances (deficits), beginning of year		669,301	669,301
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (662,250)</u>	<u>\$ 678,977</u>	<u>\$ 1,341,227</u>

National Forest Fees			E-Rate		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$ 13,163	\$ 13,163
	952	952		291,491	291,491
	952	952		304,654	304,654
	788	(788)	125,000	281,886	(156,886)
				24,827	(24,827)
				33,985	(33,985)
	788	(788)	125,000	340,698	(215,698)
	164	164	(125,000)	(36,044)	88,956
	164	164	(125,000)	(36,044)	88,956
	985	985		638,873	638,873
\$	\$ 1,149	\$ 1,149	\$ (125,000)	\$ 602,829	\$ 727,829

(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, 2019

	State Vocational Education		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants		56,719	56,719
Federal aid, grants and reimbursements			
Total revenues		<u>56,719</u>	<u>56,719</u>
Expenditures:			
Current -			
Instruction	50,000	30,286	19,714
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay		26,433	(26,433)
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	<u>50,000</u>	<u>56,719</u>	<u>(6,719)</u>
Excess (deficiency) of revenues over expenditures	<u>(50,000)</u>		<u>50,000</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	<u>(50,000)</u>		<u>50,000</u>
Fund balances (deficits), beginning of year			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (50,000)</u>	<u>\$</u>	<u>\$ 50,000</u>

Gifted			College Credit Exam Incentives		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	5,571	5,571		10,741	10,741
	5,571	5,571		10,741	10,741
			4,500	3,391	1,109
	5,571	(5,571)			
	5,571	(5,571)	4,500	3,391	1,109
			(4,500)	7,350	11,850
			(4,500)	7,350	11,850
				4,500	4,500
\$	\$	\$	\$ (4,500)	\$ 11,850	\$ 16,350

(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, 2019

	Results-based funding		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants		481,502	481,502
Federal aid, grants and reimbursements			
Total revenues		<u>481,502</u>	<u>481,502</u>
Expenditures:			
Current -			
Instruction	380,000		380,000
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	<u>380,000</u>		<u>380,000</u>
Excess (deficiency) of revenues over expenditures	<u>(380,000)</u>	<u>481,502</u>	<u>861,502</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	<u>(380,000)</u>	<u>481,502</u>	<u>861,502</u>
Fund balances (deficits), beginning of year		447,050	447,050
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (380,000)</u>	<u>\$ 928,552</u>	<u>\$ 1,308,552</u>

Rural Assistance			Other State Projects		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
				192,461	192,461
				192,461	192,461
9,419	6,787	2,632	304,555	112,761	191,794
				111,010	(111,010)
				3,888	(3,888)
				51	(51)
9,419	6,787	2,632	304,555	227,710	76,845
(9,419)	(6,787)	2,632	(304,555)	(35,249)	269,306
(9,419)	(6,787)	2,632	(304,555)	(35,249)	269,306
	42,036	42,036			
\$ (9,419)	\$ 35,249	\$ 44,668	\$ (304,555)	\$ (35,249)	\$ 269,306

(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, 2019

	School Plant		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 59,009	\$ 59,009
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>59,009</u>	<u>59,009</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	35,000	43,913	(8,913)
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	<u>35,000</u>	<u>43,913</u>	<u>(8,913)</u>
Excess (deficiency) of revenues over expenditures	<u>(35,000)</u>	<u>15,096</u>	<u>50,096</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	<u>(35,000)</u>	<u>15,096</u>	<u>50,096</u>
Fund balances (deficits), beginning of year		329,598	329,598
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (35,000)</u>	<u>\$ 344,694</u>	<u>\$ 379,694</u>

Food Service			Civic Center		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 529,332	\$ 529,332	\$	\$ 14,939	\$ 14,939
	1,609,022	1,609,022			
	2,138,354	2,138,354		14,939	14,939
	116,005	(116,005)	15,000	6,092	8,908
				3,314	(3,314)
2,800,000	2,186,141	613,859		5,824	(5,824)
	110,316	(110,316)			
2,800,000	2,412,462	387,538	15,000	15,230	(230)
(2,800,000)	(274,108)	2,525,892	(15,000)	(291)	14,709
(2,800,000)	(274,108)	2,525,892	(15,000)	(291)	14,709
	1,173,683	1,173,683		3,868	3,868
	(98)	(98)			
\$ (2,800,000)	\$ 899,477	\$ 3,699,477	\$ (15,000)	\$ 3,577	\$ 18,577

(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, 2019

	Community School		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 14,620	\$ 14,620
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>14,620</u>	<u>14,620</u>
Expenditures:			
Current -			
Instruction	40,000	38,223	1,777
Support services - students and staff		7,074	(7,074)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay		1,705	(1,705)
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	<u>40,000</u>	<u>47,002</u>	<u>(7,002)</u>
Excess (deficiency) of revenues over expenditures	<u>(40,000)</u>	<u>(32,382)</u>	<u>7,618</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	<u>(40,000)</u>	<u>(32,382)</u>	<u>7,618</u>
Fund balances (deficits), beginning of year		127,588	127,588
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (40,000)</u>	<u>\$ 95,206</u>	<u>\$ 135,206</u>

Auxiliary Operations			Extracurricular Activities Fees Tax Credit		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 438,644	\$ 438,644	\$	\$ 671,240	\$ 671,240
	438,644	438,644		671,240	671,240
	156,982	(156,982)	650,000	348,745	301,255
	4,307	(4,307)			
	141	(141)			
	101,947	(101,947)			
300,000	206,693	93,307			
	23,921	(23,921)		70,542	(70,542)
300,000	493,991	(193,991)	650,000	419,287	230,713
(300,000)	(55,347)	244,653	(650,000)	251,953	901,953
(300,000)	(55,347)	244,653	(650,000)	251,953	901,953
	956,161	956,161		618,336	618,336
	1,248	1,248			
\$ (300,000)	\$ 902,062	\$ 1,202,062	\$ (650,000)	\$ 870,289	\$ 1,520,289

(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, 2019

	Gifts and Donations		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 190,443	\$ 190,443
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>190,443</u>	<u>190,443</u>
Expenditures:			
Current -			
Instruction		69,043	(69,043)
Support services - students and staff		38,940	(38,940)
Support services - administration		8,377	(8,377)
Operation and maintenance of plant services			
Student transportation services		54	(54)
Operation of non-instructional services			
Capital outlay	200,000	74,206	125,794
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	<u>200,000</u>	<u>190,620</u>	<u>9,380</u>
Excess (deficiency) of revenues over expenditures	<u>(200,000)</u>	<u>(177)</u>	<u>199,823</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	<u>(200,000)</u>	<u>(177)</u>	<u>199,823</u>
Fund balances (deficits), beginning of year		348,948	348,948
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (200,000)</u>	<u>\$ 348,771</u>	<u>\$ 548,771</u>

Fingerprint			Textbooks		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 994	\$ 994	\$	\$ 597	\$ 597
	994	994		597	597
			9,000	216	8,784
2,500	462	2,038			
2,500	462	2,038	9,000	216	8,784
(2,500)	532	3,032	(9,000)	381	9,381
(2,500)	532	3,032	(9,000)	381	9,381
	16,236	16,236		9,662	9,662
\$ (2,500)	\$ 16,768	\$ 19,268	\$ (9,000)	\$ 10,043	\$ 19,043

(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, 2019

	Litigation Recovery		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 8,879	\$ 8,879
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>8,879</u>	<u>8,879</u>
Expenditures:			
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			
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	<u>2,000</u>		<u>2,000</u>
Excess (deficiency) of revenues over expenditures	<u>(2,000)</u>	<u>8,879</u>	<u>10,879</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	<u>(2,000)</u>	<u>8,879</u>	<u>10,879</u>
Fund balances (deficits), beginning of year		132,153	132,153
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (2,000)</u>	<u>\$ 141,032</u>	<u>\$ 143,032</u>

Indirect Costs			Insurance Refund		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$ 677	\$ 677
				677	677
50,000	53,575	(3,575)			
50,000	53,575	(3,575)			
(50,000)	(53,575)	(3,575)		677	677
	53,575	53,575			
	53,575	53,575			
(50,000)		50,000		677	677
				31,803	31,803
\$ (50,000)	\$	\$ 50,000	\$	\$ 32,480	\$ 32,480

(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, 2019

	Advertisement		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 192	\$ 192
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>192</u>	<u>192</u>
Expenditures:			
Current -			
Instruction	5,000		5,000
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	<u>5,000</u>		<u>5,000</u>
Excess (deficiency) of revenues over expenditures	<u>(5,000)</u>	<u>192</u>	<u>5,192</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	<u>(5,000)</u>	<u>192</u>	<u>5,192</u>
Fund balances (deficits), beginning of year		8,993	8,993
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (5,000)</u>	<u>\$ 9,185</u>	<u>\$ 14,185</u>

Career Technical Education			Intergovernmental agreements		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 591,370	\$ 591,370	\$	\$ 128,400	\$ 128,400
	<u>591,370</u>	<u>591,370</u>		<u>128,400</u>	<u>128,400</u>
462,548	391,922	70,626	50,000	128,760	(78,760)
	47,057	(47,057)			
	30,586	(30,586)			
	216	(216)			
	8,155	(8,155)			
	173,005	(173,005)			
35,626	35,626				
1,826	1,826				
<u>500,000</u>	<u>688,393</u>	<u>(188,393)</u>	<u>50,000</u>	<u>128,760</u>	<u>(78,760)</u>
<u>(500,000)</u>	<u>(97,023)</u>	<u>402,977</u>	<u>(50,000)</u>	<u>(360)</u>	<u>49,640</u>
<u>(500,000)</u>	<u>(97,023)</u>	<u>402,977</u>	<u>(50,000)</u>	<u>(360)</u>	<u>49,640</u>
	321,426	321,426		250,121	250,121
<u>\$ (500,000)</u>	<u>\$ 224,403</u>	<u>\$ 724,403</u>	<u>\$ (50,000)</u>	<u>\$ 249,761</u>	<u>\$ 299,761</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, 2019

	Totals		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 2,738,298	\$ 2,738,298
State aid and grants		3,693,900	3,693,900
Federal aid, grants and reimbursements		4,835,476	4,835,476
Total revenues		<u>11,267,674</u>	<u>11,267,674</u>
Expenditures:			
Current -			
Instruction	8,141,858	5,531,312	2,610,546
Support services - students and staff	1,107,604	1,454,276	(346,672)
Support services - administration	17,500	359,924	(342,424)
Operation and maintenance of plant services		105,477	(105,477)
Student transportation services		15,579	(15,579)
Operation of non-instructional services	3,100,000	2,398,658	701,342
Capital outlay	285,000	722,661	(437,661)
Debt service -			
Principal retirement	35,626	35,626	
Interest and fiscal charges	1,826	35,811	(33,985)
Total expenditures	<u>12,689,414</u>	<u>10,659,324</u>	<u>2,030,090</u>
Excess (deficiency) of revenues over expenditures	<u>(12,689,414)</u>	<u>608,350</u>	<u>13,297,764</u>
Other financing sources (uses):			
Transfers in		53,575	53,575
Transfers out		(53,575)	(53,575)
Total other financing sources (uses)			
Changes in fund balances	<u>(12,689,414)</u>	<u>608,350</u>	<u>13,297,764</u>
Fund balances (deficits), beginning of year		7,493,054	7,493,054
Increase (decrease) in reserve for inventory		1,150	1,150
Fund balances (deficits), end of year	<u>\$ (12,689,414)</u>	<u>\$ 8,102,554</u>	<u>\$ 20,791,968</u>

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, 2019

	Debt Service		Variance -
	Budget	Actual	Positive (Negative)
Revenues:			
Other local	\$	\$ 5,379	\$ 5,379
Property taxes		1,577,366	1,577,366
Total revenues		<u>1,582,745</u>	<u>1,582,745</u>
Expenditures:			
Debt service -			
Principal retirement	1,600,000	875,000	725,000
Interest and fiscal charges		617,962	(617,962)
Total expenditures	<u>1,600,000</u>	<u>1,492,962</u>	<u>107,038</u>
Excess (deficiency) of revenues over expenditures	<u>(1,600,000)</u>	<u>89,783</u>	<u>1,689,783</u>
Other financing sources (uses):			
Transfers in		155,730	155,730
Total other financing sources (uses)		<u>155,730</u>	<u>155,730</u>
Changes in fund balances	<u>(1,600,000)</u>	<u>245,513</u>	<u>1,845,513</u>
Fund balances, beginning of year		132,420	132,420
Fund balances (deficits), end of year	<u>\$ (1,600,000)</u>	<u>\$ 377,933</u>	<u>\$ 1,977,933</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, 2019

	<u>Unrestricted Capital Outlay</u>	<u>Adjacent Ways</u>	<u>Energy and Water Savings</u>
<u>ASSETS</u>			
Cash and investments	\$ 2,279,338	\$ 653,641	\$ 100,610
Property taxes receivable	15,847		
Due from governmental entities	12,451		
Total assets	<u><u>\$ 2,307,636</u></u>	<u><u>\$ 653,641</u></u>	<u><u>\$ 100,610</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 36,927	\$	\$
Total liabilities	<u>36,927</u>		
Deferred inflows of resources:			
Unavailable revenues - property taxes	<u>14,200</u>		
Fund balances:			
Restricted	<u>2,256,509</u>	<u>653,641</u>	<u>100,610</u>
Total fund balances	<u><u>2,256,509</u></u>	<u><u>653,641</u></u>	<u><u>100,610</u></u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 2,307,636</u></u>	<u><u>\$ 653,641</u></u>	<u><u>\$ 100,610</u></u>

Totals	
\$	3,033,589
	15,847
	12,451
\$	3,061,887

\$	36,927
	36,927

	14,200
--	--------

	3,010,760
	3,010,760

\$	3,061,887
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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, 2019

	Unrestricted Capital Outlay	Adjacent Ways	Energy and Water Savings
Revenues:			
Other local	\$ 13,055	\$	\$ 36,071
Property taxes	861,115		
State aid and grants	39,658		
Total revenues	<u>913,828</u>	<u></u>	<u>36,071</u>
Expenditures:			
Capital outlay	425,393		
Debt service -			
Principal retirement			80,943
Total expenditures	<u>425,393</u>	<u></u>	<u>80,943</u>
Changes in fund balances	<u>488,435</u>	<u></u>	<u>(44,872)</u>
Fund balances, beginning of year	1,768,074	653,641	145,482
Fund balances, end of year	<u>\$ 2,256,509</u>	<u>\$ 653,641</u>	<u>\$ 100,610</u>

Totals	
\$	49,126
	861,115
	39,658
	<u>949,899</u>

	425,393
	80,943
	<u>506,336</u>
	<u>443,563</u>
	2,567,197
\$	<u><u>3,010,760</u></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, 2019

	Insurance Proceeds		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 48	\$ 48
Property taxes			
State aid and grants			
Total revenues		<u>48</u>	<u>48</u>
Expenditures:			
Capital outlay	40,000		40,000
Debt service -			
Principal retirement			
Total expenditures	<u>40,000</u>		<u>40,000</u>
Excess (deficiency) of revenues over expenditures	<u>(40,000)</u>	<u>48</u>	<u>40,048</u>
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	<u>(40,000)</u>	<u>48</u>	<u>40,048</u>
Fund balances (deficits), beginning of year		2,251	2,251
Fund balances (deficits), end of year	<u>\$ (40,000)</u>	<u>\$ 2,299</u>	<u>\$ 42,299</u>

Unrestricted Capital Outlay			Adjacent Ways		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 13,055	\$ 13,055	\$	\$	\$
	861,115	861,115			
	39,658	39,658			
	913,828	913,828			
2,200,581	425,393	1,775,188	600,000		600,000
2,200,581	425,393	1,775,188	600,000		600,000
(2,200,581)	488,435	2,689,016	(600,000)		600,000
(2,200,581)	488,435	2,689,016	(600,000)		600,000
	1,768,074	1,768,074		653,641	653,641
\$ (2,200,581)	\$ 2,256,509	\$ 4,457,090	\$ (600,000)	\$ 653,641	\$ 1,253,641

(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, 2019

	Bond Building		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 155,730	\$ 155,730
Property taxes			
State aid and grants			
Total revenues		<u>155,730</u>	<u>155,730</u>
Expenditures:			
Capital outlay	9,200,000	3,073,258	6,126,742
Debt service -			
Principal retirement			
Total expenditures	<u>9,200,000</u>	<u>3,073,258</u>	<u>6,126,742</u>
Excess (deficiency) of revenues over expenditures	<u>(9,200,000)</u>	<u>(2,917,528)</u>	<u>6,282,472</u>
Other financing sources (uses):			
Transfers out		(155,730)	(155,730)
Total other financing sources (uses)		<u>(155,730)</u>	<u>(155,730)</u>
Changes in fund balances	<u>(9,200,000)</u>	<u>(3,073,258)</u>	<u>6,126,742</u>
Fund balances (deficits), beginning of year		7,967,883	7,967,883
Fund balances (deficits), end of year	<u>\$ (9,200,000)</u>	<u>\$ 4,894,625</u>	<u>\$ 14,094,625</u>

Energy and Water Savings			Building Renewal Grant		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 36,071	\$ 36,071	\$	\$	\$
				988,931	988,931
	36,071	36,071		988,931	988,931
			2,000,000	829,792	1,170,208
80,000	80,943	(943)			
80,000	80,943	(943)	2,000,000	829,792	1,170,208
(80,000)	(44,872)	35,128	(2,000,000)	159,139	2,159,139
(80,000)	(44,872)	35,128	(2,000,000)	159,139	2,159,139
	145,482	145,482		(412,798)	(412,798)
\$ (80,000)	\$ 100,610	\$ 180,610	\$ (2,000,000)	\$ (253,659)	\$ 1,746,341

(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, 2019

	Totals		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 204,904	\$ 204,904
Property taxes		861,115	861,115
State aid and grants		1,028,589	1,028,589
Total revenues		<u>2,094,608</u>	<u>2,094,608</u>
Expenditures:			
Capital outlay	14,040,581	4,328,443	9,712,138
Debt service -			
Principal retirement	80,000	80,943	(943)
Total expenditures	<u>14,120,581</u>	<u>4,409,386</u>	<u>9,711,195</u>
Excess (deficiency) of revenues over expenditures	<u>(14,120,581)</u>	<u>(2,314,778)</u>	<u>11,805,803</u>
Other financing sources (uses):			
Transfers out		(155,730)	(155,730)
Total other financing sources (uses)		<u>(155,730)</u>	<u>(155,730)</u>
Changes in fund balances	<u>(14,120,581)</u>	<u>(2,470,508)</u>	<u>11,650,073</u>
Fund balances (deficits), beginning of year		10,124,533	10,124,533
Fund balances (deficits), end of year	<u>\$ (14,120,581)</u>	<u>\$ 7,654,025</u>	<u>\$ 21,774,606</u>

AGENCY FUNDS

Student Activities - to account for monies raised by students to finance student clubs and organizations but held by the District as an agent.

Employee Withholding - to account for voluntary deductions temporarily held by the District as an agent.

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2019

	<u>Student Activities</u>	<u>Employee Insurance</u>	<u>Totals</u>
<u>ASSETS</u>			
Cash and investments	\$ 259,067	\$ 15,710	\$ 274,777
Total assets	<u>\$ 259,067</u>	<u>\$ 15,710</u>	<u>\$ 274,777</u>
<u>LIABILITIES</u>			
Deposits held for others	\$	\$ 15,710	\$ 15,710
Due to student groups	259,067		259,067
Total liabilities	<u>\$ 259,067</u>	<u>\$ 15,710</u>	<u>\$ 274,777</u>

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2018

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<u>STUDENT ACTIVITIES FUND</u>				
<u>Assets</u>				
Cash and investments	\$ <u>252,739</u>	\$ <u>274,789</u>	\$ <u>268,461</u>	\$ <u>259,067</u>
Total assets	\$ <u><u>252,739</u></u>	\$ <u><u>274,789</u></u>	\$ <u><u>268,461</u></u>	\$ <u><u>259,067</u></u>
<u>Liabilities</u>				
Due to student groups	\$ <u>252,739</u>	\$ <u>274,789</u>	\$ <u>268,461</u>	\$ <u>259,067</u>
Total liabilities	\$ <u><u>252,739</u></u>	\$ <u><u>274,789</u></u>	\$ <u><u>268,461</u></u>	\$ <u><u>259,067</u></u>
<u>EMPLOYEE INSURANCE FUND</u>				
<u>Assets</u>				
Cash and investments	\$ <u>14,093</u>	\$ <u>14,895</u>	\$ <u>13,278</u>	\$ <u>15,710</u>
Total assets	\$ <u><u>14,093</u></u>	\$ <u><u>14,895</u></u>	\$ <u><u>13,278</u></u>	\$ <u><u>15,710</u></u>
<u>Liabilities</u>				
Deposits held for others	\$ <u>14,093</u>	\$ <u>14,895</u>	\$ <u>13,278</u>	\$ <u>15,710</u>
Total liabilities	\$ <u><u>14,093</u></u>	\$ <u><u>14,895</u></u>	\$ <u><u>13,278</u></u>	\$ <u><u>15,710</u></u>
<u>TOTAL AGENCY FUNDS</u>				
<u>Assets</u>				
Cash and investments	\$ <u>266,832</u>	\$ <u>289,684</u>	\$ <u>281,739</u>	\$ <u>274,777</u>
Total assets	\$ <u><u>266,832</u></u>	\$ <u><u>289,684</u></u>	\$ <u><u>281,739</u></u>	\$ <u><u>274,777</u></u>
<u>Liabilities</u>				
Deposits held for others	\$ <u>14,093</u>	\$ <u>14,895</u>	\$ <u>13,278</u>	\$ <u>15,710</u>
Due to student groups	<u>252,739</u>	<u>274,789</u>	<u>268,461</u>	<u>259,067</u>
Total liabilities	\$ <u><u>266,832</u></u>	\$ <u><u>289,684</u></u>	\$ <u><u>281,739</u></u>	\$ <u><u>274,777</u></u>

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STATISTICAL SECTION

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Net Position:					
Net investment in capital assets	\$ 45,432,693	\$ 46,531,650	\$ 45,604,296	\$ 45,932,190	\$ 46,213,378
Restricted	9,096,443	7,734,458	6,457,647	5,589,417	4,966,839
Unrestricted	<u>(22,074,756)</u>	<u>(25,861,098)</u>	<u>(25,246,415)</u>	<u>(29,751,353)</u>	<u>(32,022,241)</u>
Total net position	<u><u>\$ 32,454,380</u></u>	<u><u>\$ 28,405,010</u></u>	<u><u>\$ 26,815,528</u></u>	<u><u>\$ 21,770,254</u></u>	<u><u>\$ 19,157,976</u></u>
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Net Position:					
Net investment in capital assets	\$ 40,796,122	\$ 32,036,647	\$ 31,987,723	\$ 28,586,579	\$ 26,530,067
Restricted	6,569,902	7,590,728	6,893,775	7,078,842	4,226,941
Unrestricted	<u>2,411,731</u>	<u>11,226,078</u>	<u>14,885,989</u>	<u>14,611,881</u>	<u>18,471,910</u>
Total net position	<u><u>\$ 49,777,755</u></u>	<u><u>\$ 50,853,453</u></u>	<u><u>\$ 53,767,487</u></u>	<u><u>\$ 50,277,302</u></u>	<u><u>\$ 49,228,918</u></u>

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

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Expenses					
Instruction	\$ 24,422,343	\$ 22,496,438	\$ 20,665,508	\$ 21,823,858	\$ 21,768,789
Support services - students and staff	4,431,906	4,038,352	3,702,504	4,070,894	4,089,490
Support services - administration	5,183,178	3,879,809	4,435,711	4,848,290	4,330,613
Operation and maintenance of plant services	4,787,618	5,001,350	4,092,886	4,192,143	4,309,558
Student transportation services	1,810,893	1,392,140	1,273,442	1,167,650	1,255,699
Operation of non-instructional services	2,700,054	2,516,900	2,272,843	2,223,239	2,360,567
Interest on long-term debt	568,439	703,258	52,905	52,802	288,532
Total expenses	<u>43,904,431</u>	<u>40,028,247</u>	<u>36,495,799</u>	<u>38,378,876</u>	<u>38,403,248</u>
Program Revenues					
Charges for services:					
Instruction	834,186	591,684	767,400	961,529	1,588,348
Operation of non-instructional services	960,500	889,828	929,021	903,839	903,797
Other activities	51,122	56,651	55,190	73,249	71,014
Operating grants and contributions	5,935,724	6,402,914	5,496,782	5,794,605	5,030,979
Capital grants and contributions	1,096,220	269,132	1,231,834	1,636,855	711,227
Total program revenues	<u>8,877,752</u>	<u>8,210,209</u>	<u>8,480,227</u>	<u>9,370,077</u>	<u>8,305,365</u>
Net (Expense)/Revenue	<u>\$ (35,026,679)</u>	<u>\$ (31,818,038)</u>	<u>\$ (28,015,572)</u>	<u>\$ (29,008,799)</u>	<u>\$ (30,097,883)</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>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Expenses					
Instruction	\$ 21,685,061	\$ 23,799,629	\$ 21,583,414	\$ 25,603,971	\$ 26,031,193
Support services - students and staff	4,530,494	5,057,901	4,588,754	4,886,741	5,152,696
Support services - administration	4,302,656	3,815,743	4,485,813	3,938,285	4,237,501
Operation and maintenance of plant services	4,199,556	4,662,443	4,315,006	5,311,753	4,830,336
Student transportation services	1,292,389	1,698,660	1,273,997	1,363,735	1,379,620
Operation of non-instructional services	2,301,439	2,098,588	2,262,003	2,053,411	2,147,309
Interest on long-term debt	546,855	675,824	853,223	1,024,997	1,268,181
Total expenses	<u>38,858,450</u>	<u>41,808,788</u>	<u>39,362,210</u>	<u>44,182,893</u>	<u>45,046,836</u>
Program Revenues					
Charges for services:					
Instruction	1,276,878	1,683,251	1,768,659	2,331,557	1,143,243
Operation of non-instructional services	948,507	1,030,544	913,873	531,963	73,368
Other activities	117,109	50,658	14,124	98,549	685,786
Operating grants and contributions	5,503,608	5,098,688	5,220,533	6,414,289	6,162,377
Capital grants and contributions	109,377	189,191	331,775	496,946	333,593
Total program revenues	<u>7,955,479</u>	<u>8,052,332</u>	<u>8,248,964</u>	<u>9,873,304</u>	<u>8,398,367</u>
Net (Expense)/Revenue	<u>\$ (30,902,971)</u>	<u>\$ (33,756,456)</u>	<u>\$ (31,113,246)</u>	<u>\$ (34,309,589)</u>	<u>\$ (36,648,469)</u>

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

(Concluded)

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Net (Expense)/Revenue	\$ (35,026,679)	\$ (31,818,038)	\$ (28,015,572)	\$ (29,008,799)	\$ (30,097,883)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	23,500,337	24,522,034	20,450,733	19,643,666	19,367,505
Property taxes, levied for debt service	1,593,280	1,971,210			4,489,063
Property taxes, levied for capital outlay	870,295	320,813	1,061,642	1,350,011	2,244,911
Investment income	578,173	378,728	95,588	64,890	88,297
Unrestricted county aid	708,033	622,259	617,699	684,413	714,643
Unrestricted state aid	11,487,012	12,989,247	9,863,198	9,659,487	8,245,844
Unrestricted federal aid	338,919	229,495	176,684	218,610	198,481
Special Item - Gain on sale of capital assets			914,650		
Total general revenues	<u>39,076,049</u>	<u>41,033,786</u>	<u>33,180,194</u>	<u>31,621,077</u>	<u>35,348,744</u>
Changes in Net Position	<u>\$ 4,049,370</u>	<u>\$ 9,215,748</u>	<u>\$ 5,164,622</u>	<u>\$ 2,612,278</u>	<u>\$ 5,250,861</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>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Net (Expense)/Revenue	\$ (30,902,971)	\$ (33,756,456)	\$ (31,113,246)	\$ (34,309,589)	\$ (36,648,469)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	13,717,407	14,333,384	16,037,667	17,641,005	21,077,939
Property taxes, levied for debt service	4,723,683	4,737,572	4,929,231	4,505,176	4,739,383
Property taxes, levied for capital outlay	1,050,059	574,980	649,904	271,381	1,303,695
Investment income	310,893	97,295	151,893	230,242	193,650
Unrestricted county aid	813,289	1,003,626	1,316,981	1,224,934	1,141,322
Unrestricted state aid	9,034,924	9,911,291	11,516,546	11,355,535	11,335,828
Unrestricted federal aid	177,018	184,274	1,209	129,700	1,483,043
Total general revenues	<u>29,827,273</u>	<u>30,842,422</u>	<u>34,603,431</u>	<u>35,357,973</u>	<u>41,274,860</u>
Changes in Net Position	<u>\$ (1,075,698)</u>	<u>\$ (2,914,034)</u>	<u>\$ 3,490,185</u>	<u>\$ 1,048,384</u>	<u>\$ 4,626,391</u>

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

(Concluded)

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

	Fiscal Year Ended June 30				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Fund:					
Nonspendable	\$ 691,527	\$ 385,759	\$ 400,102	\$ 359,489	\$ 355,144
Restricted			7,199		
Assigned	791,666	847,013	791,750	685,782	654,644
Unassigned	11,854,365	10,538,794	6,564,447	4,127,272	1,791,293
Reserved					
Unreserved					
Total General Fund	<u>\$ 13,337,558</u>	<u>\$ 11,771,566</u>	<u>\$ 7,763,498</u>	<u>\$ 5,172,543</u>	<u>\$ 2,801,081</u>
All Other Governmental Funds:					
Nonspendable	\$ 13,249	\$ 13,347	\$ 21,614	\$ 18,257	\$ 25,632
Restricted	13,960,896	15,692,158	23,235,241	5,543,138	4,809,374
Committed					
Assigned					
Unassigned	(301,624)	(442,644)	(905,445)	(31,076)	(352,061)
Reserved					
Unreserved, reported in:					
Special revenue funds					
Capital projects funds					
Debt service fund					
Total all other governmental funds	<u>\$ 13,672,521</u>	<u>\$ 15,262,861</u>	<u>\$ 22,351,410</u>	<u>\$ 5,530,319</u>	<u>\$ 4,482,945</u>

(Continued)

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
General Fund:					
Nonspendable	\$ 284,525	\$	\$ 299,260	\$ 269,960	\$
Restricted					
Assigned	566,293	578,165	742,608	627,284	
Unassigned	1,451,998	4,156,530	5,787,579	6,030,360	
Reserved					459,498
Unreserved					6,303,086
Total General Fund	<u>\$ 2,302,816</u>	<u>\$ 4,734,695</u>	<u>\$ 6,829,447</u>	<u>\$ 6,927,604</u>	<u>\$ 6,762,584</u>
All Other Governmental Funds:					
Nonspendable	\$ 24,952	\$	\$ 26,614	\$ 22,281	\$
Restricted	6,300,321	7,483,176	6,771,678	7,020,731	
Assigned		626,789	914,000	768,988	
Unassigned	(194,913)				
Reserved					103,573
Unreserved, reported in:					
Special revenue funds					5,618,928
Capital projects funds					3,248,272
Debt service fund					713,983
Total all other governmental funds	<u>\$ 6,130,360</u>	<u>\$ 8,109,965</u>	<u>\$ 7,712,292</u>	<u>\$ 7,812,000</u>	<u>\$ 9,684,756</u>

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

Note: The provisions of the Governmental Accounting Standards Board (GASB) Statement No. 54 were adopted in fiscal year 2011. The standard replaces the previous reserved and unreserved fund balance categories with the following five fund balance classifications: nonspendable, restricted, committed, assigned, and unassigned fund balance.

(Concluded)

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

	Fiscal Year Ended June 30				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Federal sources:					
Federal grants	\$ 3,226,454	\$ 3,469,684	\$ 2,940,306	\$ 3,124,838	\$ 2,685,424
State Fiscal Stabilization (ARRA)					
Education Jobs					
National School Lunch Program	1,609,022	1,659,263	1,713,703	1,732,618	1,731,927
Total federal sources	<u>4,835,476</u>	<u>5,128,947</u>	<u>4,654,009</u>	<u>4,857,456</u>	<u>4,417,351</u>
State sources:					
State equalization assistance	8,540,106	7,622,221	7,476,366	6,987,318	6,070,671
State grants	746,994	756,099	169,226	433,997	244,998
School Facilities Board	988,931	2,580,358	884,179	999,566	
Other revenues	2,946,906	2,727,443	2,386,832	2,420,806	2,794,648
Total state sources	<u>13,222,937</u>	<u>13,686,121</u>	<u>10,916,603</u>	<u>10,841,687</u>	<u>9,110,317</u>
Local sources:					
Property taxes	25,793,366	26,841,587	21,508,759	21,186,333	26,043,794
County aid	708,033	622,259	617,699	684,413	714,643
Food service sales	529,332	468,384	499,381	503,564	517,109
Investment income	510,972	365,345	88,302	35,365	61,279
Other revenues	2,192,626	2,201,098	2,410,020	2,619,693	2,808,986
Total local sources	<u>29,734,329</u>	<u>30,498,673</u>	<u>25,124,161</u>	<u>25,029,368</u>	<u>30,145,811</u>
Total revenues	<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>	<u><u>\$ 43,673,479</u></u>

(Continued)

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Federal sources:					
Federal grants	\$ 2,769,514	\$ 3,478,371	\$ 3,111,363	\$ 3,944,633	\$ 5,353,055
State Fiscal Stabilization (ARRA)				129,700	
Education Jobs			589,565	505,187	
National School Lunch Program	1,814,606	1,666,699	1,521,194	1,544,503	1,687,454
Total federal sources	<u>4,584,120</u>	<u>5,145,070</u>	<u>5,222,122</u>	<u>6,124,023</u>	<u>7,040,509</u>
State sources:					
State equalization assistance	6,614,287	8,014,550	9,647,892	9,848,828	9,642,048
State grants	318,645	377,339	198,567	194,333	314,113
School Facilities Board			70,060		
Other revenues	2,420,637	1,896,741	1,798,594	1,704,045	1,496,442
Total state sources	<u>9,353,569</u>	<u>10,288,630</u>	<u>11,715,113</u>	<u>11,747,206</u>	<u>11,452,603</u>
Local sources:					
Property taxes	19,470,717	19,675,856	21,621,380	22,783,472	27,133,738
County aid	813,289	1,003,626	1,316,981	1,224,934	1,141,322
Food service sales	537,401	545,006	492,193	531,963	685,786
Investment income	85,351	97,295	151,893	203,223	122,883
Other revenues	2,564,032	2,219,447	2,316,338	3,171,144	1,841,002
Total local sources	<u>23,470,790</u>	<u>23,541,230</u>	<u>25,898,785</u>	<u>27,914,736</u>	<u>30,924,731</u>
Total revenues	<u><u>\$ 37,408,479</u></u>	<u><u>\$ 38,974,930</u></u>	<u><u>\$ 42,836,020</u></u>	<u><u>\$ 45,785,965</u></u>	<u><u>\$ 49,417,843</u></u>

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

(Concluded)

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Expenditures:					
Current -					
Instruction	\$ 22,667,188	\$ 21,606,772	\$ 19,727,734	\$ 19,013,571	\$ 19,853,599
Support services - students and staff	4,606,765	4,279,704	3,944,527	3,981,038	4,157,036
Support services - administration	5,112,486	4,029,544	4,592,750	4,386,779	4,464,062
Operation and maintenance of plant services	5,173,610	5,126,321	4,261,255	4,226,703	4,222,513
Student transportation services	1,326,417	1,136,568	1,089,695	926,464	1,066,164
Operation of non-instructional services	2,539,848	2,381,880	2,208,408	2,104,060	2,237,395
Capital outlay	5,051,104	11,497,252	2,414,320	3,564,782	3,606,520
Debt service -					
Principal retirement	991,569	1,411,889	1,018,200	134,242	4,964,470
Interest and fiscal charges	653,773	788,592	52,905	52,802	288,532
Bond issuance costs			171,939		
Total expenditures	<u>\$ 48,122,760</u>	<u>\$ 52,258,522</u>	<u>\$ 39,481,733</u>	<u>\$ 38,390,441</u>	<u>\$ 44,860,291</u>
Expenditures for capitalized assets	\$ 3,560,201	\$ 10,978,996	\$ 1,575,629	\$ 3,141,151	\$ 3,254,304
Debt service as a percentage of noncapital expenditures	4%	5%	3%	1%	13%

(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>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Expenditures:					
Current -					
Instruction	\$ 18,053,755	\$ 19,444,931	\$ 19,862,470	\$ 21,759,966	\$ 22,625,946
Support services - students and staff	4,226,366	4,647,786	4,644,571	4,692,108	4,715,292
Support services - administration	3,785,520	3,552,897	4,570,081	3,875,414	3,960,307
Operation and maintenance of plant services	4,210,348	4,416,808	4,338,151	5,366,191	4,644,294
Student transportation services	949,517	1,302,794	1,102,894	1,039,537	852,839
Operation of non-instructional services	2,258,387	1,884,516	1,994,305	1,900,104	2,061,423
Capital outlay	3,516,026	1,442,701	1,302,640	1,930,387	1,575,467
Debt service -					
Principal retirement	4,703,825	4,485,907	4,447,647	4,180,550	4,234,413
Interest and fiscal charges	425,696	627,360	804,759	967,358	1,201,357
Bond issuance costs					
Total expenditures	<u>\$ 42,129,440</u>	<u>\$ 41,805,700</u>	<u>\$ 43,067,518</u>	<u>\$ 45,711,615</u>	<u>\$ 45,871,338</u>
Expenditures for capitalized assets	\$ 1,943,846	\$ 500,903	\$ 575,220	\$ 610,351	\$ 321,516
Debt service as a percentage of noncapital expenditures	13%	12%	12%	11%	12%

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

(Concluded)

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
OTHER FINANCING SOURCES AND USES AND NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Excess (deficiency) of revenues over expenditures	\$ (330,018)	\$ (2,944,781)	\$ 1,213,040	\$ 2,338,070	\$ (1,186,812)
Other financing sources (uses):					
Issuance of school improvement bonds			17,111,355		
Capital lease agreements				1,083,796	
Transfers in	209,305	266,646	763,288	23,379	22,138
Transfers out	(209,305)	(266,646)	(763,288)	(23,379)	(22,138)
Insurance recoveries		30,967	14,079		
Proceeds from sale of capital assets			998,000		
Total other financing sources (uses)		<u>30,967</u>	<u>18,123,434</u>	<u>1,083,796</u>	
Changes in fund balances	<u>\$ (330,018)</u>	<u>\$ (2,913,814)</u>	<u>\$ 19,336,474</u>	<u>\$ 3,421,866</u>	<u>\$ (1,186,812)</u>
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Excess (deficiency) of revenues over expenditures	\$ (4,720,961)	\$ (2,830,770)	\$ (231,498)	\$ 74,350	\$ 3,546,505
Other financing sources (uses):					
Capital lease agreements		1,459,565			
Transfers in	659,021	36,052	37,750	48,802	1,031,087
Transfers out	(659,021)	(36,052)	(37,750)	(48,802)	(1,031,087)
Total other financing sources (uses)		<u>1,459,565</u>			
Changes in fund balances	<u>\$ (4,720,961)</u>	<u>\$ (1,371,205)</u>	<u>\$ (231,498)</u>	<u>\$ 74,350</u>	<u>\$ 3,546,505</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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Commercial, Industrial, Utilities and Mining	\$ 133,237,233	\$ 128,587,738	\$ 123,593,429	\$ 120,567,669	\$ 125,205,109
Agricultural and Vacant	43,538,344	43,453,784	43,431,324	45,995,740	41,613,698
Residential (Owner Occupied)	312,230,724	285,317,381	266,898,955	248,894,925	361,887,527
Residential (Rental)	247,400,466	239,271,785	224,659,105	213,750,830	79,584,482
Railroad, Private Cars and Airlines	384,781	348,158	299,542	290,300	302,597
Certain Government Property Improvements	1,554	16,693	15,898	15,141	14,420
Total	<u>\$ 736,793,102</u>	<u>\$ 696,995,539</u>	<u>\$ 658,898,253</u>	<u>\$ 629,514,605</u>	<u>\$ 608,607,833</u>
Gross Full Cash Value	\$ 8,846,175,925	\$ 8,228,447,225	\$ 7,565,238,974	\$ 6,541,796,359	\$ 5,857,651,899
Ratio of Net Limited Assessed Value to Gross Full Cash Value	8%	8%	9%	10%	10%
Total Direct Rate	4.18	4.54	3.99	4.01	4.90

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Commercial, Industrial, Utilities and Mining	\$ 132,055,131	\$ 130,395,600	\$ 134,138,442	\$ 163,594,892	\$ 184,921,657
Agricultural and Vacant	46,586,199	50,747,524	55,699,273	87,230,852	105,871,889
Residential (Owner Occupied)	359,297,842	364,963,987	355,318,402	432,787,485	534,114,623
Residential (Rental)	65,703,308	55,724,454	57,904,919	66,488,835	72,300,514
Railroad, Private Cars and Airlines	268,198	251,120	206,703	190,954	194,018
Certain Government Property Improvements	10,828				
Total	<u>\$ 603,921,506</u>	<u>\$ 602,082,685</u>	<u>\$ 603,267,739</u>	<u>\$ 750,293,018</u>	<u>\$ 897,402,701</u>
Gross Full Cash Value	\$ 5,761,459,919	\$ 5,724,797,198	\$ 5,648,474,083	\$ 7,048,614,650	\$ 9,379,508,714
Ratio of Net Limited Assessed Value to Gross Full Cash Value	10%	11%	11%	11%	10%
Total Direct Rate	3.98	4.05	4.37	3.65	3.58

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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Commercial, Industrial, Utilities and Mining	\$ 172,182,916	\$ 151,649,955	\$ 141,169,959	\$ 124,981,520	\$ 127,418,912
Agricultural and Vacant	65,576,953	65,387,444	62,192,251	57,559,006	43,172,209
Residential (Owner Occupied)	382,717,484	349,797,307	319,758,546	270,077,953	364,570,427
Residential (Rental)	305,097,797	293,324,470	271,070,033	234,443,798	80,234,987
Railroad, Private Cars and Airlines	437,876	390,027	314,432	294,330	304,903
Certain Government Property Improvements	1,559	17,122	18,003	15,444	14,511
Total	<u>\$ 926,014,585</u>	<u>\$ 860,566,325</u>	<u>\$ 794,523,224</u>	<u>\$ 687,372,051</u>	<u>\$ 615,715,949</u>
Gross Full Cash Value	\$ 8,846,175,925	\$ 8,228,447,225	\$ 7,565,238,974	\$ 6,541,796,359	\$ 5,857,651,899
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	10%	10%	11%	11%	11%
Estimated Net Full Cash Value	8,113,792,092	7,567,463,605	6,984,098,798	5,903,781,028	5,240,712,793
Total Direct Rate	4.18	4.54	3.99	4.01	4.90

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Commercial, Industrial, Utilities and Mining	\$ 133,759,057	\$ 131,614,284	\$ 134,614,280	\$ 165,977,880	\$ 195,850,707
Agricultural and Vacant	50,028,020	55,227,353	58,280,393	94,320,933	137,728,691
Residential (Owner Occupied)	362,854,362	369,138,329	356,163,805	434,509,340	578,727,429
Residential (Rental)	66,325,596	56,407,776	58,194,296	67,647,840	79,844,826
Railroad, Private Cars and Airlines	270,257	254,998	225,089	220,398	219,912
Certain Government Property Improvements	10,926				
Total	<u>\$ 613,248,218</u>	<u>\$ 612,642,740</u>	<u>\$ 607,477,863</u>	<u>\$ 762,676,391</u>	<u>\$ 992,371,565</u>
Gross Full Cash Value	\$ 5,761,459,919	\$ 5,724,797,198	\$ 5,648,474,083	\$ 7,048,614,650	\$ 9,379,508,714
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	11%	11%	11%	11%	11%
Estimated Net Full Cash Value	5,148,042,763	5,118,321,683	5,041,764,813	6,215,288,889	8,035,988,862
Total Direct Rate	3.98	4.05	4.37	3.65	3.58

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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Commercial, Industrial, Utilities and Mining	18 %	18 %	18 %	19 %	19 %
Agricultural and Vacant	15	15	15	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	14	15	14	15	16

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Commercial, Industrial, Utilities and Mining	20 %	20 %	20 %	21 %	22 %
Agricultural and Vacant	16	16	16	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	15	15	15	17	18

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	County	Communit	Havasu	Desert Hills	City of	Lake Havasu	Primary	Secondary	Total
	Equalization		y College District	Sanitary District	Fire District	Lake Havasus	Irrigation District			
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	4.05
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
2010	0.33	3.28	0.68	0.00	2.88	0.58	156.78/acre	2.74	0.84	3.58

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

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

Taxpayer	2019		2010	
	Net Limited Assessed Valuation	Percentage of District's Net Limited Assessed Valuation	Net Full Cash Assessed Valuation	Percentage of District's Net Full Cash Assessed Valuation
Unisource Enegery Corporation	11,316,050	1.54 %		
PHC Lake Havasu Inc.	4,770,153	0.65		
Citizens Utilities Company	2,557,808	0.35	21,744,172	6.49 %
SFT Havasu LLC etal	2,422,973	0.33		
Walmart Stores, Inc.	2,160,151	0.29	871,107	0.26
Island Develpement Group, LLC	1,572,730	0.21		
Lowes HIW, Inc.	1,555,146	0.21		
Grace Investment Co.	1,160,891	0.16		
SDI-Havasus, LLC	1,148,804	0.16		
Home Depot USA, Inc.	1,033,585	0.14		
McCulloch Corporation			3,279,899	0.97
Sterilite Corporation			2,445,801	0.73
Queen's Bay Jopint Venture			1,809,222	0.54
Smoth's Food & Drug			1,306,661	0.39
Havasus Plaza			1,172,644	0.35
Anderson, Wilford & Kathleen			1,105,636	0.33
River Land Development			971,619	0.29
DBSI/TRI XX Limited Partnership			770,595	0.23
Total	<u>\$ 29,698,289</u>	<u>4.04 %</u>	<u>\$ 35,477,356</u>	<u>10.58 %</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

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Fiscal Years	Collected to the End of the Current Fiscal Year	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2019	\$ 25,980,480	\$ 25,433,279	97.89 %	\$	\$ 25,433,279	97.89 %
2018	26,809,641	26,269,433	97.99	825	26,270,258	97.99
2017	21,542,599	21,074,091	97.83	464,808	21,538,899	99.98
2016	21,106,208	20,605,513	97.63	498,614	21,104,127	99.99
2015	26,100,398	25,371,503	97.21	727,132	26,098,635	99.99
2014	19,497,164	19,305,030	99.01	189,966	19,494,996	99.99
2013	19,683,126	19,072,123	96.90	607,846	19,679,969	99.98
2012	21,496,943	20,826,554	96.88	667,402	21,493,956	99.99
2011	22,621,563	21,846,489	96.57	771,298	22,617,787	99.98
2010	26,591,794	25,451,932	95.71	1,139,282	26,591,214	100.00

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:	Total	Percentage of	Per Capita	Capital Leases	Total	Percentage of	Per Capita	Percentage of Personal Income	
		Amounts		Estimated				Estimated			
		Restricted for Principal		Actual Value (Full Cash Value)				Actual Value (Full Cash Value)			
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	
2010	24,460,000	713,983	23,746,017	0.25	428	1,820,518	26,280,518	0.28	474	0.51	

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, 2019

<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>15,866,267</u>
Total Direct and Overlapping Governmental Activities Debt			<u><u>\$ 260,395,945</u></u>

DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation		1.95 %
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 4,504	
As a Percentage of Net Limited Assessed Valuation		35.14 %
As a Percentage of Gross Full Cash Value		2.93 %

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, 2018 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 2019:

Net full cash assessed valuation	\$ 926,014,585
Debt limit (20% of assessed value)	185,202,917
Debt applicable to limit	<u>14,736,476</u>
Legal debt margin	<u><u>\$ 170,466,441</u></u>

Total Legal Debt Margin Calculation for Fiscal Year 2019:

Net full cash assessed valuation	\$ 926,014,585
Debt limit (30% of assessed value)	277,804,376
Debt applicable to limit	<u>14,736,476</u>
Legal debt margin	<u><u>\$ 263,067,900</u></u>

	Fiscal Year Ended June 30				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Debt Limit	\$ 277,804,376	\$ 258,169,898	\$ 238,356,967	\$ 206,211,615	\$ 184,714,785
Total net debt applicable to limit	<u>14,736,476</u>	<u>15,782,144</u>	<u>17,111,355</u>	<u>-</u>	<u>-</u>
Legal debt margin	<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>	<u><u>\$ 184,714,785</u></u>
Total net debt applicable to the limit as a percentage of debt limit	5%	6%	7%	0%	0%
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Debt Limit	\$ 183,974,465	\$ 183,792,822	\$ 170,322,635	\$ 228,802,917	\$ 297,711,470
Total net debt applicable to limit	<u>4,535,000</u>	<u>13,040,000</u>	<u>17,035,000</u>	<u>20,900,000</u>	<u>24,460,000</u>
Legal debt margin	<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>	<u><u>\$ 273,251,470</u></u>
Total net debt applicable to the limit as a percentage of debt limit	2%	7%	10%	9%	8%

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

<u>Year</u>	<u>Population</u>		<u>Personal Income (thousands)</u>		<u>Per Capita Income</u>	<u>Unemployment Rate</u>	<u>Estimated District Population</u>
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
2009	195,599		5,124,115		26,197	8.1	55,502

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 from 2009 through 2010 is the University of Arizona, Eller College of Management, Economic and Business Research Center. For 2011 through 2018, 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

Employer	2019			2010		
	Employees	Percentage of Total Employment		Employees	Percentage of Total Employment	
Havasu Regional Medical Center	685	2.93	%	615	2.48	%
Lake Havasu City	587	2.51		642	2.59	
Lake Havasu Unified School District No. 1	535	2.29		670	2.70	
Sterilite Corporation	372	1.59		425	1.71	
Shugrue's Restaurant	311	1.33		200	0.81	
Walmart	278	1.19		300	1.21	
London Bridge Resort	241	1.03		180	0.73	
Anderson's Auto Group	241	1.03				
Bashas'	215	0.92		186	0.75	
Mohave Community College				169	0.68	
River Medical				150	0.60	
Total	<u>3,465</u>	<u>14.82</u>	%	<u>3,537</u>	<u>14.26</u>	%
Total employment	<u>23,371</u>			<u>24,808</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

Full-time Equivalent Employees as of June 30					
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Supervisory					
Certified employees	271	261	248	268	274
Administration	17	17	17	14	15
Support Staff	258	260	260	247	263
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u><u>546</u></u>	<u><u>538</u></u>	<u><u>525</u></u>	<u><u>529</u></u>	<u><u>552</u></u>

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Supervisory					
Certified employees	273	260	306	329	337
Administration	17	18	17	17	18
Support Staff	250	230	254	250	269
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u><u>540</u></u>	<u><u>508</u></u>	<u><u>577</u></u>	<u><u>596</u></u>	<u><u>624</u></u>

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

Fiscal Year Ended June 30	Average Daily Membership	Operating Expenditures	Cost per Pupil	Percentage Change	Expenses	Cost per Pupil	Percentage Change	Teaching Staff	Pupil- Teacher Ratio	Percentage of Free/Reduced Students
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	4.55	44,182,893	7,837	3.14	329	17.1	56.6
2010	5,929	38,860,101	6,554	(1.99)	45,046,836	7,598	0.06	337	17.6	45.4

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

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

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
CAPITAL ASSETS INFORMATION
LAST TEN FISCAL YEARS

	Fiscal Year Ended June 30									
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<u>Schools</u>										
<u>Elementary</u>										
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	2,556	2,107	2,985	2,658	2,621	2,624	2,912	3,105	2,854
<u>Middle</u>										
Buildings	1	1	1	1	1	1	1	1	1	14
Square feet	183,694	183,694	183,694	183,694	183,694	183,694	183,694	183,694	183,694	249,872
Capacity	1,653	1,653	1,653	1,653	1,653	1,653	1,653	1,653	1,653	2,385
Enrollment	844	887	1,328	461	859	909	909	942	950	1,486
<u>High</u>										
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	1,706	1,736	1,811	1,836	1,868	1,868	1,822	1,767	1,813
<u>Administrative</u>										
Buildings	3	3	3	3	3	3	3	3	3	3
Square feet	19,652	19,652	19,652	19,652	19,652	19,652	19,652	19,652	19,652	19,652
<u>Transportation</u>										
Garages	1	1	1	1	1	1	1	1	1	1
Buses	32	35	32	32	32	32	32	32	32	32
<u>Athletics</u>										
Football fields	1	1	1	1	1	1	1	1	1	1
Soccer fields	2	2	2	2	2	2	2	2	2	2
Running tracks	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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