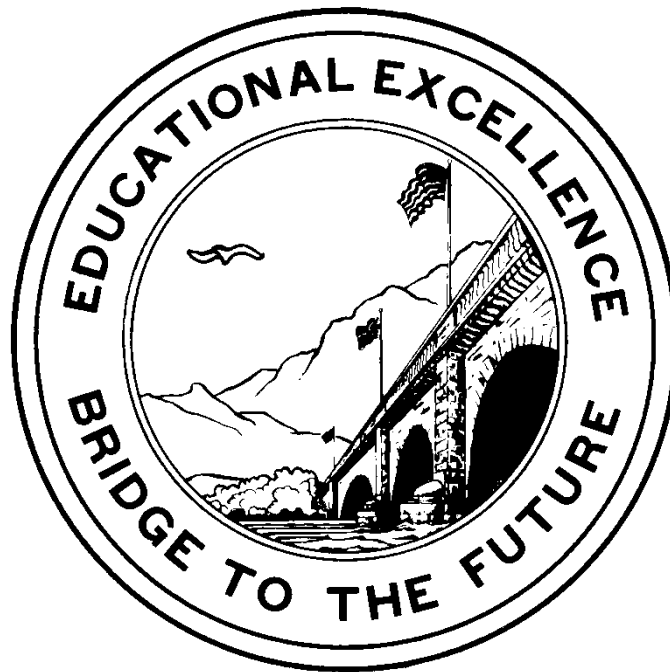

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2014



LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1

LAKE HAVASU CITY, ARIZONA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Issued by:
Business and Finance Department

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1

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LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1

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LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1

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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.havasupai.k12.az.us

December 18, 2014

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 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, 2014.

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, 2014, 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, 2014, 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 U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* designed to meet the special needs of federal grantor agencies. 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 5,308 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 are 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.

Complete financial statements for the component unit may be obtained at the Lake Havasu Unified School District No. 1's administrative offices, 2200 Havasupai Boulevard, Lake Havasu City, Arizona 86403-3798.

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 5,308 students. The District also offers an alternative education program helping those students whose needs could only be addressed by non-traditional instructional and scheduling methods. The Round Table Program of the Lake Havasu High School is available to 9th through 12th graders.

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 3 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.

Long-term Financial Planning. Although Lake Havasu continues to see the effects of the economic downturn being experienced throughout the whole country, we are conscious of our mission to educate our students with the best resources we have. We are forever mindful of the needs of our community and will remain fiscally sound even with fewer revenues.

In July 2013, Standard & Poor's issued a rating update, affirming its "A" rating on Lake Havasu Unified School District No. 1. The rating reflects Standard & Poor'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 Unified School District No. 1 Governing Board called for a capital bond election on November 4, 2014. The bond authorization requested was \$67,460,000. The bond election was defeated, therefore the District is working with the Arizona School Facilities Board to cover immediate capital needs.

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.

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 ten years, to the District office location. The bulk of the financing for the project will come 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.

Arizona schools won a state Supreme Court ruling that the Arizona Legislature broke the law when it failed to provide the Proposition 301 inflation adjustments, approved by Arizona voters in 2000, during the recession. The Arizona Legislature has appealed the ruling. The District is waiting, along with other school districts in Arizona, for the final decision.

AWARDS AND ACKNOWLEDGMENTS

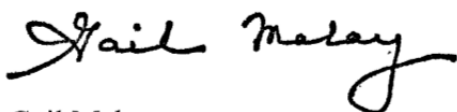
Awards. The Association of School Business Officials (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2013. This was the twenty-fifth consecutive year that the District has received this 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, 2013. 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, 2014 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,



Gail Malay
Superintendent



Elaine (Missy) Wood
Director of Business Services

Association of School Business Officials International



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

Lake Havasu Unified School District No. 1

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2013*

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards



Terrie S. Simmons, RSBA, CSBO
President

John D. Musso, CAE, RSBA
Executive Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

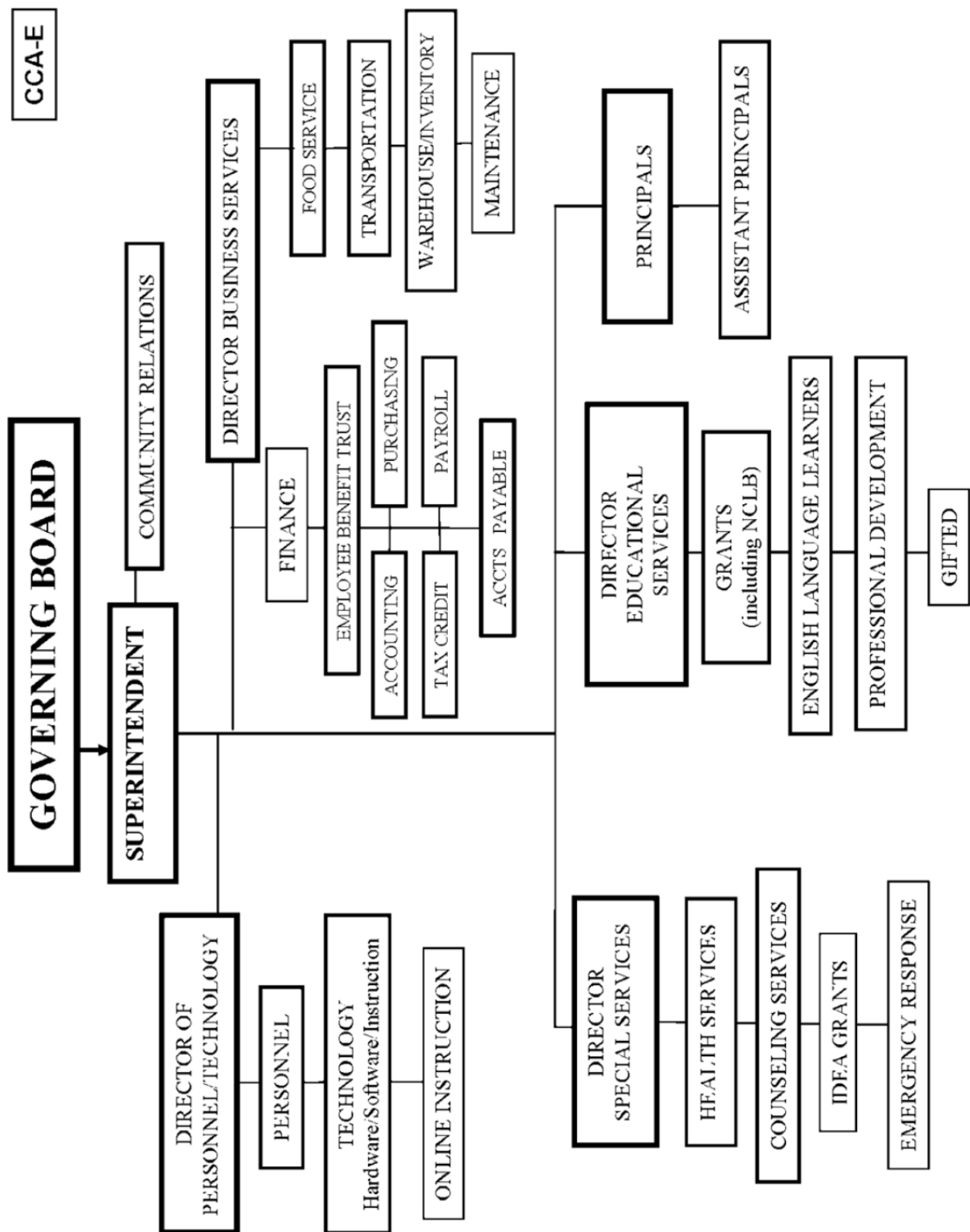
Presented to

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

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO



LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1

LIST OF PRINCIPAL OFFICIALS

GOVERNING BOARD

Jo Navaretta
President

Pat Rooney
Vice President

Ross Hobday
Member

Roger Schmitt
Member

Nancy Iannone
Member

ADMINISTRATIVE STAFF

Gail Malay, Superintendent

Elaine 'Missy' Wood, Director of Business Services

Denise Miner, 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, 2014, 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, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 1, the District implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for the year ended June 30, 2014, which represents a change in accounting principle. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 14 and budgetary comparison information on pages 56 through 58 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 and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2014, 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 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 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., P.C.

HEINFELD, MEECH & CO., P.C.
CPAs and Business Consultants

December 18, 2014

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, 2014**

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, 2014. 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 decreased \$1.1 million which represents a 2 percent decrease from the prior fiscal year primarily due to decreases in funding due to decreases in student population.
- General revenues accounted for \$29.8 million in revenue, or 79 percent of all current fiscal year revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$8.0 million, or 21 percent of total current fiscal year revenues.
- The District had approximately \$38.9 million in expenses related to governmental activities, a decrease of 7 percent from the prior fiscal year due to decreased enrollment.
- Among major funds, the General Fund had \$22.0 million in current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$24.8 million in expenditures. The General Fund's fund balance decrease from \$4.7 million at the prior fiscal year end to \$2.3 million at the end of the current fiscal year was primarily due to decreases in state aid funding due to decreased student population while fixed costs remained level.
- Net position for the Internal Service Fund decreased \$1.2 million from the prior fiscal year due to utilization of fund balance to keep per employee contribution costs down. Operating expenses of \$5.1 million exceeded operating revenues of \$3.6 million at the end of the current fiscal year.

OVERVIEW OF FINANCIAL STATEMENTS

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

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2014

OVERVIEW OF FINANCIAL STATEMENTS (Cont'd)

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, 2014**

OVERVIEW OF FINANCIAL STATEMENTS (Concl'd)

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 decision. 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, Classroom Site and Debt Service 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. The District adopts an annual expenditure budget for all governmental funds. A schedule of revenues, expenditures and changes in fund balances - budget and actual has been provided for the General Fund and Classroom Site Fund as required supplementary information.

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2014

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 exceeded liabilities by \$49.8 million at the current fiscal year end.

The largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements; buildings and improvements; 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, 2014 and June 30, 2013.

	As of June 30, 2014	As of June 30, 2013
Current and other assets	\$ 15,348,593	\$ 24,786,290
Capital assets, net	46,790,687	47,247,956
Total assets	<u>62,139,280</u>	<u>72,034,246</u>
Current and other liabilities	3,310,567	3,017,244
Long-term liabilities	9,050,958	18,163,549
Total liabilities	<u>12,361,525</u>	<u>21,180,793</u>
Net position:		
Net investment in capital assets	40,796,122	32,036,647
Restricted	6,569,902	7,590,728
Unrestricted	2,411,731	11,226,078
Total net position	<u>\$ 49,777,755</u>	<u>\$ 50,853,453</u>

At the end of the current fiscal year the District reported positive balances in all three categories of net position. The same situation held true for the prior fiscal year.

**LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2014**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)

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

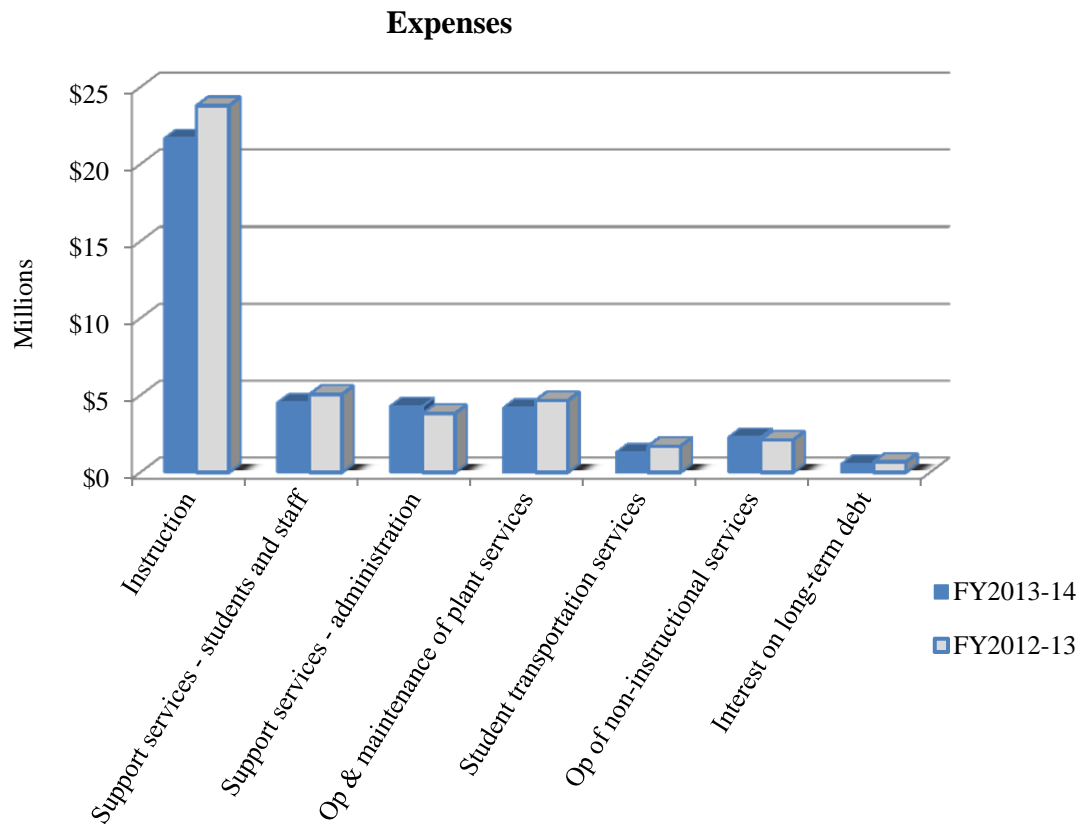
- The principal retirement of \$4.4 million of bonds.
- Accumulated depreciation increased \$2.4 million due to current year depreciation expense.
- The addition of \$1.9 million in capital assets through the construction of solar projects.

Changes in net position. The District's total revenues for the current fiscal year were \$37.8 million. The total cost of all programs and services was \$38.9 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2014 and June 30, 2013.

	<u>Fiscal Year Ended June 30, 2014</u>	<u>Fiscal Year Ended June 30, 2013</u>
Revenues:		
Program revenues:		
Charges for services	\$ 2,342,494	\$ 2,764,453
Operating grants and contributions	5,503,608	5,098,688
Capital grants and contributions	109,377	189,191
General revenues:		
Property taxes	19,491,149	19,645,936
Investment income	310,893	97,295
Unrestricted county aid	813,289	1,003,626
Unrestricted state aid	9,034,924	9,911,291
Unrestricted federal aid	177,018	184,274
Total revenues	<u>37,782,752</u>	<u>38,894,754</u>
Expenses:		
Instruction	21,685,061	23,799,629
Support services – students and staff	4,530,494	5,057,901
Support services – administration	4,302,656	3,815,743
Operation and maintenance of plant services	4,199,556	4,662,443
Student transportation services	1,292,389	1,698,660
Operation of non-instructional services	2,301,439	2,098,588
Interest on long-term debt	546,855	675,824
Total expenses	<u>38,858,450</u>	<u>41,808,788</u>
Changes in net position	<u>(1,075,698)</u>	<u>(2,914,034)</u>
Net position, beginning	<u>50,853,453</u>	<u>53,767,487</u>
Net position, ending	<u>\$ 49,777,755</u>	<u>\$ 50,853,453</u>

**LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2014**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)



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

- Decrease of \$876,367 in unrestricted state aid due primarily due to decreases in student population.
- Decrease of approximately \$2.1 million in instruction expense due to decreased student population.

**LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2014**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Concl'd)

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.

	<u>Year Ended June 30, 2014</u>		<u>Year Ended June 30, 2013</u>	
	<u>Total Expenses</u>	<u>Net (Expense)/ Revenue</u>	<u>Total Expenses</u>	<u>Net (Expense)/ Revenue</u>
Instruction	\$ 21,685,061	\$ (18,341,979)	\$ 23,799,629	\$ (20,076,439)
Support services – students and staff	4,530,494	(3,195,304)	5,057,901	(3,696,810)
Support services – administration	4,302,656	(4,116,101)	3,815,743	(3,598,982)
Operation and maintenance of plant services	4,199,556	(3,973,723)	4,662,443	(4,611,785)
Student transportation services	1,292,389	(1,272,814)	1,698,660	(1,695,271)
Operation of non-instructional services	2,301,439	461,674	2,098,588	598,655
Interest on long-term debt	546,855	(464,724)	675,824	(675,824)
Total	<u>\$ 38,858,450</u>	<u>\$ (30,902,971)</u>	<u>\$ 41,808,788</u>	<u>\$ (33,756,456)</u>

- The cost of all governmental activities this year was \$38.9 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$8.0 million.
- Net cost of governmental activities of \$30.9 million was financed by general revenues, which are made up of primarily property taxes of \$19.5 million and state and county aid of \$9.8 million.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

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

**LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2014**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (Concl'd)

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 \$8.4 million, a decrease of \$4.4 million due primarily to decreased unrestricted state aid due to decreases in student population.

The General Fund is the principal operating fund of the District. The decrease in fund balance of \$2.4 million to \$2.3 million was due to decreased funding due to decreased student population while fixed costs remained constant. General Fund revenues decreased \$2.5 million primarily due to decreased unrestricted state aid funds due to decreased student population. General Fund expenditures decreased \$1.6 million primarily due to decreases in student population.

The fund balance of the Classroom Site Fund increased \$140,887 due to increased per pupil funding.

Proprietary funds. Unrestricted net position of the Internal Service Fund at the end of the year amounted to \$3.1 million. The decrease of \$1.2 million from the prior fiscal year was primarily due to utilization of fund balance to keep per employee contribution costs down.

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 \$518,148 increase, or 2 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 \$874,598 in instruction expenditures was a result of restructuring that moved several positions from instruction to support and administrative type positions, including an instruction curriculum director, and vocational education positions.
- The unfavorable variance of \$610,863 in support services – administration expenditures was a result of the prepayment of insurance being coded entirely to administration.

**LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2014**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District had invested \$93.1 million in capital assets, including school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. This amount represents a net increase prior to depreciation of \$1.9 from the prior fiscal year. Total depreciation expense for the current fiscal year was \$2.4 million.

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2014 and June 30, 2013.

	As of <u>June 30, 2014</u>	As of <u>June 30, 2013</u>
Capital assets – non-depreciable	\$ 4,895,434	\$ 3,607,925
Capital assets – depreciable, net	<u>41,895,253</u>	<u>43,640,031</u>
Total	<u><u>\$ 46,790,687</u></u>	<u><u>\$ 47,247,956</u></u>

The estimated cost to complete the current construction project is \$172,056.

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

Debt Administration. At year-end, the District had \$6.4 million in long-term debt outstanding, \$5.0 million due within one year. This represents a net decrease of \$4.7 million due primarily to the retirement of \$4.4 million in school improvement bonds and the retirement of \$353,825 in capital lease agreements.

The District's general obligation bonds are subject to two limits: the Constitutional debt limit (total debt limit) on all general obligation bonds (up to 30 percent of the total secondary assessed valuation) and the statutory debt limit on Class B bonds (the greater of 20 percent of the secondary assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$184.0 million, which is more than the District's total outstanding general obligation debt. The Class B debt limit is \$122.6 million. The District has no Class B bond debt.

Additional information on the District's long-term debt can be found in Notes 7 through 9.

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 2014-15 budget. Among them:

- Fiscal year 2013-14 budget balance carry forward (estimated \$805,231).
- District student population (estimated 5,297 students).

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

**LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2014**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES (Concl'd)

Budgeted expenditures in the General Fund increased less than 1 percent to \$25.9 million in fiscal year 2014-15. State aid and property taxes are expected to be the primary funding sources. No new significant programs were added to the 2014-15 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, 2014

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 11,259,087
Cash and investments - restricted	144,057
Property taxes receivable	668,697
Accounts receivable	82,131
Due from governmental entities	2,885,144
Inventory	309,477
Total current assets	<u>15,348,593</u>
Noncurrent assets:	
Land	3,607,925
Land improvements	2,047,172
Buildings and improvements	80,358,889
Vehicles, furniture and equipment	5,773,710
Construction in progress	1,287,509
Accumulated depreciation	(46,284,518)
Total noncurrent assets	<u>46,790,687</u>
Total assets	<u>62,139,280</u>
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	443,522
Claims payable	587,519
Accrued payroll and employee benefits	2,277,283
Compensated absences payable	1,259,875
Unearned revenues	2,243
Obligations under capital leases	429,470
Bonds payable	4,535,000
Total current liabilities	<u>9,534,912</u>
Noncurrent liabilities:	
Non-current portion of long-term obligations	<u>2,826,613</u>
Total noncurrent liabilities	<u>2,826,613</u>
Total liabilities	<u>12,361,525</u>
<u>NET POSITION</u>	
Net investment in capital assets	40,796,122
Restricted for:	
Voter approved initiatives	1,950,287
Federal and state projects	468,246
Food service	1,079,826
Community school activities	244,144
Extracurricular activities	299,737
Gifts and donations	182,939
Joint technical education	247,187
Civic center activities	67,013
Other local initiatives	50,771
Debt service	987,231
Capital outlay	992,521
Unrestricted	2,411,731
Total net position	<u>\$ 49,777,755</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, 2014

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	\$ 21,685,061	\$ 1,276,878	\$ 1,956,827	\$ 109,377	\$ (18,341,979)
Support services - students and staff	4,530,494		1,335,190		(3,195,304)
Support services - administration	4,302,656		186,555		(4,116,101)
Operation and maintenance of plant services	4,199,556	97,534	128,299		(3,973,723)
Student transportation services	1,292,389	19,575			(1,272,814)
Operation of non-instructional services	2,301,439	948,507	1,814,606		461,674
Interest on long-term debt	546,855		82,131		(464,724)
Total governmental activities	<u>\$ 38,858,450</u>	<u>\$ 2,342,494</u>	<u>\$ 5,503,608</u>	<u>\$ 109,377</u>	<u>(30,902,971)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes	13,717,407
Property taxes, levied for debt service	4,723,683
Property taxes, levied for capital outlay	1,050,059
Investment income	310,893
Unrestricted county aid	813,289
Unrestricted state aid	9,034,924
Unrestricted federal aid	177,018
Total general revenues	<u>29,827,273</u>

Changes in net position (1,075,698)

Net position, beginning of year 50,853,453

Net position, end of year \$ 49,777,755

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, 2014

	<u>General</u>	<u>Classroom Site</u>	<u>Debt Service</u>
<u>ASSETS</u>			
Cash and investments	\$ 631,681	\$ 2,817,954	\$ 832,578
Cash and investments - restricted			
Property taxes receivable	473,740		154,653
Accounts receivable			
Due from governmental entities	2,232,811		
Due from other funds			
Inventory	284,525		
Total assets	<u><u>\$ 3,622,757</u></u>	<u><u>\$ 2,817,954</u></u>	<u><u>\$ 987,231</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 215,865	\$	\$
Due to other funds			
Accrued payroll and employee benefits	808,114	1,364,161	
Unearned revenues			
Total liabilities	<u><u>1,023,979</u></u>	<u><u>1,364,161</u></u>	
Deferred inflows of resources:			
Unavailable revenues - property taxes	295,962		93,608
Unavailable revenues - intergovernmental			
Total deferred inflows of resources	<u><u>295,962</u></u>		<u><u>93,608</u></u>
Fund balances (deficits):			
Nonspendable	284,525		
Restricted		1,453,793	893,623
Assigned	566,293		
Unassigned	1,451,998		
Total fund balances	<u><u>2,302,816</u></u>	<u><u>1,453,793</u></u>	<u><u>893,623</u></u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 3,622,757</u></u>	<u><u>\$ 2,817,954</u></u>	<u><u>\$ 987,231</u></u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 3,325,096	\$ 7,607,309
144,057	144,057
40,304	668,697
82,131	82,131
652,333	2,885,144
404,978	404,978
24,952	309,477
<u>\$ 4,673,851</u>	<u>\$ 12,101,793</u>

\$ 227,657	\$ 443,522
404,978	404,978
105,008	2,277,283
2,243	2,243
<u>739,886</u>	<u>3,128,026</u>

22,722	412,292
<u>128,299</u>	<u>128,299</u>
<u>151,021</u>	<u>540,591</u>

24,952	309,477
3,952,905	6,300,321
	566,293
(194,913)	1,257,085
<u>3,782,944</u>	<u>8,433,176</u>

<u>\$ 4,673,851</u>	<u>\$ 12,101,793</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, 2014

Total governmental fund balances	\$	8,433,176
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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	\$ 93,075,205	
Less accumulated depreciation	<u>(46,284,518)</u>	46,790,687

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

Property taxes	412,292	
Intergovernmental	<u>128,299</u>	540,591

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.

3,064,259

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

Other postemployment benefits payable	(1,100,758)	
Compensated absences payable	(1,588,046)	
Obligations under capital leases	(1,827,154)	
Bonds payable	<u>(4,535,000)</u>	<u>(9,050,958)</u>

Net position of governmental activities	\$	<u>49,777,755</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, 2014

	<u>General</u>	<u>Classroom Site</u>	<u>Debt Service</u>
Revenues:			
Other local	\$ 1,622,137	\$ 10,401	\$ 19,428
Property taxes	13,705,753		4,737,627
State aid and grants	6,543,474	2,079,360	
Federal aid, grants and reimbursements	177,018		
Total revenues	<u>22,048,382</u>	<u>2,089,761</u>	<u>4,757,055</u>
Expenditures:			
Current -			
Instruction	13,201,322	1,836,001	
Support services - students and staff	2,744,772	112,873	
Support services - administration	3,413,327		
Operation and maintenance of plant services	4,201,137		
Student transportation services	890,742		
Operation of non-instructional services	286,046		
Capital outlay	59,672		
Debt service -			
Principal retirement			4,350,000
Interest and fiscal charges			397,632
Total expenditures	<u>24,797,018</u>	<u>1,948,874</u>	<u>4,747,632</u>
Excess (deficiency) of revenues over expenditures	<u>(2,748,636)</u>	<u>140,887</u>	<u>9,423</u>
Other financing sources (uses):			
Transfers in	32,232		
Transfers out			
Total other financing sources (uses):	<u>32,232</u>		
Changes in fund balances	<u>(2,716,404)</u>	<u>140,887</u>	<u>9,423</u>
Fund balances, beginning of year	4,734,695	1,312,906	884,200
Increase (decrease) in reserve for inventory	284,525		
Fund balances, end of year	<u>\$ 2,302,816</u>	<u>\$ 1,453,793</u>	<u>\$ 893,623</u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 2,348,107	\$ 4,000,073
1,027,337	19,470,717
730,735	9,353,569
4,407,102	4,584,120
<u>8,513,281</u>	<u>37,408,479</u>
3,016,432	18,053,755
1,368,721	4,226,366
372,193	3,785,520
9,211	4,210,348
58,775	949,517
1,972,341	2,258,387
3,456,354	3,516,026
353,825	4,703,825
28,064	425,696
<u>10,635,916</u>	<u>42,129,440</u>
<u>(2,122,635)</u>	<u>(4,720,961)</u>
626,789	659,021
<u>(659,021)</u>	<u>(659,021)</u>
<u>(32,232)</u>	
<u>(2,154,867)</u>	<u>(4,720,961)</u>
5,912,859	12,844,660
24,952	309,477
<u>\$ 3,782,944</u>	<u>\$ 8,433,176</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, 2014

Net changes in fund balances - total governmental funds **\$ (4,411,484)**

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	\$ 1,943,846	
Less current year depreciation	<u>(2,395,567)</u>	(451,721)

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

Property taxes	20,432	
Intergovernmental	<u>128,299</u>	148,731

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	353,825	
Bond principal retirement	<u>4,350,000</u>	4,703,825

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.

Other postemployment benefits payable	279,289	
Loss on disposal of assets	(5,548)	
Amortization of deferred bond items	(121,159)	
Compensated absences	<u>(25,523)</u>	127,059

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.

(1,192,108)

Changes in net position in governmental activities **\$ (1,075,698)**

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, 2014

	Governmental Activities: Internal Service Funds
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 3,651,778
Total current assets	<u>3,651,778</u>
Total assets	<u>3,651,778</u>
<u>LIABILITIES</u>	
Current liabilities:	
Claims payable	<u>587,519</u>
Total current liabilities	<u>587,519</u>
Total liabilities	<u>587,519</u>
<u>NET POSITION</u>	
Unrestricted	3,064,259
Total net position	<u>\$ 3,064,259</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 FUND NET POSITION -
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	Governmental Activities: Internal Service Funds
Operating revenues:	
Contributions	\$ 3,645,594
Total operating revenues	<u>3,645,594</u>
Operating expenses:	
Claims	3,500,835
Premiums	608,354
Administrative fees	174,627
Cost of services	779,428
Total operating expenses	<u>5,063,244</u>
Operating income (loss)	<u>(1,417,650)</u>
Nonoperating revenues (expenses):	
Investment income	225,542
Total nonoperating revenues (expenses)	<u>225,542</u>
Changes in net position	<u>(1,192,108)</u>
Total net position, beginning of year	4,256,367
Total net position, end of year	<u>\$ 3,064,259</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, 2014

	Governmental Activities: Internal Service Funds
<u>Increase in Cash and Cash Equivalents</u>	
Cash flows from operating activities:	
Cash received from contributions	\$ 3,645,594
Cash payments for claims	(3,433,316)
Cash payments to suppliers for goods and services	<u>(1,562,409)</u>
Net cash used for operating activities	<u>(1,350,131)</u>
Cash flows from investing activities:	
Investment income	225,542
Net changes due to sales and maturities of investments	<u>2,695,306</u>
Net cash provided by investing activities	<u>2,920,848</u>
Net increase in cash and cash equivalents	<u>1,570,717</u>
Cash and cash equivalents, beginning of year	<u>1,442,278</u>
Cash and cash equivalents, end of year	<u><u>\$ 3,012,995</u></u>
<u>Reconciliation of Cash and Cash Equivalents to the Statement of Net Position</u>	
Cash and investments	\$ 3,651,778
Less investments not maturing in less than three months	<u>(638,783)</u>
Total cash and cash equivalents	<u><u>\$ 3,012,995</u></u>
<u>Reconciliation of Operating Loss to Net Cash Used for Operating Activities</u>	
Operating loss	\$ (1,417,650)
Adjustments to reconcile operating loss to net cash used for operating activities:	
Changes in assets and liabilities:	
Increase in claims payable	<u>67,519</u>
Total adjustments	<u>67,519</u>
Net cash used for operating activities	<u><u>\$ (1,350,131)</u></u>

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2014

	<u>Agency</u>
<u>ASSETS</u>	
Cash and investments	\$ 266,304
Total assets	<u>\$ 266,304</u>
<u>LIABILITIES</u>	
Deposits held for others	\$ 13,313
Due to student groups	<u>252,991</u>
Total liabilities	<u>\$ 266,304</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, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

During the year ended June 30, 2014, the District implemented the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. GASB Statement No. 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

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, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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.

Complete unaudited financial statements for the component unit may be obtained at the Lake Havasu Unified School District No. 1's administrative offices, 2200 Havasupai Boulevard, Lake Havasu City, Arizona 86403-3798.

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, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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.

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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.

The District reports the following major governmental funds:

General Fund – The General Fund is the District's primary operating fund. It accounts for all resources used to finance District maintenance and operation except those required to be accounted for in other funds. The General Fund includes the District's Maintenance and Operation Fund as well as certain activities budgeted in separate funds in accordance with A.R.S. These funds are maintained as separate funds for budgetary purposes but do not meet the criteria for separate reporting in the financial statements.

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

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

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.

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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.

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, money market accounts, Certificates of Deposit and investments in Exchange Traded and Closed End Funds, Corporate Fixed Income Bonds and Money Market funds.

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

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

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

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Statute does not include any requirements for credit risk, concentration of credit risk, interest rate risk, or foreign currency risk. Statute requires collateral for deposits of Bond Building and Debt Service Funds monies in interest bearing savings accounts and certificates of deposit at 101 percent of all deposits not covered by federal depository insurance.

Certain resources set aside as unspent lease proceeds are classified as cash and investments – restricted on the statement of net position/balance sheet, because their use is limited by applicable debt agreements.

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

Property tax levies are calculated by applying tax rates against both the primary assessed valuation and the secondary assessed valuation. Primary and secondary valuation categories are composed of the exact same properties. However, the primary category limits the increase in property values to 10% from the previous year, while there is no limit to the increase in property values for secondary valuation. Override and debt service tax rates are applied to the secondary assessed valuation and all other tax rates are applied to the primary assessed valuation.

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

The County levies real property taxes on or before the third Monday in August, which 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. The billings are considered past due after these dates, at which time the applicable property is subject to penalties and interest.

The County also levies various personal property taxes during the year, which are due the second Monday of the month following receipt of the tax notice, and become delinquent 30 days thereafter.

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

H. Inventory

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

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

I. Prepaid Items

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

J. Capital Assets

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

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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. Such assets are recorded at historical cost, or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at the estimated fair market value at the date of donation.

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

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

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

K. Deferred Outflows/Inflows of Resources

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

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

L. Compensated Absences

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

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concl'd)

M. 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, as well as the difference between the reacquisition price and the net carrying amount of the old debt, are deferred and amortized over the life of the bonds using the straight-line method over the term of the related debt.

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

N. 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.

O. 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.

P. 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, 2014

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.

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

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

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 2 – FUND BALANCE CLASSIFICATIONS (Concl'd)

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

	<u>General Fund</u>	<u>Classroom Site Fund</u>	<u>Debt Service Fund</u>	<u>Non-Major Governmental Funds</u>
Fund Balances:				
Nonspendable:				
Inventory	\$ 284,525	\$	\$	\$ 24,952
Restricted:				
Debt service			893,623	
Capital projects				969,799
Voter approved initiatives		1,453,793		496,494
Food service				1,054,874
Community school				244,144
Extracurricular activities				299,737
Gifts and donations				182,939
Joint technical education				247,187
Federal projects				339,947
Civic center activities				67,013
Fingerprint				17,602
Textbooks				14,385
Insurance refund				18,784
Assigned:				
Auxiliary operations	566,293			
Unassigned	1,451,998			(194,913)
Total fund balances	<u>\$ 2,302,816</u>	<u>\$ 1,453,623</u>	<u>\$ 893,623</u>	<u>\$ 3,782,944</u>

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Individual Deficit Fund Balance – At year end, the Building Renewal Grant fund, a non-major governmental fund, reported a deficit in fund balance of \$194,913.

The deficit arose because of operations during the year. Additional revenues received in fiscal year 2014-15 are expected to eliminate the deficit.

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

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 4 – CASH AND INVESTMENTS

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure the District's deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the District's deposits was \$986,654 and the bank balance was \$991,457. In addition, the District had \$1,005 of cash on hand. At year end, \$250,000 of the District's deposits were covered by collateral held by the pledging financial institution in the District's name, \$144,057 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 and \$347,400 was uninsured and uncollateralized.

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.

Investment Type	Fair Value	Investment Maturities (in Years)	
		Less than 1	1-5
Exchange Traded and Closed End Funds	\$ 403,268	\$ 403,268	\$
Corporate Fixed Income Bonds	181,072		181,072
Certificates of Deposit	551,853	311,433	240,420
Mutual Funds	2,338,182	2,338,182	
Money Market/Cash	177,403		
		<u>\$ 3,052,883</u>	<u>\$ 421,492</u>
County Treasurer's investment pool	7,030,011	1.28 years average maturities	
Total	<u>\$10,681,789</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.

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 5 percent of the District's investments are in Mutual Funds. These investments are 22% of the District's total investments

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 5 – RECEIVABLES

Receivable balances, net of allowance for uncollectibles, have been disaggregated by type and presented separately in the financial statements with the exception of due from governmental entities. Due from governmental entities, net of allowance for uncollectibles, as of year end for the District's individual major funds and non-major governmental funds in the aggregate, were as follows.

	General Fund	Non-Major Governmental Funds
Due from other governmental entities:		
Due from Federal government	\$	\$ 350,364
Due from State government	2,101,448	301,969
Due from other Districts	131,363	
Net due from governmental entities	<u>\$ 2,232,811</u>	<u>\$ 652,333</u>

NOTE 6 – CAPITAL ASSETS

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

Governmental Activities	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 3,607,925	\$	\$	\$ 3,607,925
Construction in progress		1,287,509		1,287,509
Total capital assets, not being depreciated	<u>3,607,925</u>	<u>1,287,509</u>		<u>4,895,434</u>
Capital assets, being depreciated:				
Land improvements	1,887,379	159,793		2,047,172
Buildings and improvements	79,995,631	363,258		80,358,889
Vehicles, furniture and equipment	5,657,424	133,286	17,000	5,773,710
Total capital assets being depreciated	<u>87,540,434</u>	<u>656,337</u>	<u>17,000</u>	<u>88,179,771</u>
Less accumulated depreciation for:				
Land improvements	(768,444)	(81,358)		(849,802)
Buildings and improvements	(38,949,209)	(2,012,148)		(40,961,357)
Vehicles, furniture and equipment	(4,182,750)	(302,061)	(11,452)	(4,473,359)
Total accumulated depreciation	<u>(43,900,403)</u>	<u>(2,395,567)</u>	<u>(11,452)</u>	<u>(46,284,518)</u>
Total capital assets, being depreciated, net	<u>43,640,031</u>	<u>(1,739,230)</u>	<u>5,548</u>	<u>41,895,253</u>
Governmental activities capital assets, net	<u>\$ 47,247,956</u>	<u>\$ (451,721)</u>	<u>\$ 5,548</u>	<u>\$ 46,790,687</u>

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 6 – CAPITAL ASSETS (Concl'd)

Depreciation expense was charged to governmental functions as follows.

Instruction	\$ 2,012,001
Support services – students and staff	24,164
Support services – administration	26,906
Operation and maintenance of plant services	23,197
Student transportation services	210,093
Operation of non-instructional services	99,206
Total depreciation expense – governmental activities	<u>\$ 2,395,567</u>

Construction Commitments – At year end, the District had contractual commitments related to the construction of the solar panel project. At year end the District had spent \$1,287,509 on the projects and had estimated remaining contractual commitments of \$172,056. These projects are being funded with capital lease proceeds recorded in the Energy and Water Savings Fund, a non-major governmental fund.

NOTE 7 – OBLIGATIONS UNDER LEASES

Capital Leases – The District has acquired energy retrofits under the provisions of long-term lease agreement classified as a capital lease. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of its future minimum lease payments as of the inception date. Revenues from the Unrestricted Capital Outlay Fund, a non-major governmental fund, are used to pay the capital lease obligation. In addition, the District has also entered into a lease agreement for the purpose of obtaining further energy retrofits including solar panels. Revenues from the Energy and Water Savings Fund, a non-major governmental fund, will be used to pay the capital lease obligations.

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

	<u>Governmental Activities</u>
Asset:	
Construction in progress	\$ 1,287,509
Total	<u>\$ 1,287,509</u>

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 7 – OBLIGATIONS UNDER LEASES (Concl'd)

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

Year Ending June 30:	Governmental Activities
2015	\$ 513,345
2016	113,154
2017	113,726
2018	114,319
2019	114,928
2020-24	584,139
2025-29	580,080
2030-34	<u>121,805</u>
Total minimum lease payments	2,255,496
Less: amount representing interest	<u>428,342</u>
Present value of minimum lease payments	<u><u>1,827,154</u></u>
Due within one year	<u><u>\$ 429,470</u></u>

Operating Leases – The District leases copiers under the provisions of long-term lease agreements classified as operating leases for accounting purposes. Rental expenditures under the terms of the operating leases totaled \$213,955 for the current fiscal year. The operating leases have remaining noncancelable lease terms of five years and provide renewal options. The future minimum rental payments required under the operating leases at year end were as follows.

Year Ending June 30:	
2015	\$ 213,955
2016	213,955
2017	<u>153,718</u>
Total minimum payments required	<u><u>\$ 581,628</u></u>

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 8 – GENERAL OBLIGATION BONDS PAYABLE

Bonds payable at year end, consisted of the following outstanding general obligation bonds. The bonds are callable 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, 2014</u>	<u>Due Within One Year</u>
Governmental activities:					
Refunding Bonds, 2001	\$ 17,055,000	4.75%	7/1/15	\$ 3,400,000	\$ 3,400,000
Refunding Bonds, 2004	5,975,000	3.75%	7/1/15	1,135,000	1,135,000
Total				<u>\$ 4,535,000</u>	<u>\$ 4,535,000</u>

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

		<u>Governmental Activities</u>	
<u>Year ending June 30:</u>		<u>Principal</u>	<u>Interest</u>
2015		\$ 4,535,000	\$ 102,031
Total		<u>\$ 4,535,000</u>	<u>\$ 102,031</u>

NOTE 9 – 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	\$ 8,885,000	\$	\$ 4,350,000	\$ 4,535,000	\$ 4,535,000
Obligations under capital leases	2,180,979		353,825	1,827,154	429,470
Other postemployment benefits payable	1,380,047		279,289	1,100,758	
Compensated absences payable	<u>1,562,523</u>	<u>479,115</u>	<u>453,592</u>	<u>1,588,046</u>	<u>1,259,875</u>
Governmental activity long-term liabilities	<u>\$ 14,008,549</u>	<u>\$ 479,115</u>	<u>\$ 5,436,706</u>	<u>\$ 9,050,958</u>	<u>\$ 6,224,345</u>

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 10 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At year end, interfund balances were as follows.

Due to/from other funds:

At year end, several funds non-major governmental funds had negative cash balances in the Treasurer's pooled cash accounts of \$404,978. 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.

Interfund transfers:

	Transfers in		
	Non-Major		
	General	Governmental	
Transfers out	Fund	Fund	Total
Non-Major Governmental Funds	\$ 32,232	\$ 626,789	\$ 659,021
Total	\$ 32,232	\$ 626,789	\$ 659,021

Transfers between funds were used to (1) move Federal grant funds restricted for indirect costs, and (2) to move cash balances remaining in a discontinued fund to the Unrestricted Capital Outlay Fund.

NOTE 11 – CONTINGENT LIABILITIES

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

NOTE 12 – RISK MANAGEMENT

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

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 12 – RISK MANAGEMENT (Concl'd)

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 \$125,000 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.

	Claims Payable Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Claims Payable at End of Year
2013-14	\$ 520,000	\$ 3,500,835	\$ 3,433,316	\$ 587,519
2012-13	316,931	4,222,995	4,019,926	520,000

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

The District contributes to the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing, multiple-employer defined benefit pension plan; a cost-sharing, multiple-employer defined health insurance premium plan; and a cost-sharing, multiple-employer defined benefit long-term disability plan that covers employees of the State of Arizona and employees of participating political subdivisions and school districts. The ASRS is governed by the Arizona State Retirement System Board according to the provisions of A.R.S. Title 38, Chapter 5, Article 2.

Plan Description – Benefits are established by state statute and the plan generally provides retirement, long-term disability, and health insurance premium benefits, including death and survivor benefits. The retirement benefits are generally paid at a percentage, based on years of service, of the retirees' average compensation. Long-term disability benefits vary by circumstance, but generally pay a percentage of the employee's monthly compensation. Health insurance premium benefits are paid as a fixed dollar amount per month towards the retiree's healthcare insurance premiums, in amounts based on whether the benefit is for the retiree or for the retiree and his or her dependents.

The ASRS issues a comprehensive annual financial report that includes financial statements and required supplementary information. The most recent report may be obtained by writing the ASRS, 3300 North Central Avenue, P.O. Box 33910, Phoenix, Arizona 85067-3910 or by calling (602) 240-2000 or (800) 621-3778. The report is also available on the ASRS' website at www.azasrs.gov.

Funding Policy – The Arizona State Legislature establishes and may amend active plan members' and the District's contribution rates. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.54 percent (11.30 percent for retirement and 0.24 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 11.54 percent (10.70 percent for retirement, 0.60 percent for health insurance premium, and 0.24 percent for long-term disability) of the members' annual covered payroll.

The District's contributions for the current and two preceding years, all of which were equal to the required contributions, were as follows.

	Retirement Fund	Health Benefit Supplement Fund	Long-Term Disability Fund
Year ending June 30:			
2014	2,034,130	114,063	45,625
2013	1,651,641	127,079	48,411
2012	1,990,901	121,866	51,638

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 14 – OTHER POSTEMPLOYMENT BENEFITS – SINGLE EMPLOYER PLAN

Plan Description – Under authority of the Governing Board, the District provides postretirement insurance (medical, dental, vision, prescription drugs, and life insurance) benefits, for certain retirees and their dependents, in accordance with the District’s Early Retirement Program. An employee is eligible if he/she has been hired prior to July 1, 2005, and has a minimum of 15 years of continuous service. The benefits will be provided to the employees until they qualify for Medicare or turn 65, whichever comes first. The Plan is a single-employer defined benefit plan administered by the District. 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. The number of participants as of year end, the effective date of the biannual OPEB valuation, follows.

	<u>Participants</u>
Active employees	534
Retired employees	64
Total	<u>598</u>

Funding Policy – The District currently pays for postemployment benefits on a pay-as-you-go basis. These financial statements assume that pay-as-you-go funding will continue. Generally, resources from the General Fund are used to pay for post-employment benefits.

Annual OPEB Cost and Net OPEB Obligation – The District’s annual OPEB cost is calculated based on the annual required contribution (ARC) of the District, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The amortization method is level dollar, the period is closed with 28 years remaining. The following table shows the components of the District’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District’s net OPEB obligation.

Annual required contribution	\$ 246,279
Interest on net OPEB obligation	48,302
Adjustment to annual required contribution	<u>(110,286)</u>
Annual OPEB cost (expense)	184,295
Contributions made	(212,904)
Decrease in net OPEB obligation	<u>(279,289)</u>
Net OPEB obligation – beginning of year	1,380,047
Net OPEB obligation – end of year	<u>\$ 1,100,758</u>

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 14 – OTHER POSTEMPLOYMENT BENEFITS – SINGLE EMPLOYER PLAN
(Cont'd)

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year ended June 30, 2014 and the two preceding years is as follows.

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Annual OPEB Cost Contributed</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2014	\$ 184,295	\$ 212,904	115.52%	\$ 1,100,758
June 30, 2013	454,757	249,000	54.80%	1,380,047
June 30, 2012	460,290	327,200	71.10%	1,174,290

Actuarial Methods and Assumptions – 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 actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Amounts determined and the funded status of the plan and the annual required contributions of the District are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The more significant actuarial assumptions and methods used in the calculation of the employer contributions for the current fiscal year were as follows.

Valuation date	November 26, 2013
Actuarial cost method	Projected unit credit
Amortization method for actuarial accrued liabilities	30 years, level dollar amount
Remaining amortization period	26 years as of June 30, 2013
Interest rate	3.50%
Inflation rate	3.50%
Projected salary increases	N/A
Health care cost trend rate:	
Medical and Prescription Drug	10%, graded down to an ultimate rate of 6% over 8 years
Retiree contribution increase	Consistent with medical/drug trends
ASRS subsidy increases	None
Cost of living adjustments	N/A

The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 14 – OTHER POSTEMPLOYMENT BENEFITS – SINGLE EMPLOYER PLAN
(Concl'd)

Schedule of Funding Progress – The following schedule of funding progress presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-1)/c)
11/26/13	\$ 1,528,596	\$ 4,062,033	\$ 2,533,437	38%	\$ 19,134,969	13%
12/31/11	1,311,413	5,959,600	4,648,187	22%	21,354,983	22%
3/26/10	1,294,626	5,881,044	4,586,418	22%	21,844,840	21%

NOTE 15 – NEW ACCOUNTING PRONOUNCEMENT

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* will be effective for the District's June 30, 2015 fiscal year end. This Statement replaces the requirements of prior GASB standards for pensions accounting and reporting. This Statement requires governments providing defined benefit pensions to recognize the long-term obligation for pension benefits as a liability, and to more comprehensively and comparably measure the annual costs of pension benefits. Each employer participating in a multiple-employer defined benefit pension plan will be required to record a liability representing their "proportionate share" of the plan's total net pension liability. This Statement also enhances accountability and transparency through revised note disclosures and new required supplementary information.

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
(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, 2014

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other local	\$	\$	\$ 1,141,832	\$ 1,141,832
Property taxes			13,705,753	13,705,753
State aid and grants			6,543,474	6,543,474
Federal aid, grants and reimbursements			1,057	1,057
Total revenues			<u>21,392,116</u>	<u>21,392,116</u>
Expenditures:				
Current -				
Instruction	13,744,659	13,867,068	12,992,470	874,598
Support services - students and staff	2,764,063	2,780,985	2,645,985	135,000
Support services - administration	3,078,466	3,334,967	3,945,830	(610,863)
Operation and maintenance of plant services	4,423,960	4,519,213	4,194,555	324,658
Student transportation services	1,099,414	1,126,477	889,362	237,115
Operation of non-instructional services	90,782	90,782	84,665	6,117
Total expenditures	<u>25,201,344</u>	<u>25,719,492</u>	<u>24,752,867</u>	<u>966,625</u>
Changes in fund balances	<u>(25,201,344)</u>	<u>(25,719,492)</u>	<u>(3,360,751)</u>	<u>22,358,741</u>
Fund balances, beginning of year			3,292,817	3,292,817
Increase (decrease) in reserve for prepaid items			570,000	570,000
Increase (decrease) in reserve for inventory			220,527	220,527
Fund balances (deficits), end of year	<u>\$ (25,201,344)</u>	<u>\$ (25,719,492)</u>	<u>\$ 722,593</u>	<u>\$ 26,442,085</u>

See accompanying notes to this schedule.

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CLASSROOM SITE
YEAR ENDED JUNE 30, 2014

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Other local	\$	\$	\$ 10,401	\$ 10,401
State aid and grants			2,079,360	2,079,360
Total revenues			2,089,761	2,089,761
Expenditures:				
Current -				
Instruction	2,033,078	3,125,068	1,836,001	1,289,067
Support services - students and staff	126,129	126,129	112,873	13,256
Total expenditures	2,159,207	3,251,197	1,948,874	1,302,323
Changes in fund balances	(2,159,207)	(3,251,197)	140,887	3,392,084
Fund balances, beginning of year			1,312,906	1,312,906
Fund balances (deficits), end of year	\$ (2,159,207)	\$ (3,251,197)	\$ 1,453,793	\$ 4,704,990

See accompanying notes to this schedule.

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2014

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	\$ 24,797,018	\$ 2,302,816
Activity budgeted as special revenue funds	(614,151)	(1,580,223)
Current-year prepaid items	<u>570,000</u>	<u> </u>
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	<u>\$ 24,752,867</u>	<u>\$ 722,593</u>

**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, 2014

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Fund</u>
<u>ASSETS</u>			
Cash and investments	\$ 3,090,510	\$ 234,586	\$ 3,325,096
Cash and investments - restricted		144,057	144,057
Property taxes receivable		40,304	40,304
Accounts receivable		82,131	82,131
Due from governmental entities	444,497	207,836	652,333
Due from other funds		404,978	404,978
Inventory	24,952		24,952
Total assets	<u><u>\$ 3,559,959</u></u>	<u><u>\$ 1,113,892</u></u>	<u><u>\$ 4,673,851</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 206,286	\$ 21,371	\$ 227,657
Due to other funds	110,065	294,913	404,978
Accrued payroll and employee benefits	105,008		105,008
Unearned revenues	2,243		2,243
Total liabilities	<u><u>423,602</u></u>	<u><u>316,284</u></u>	<u><u>739,886</u></u>
Deferred inflows of resources:			
Unavailable revenues - property taxes		22,722	22,722
Unavailable revenues - intergovernmental	128,299		128,299
Total deferred inflows of resources	<u><u>128,299</u></u>	<u><u>22,722</u></u>	<u><u>151,021</u></u>
Fund balances (deficits):			
Nonspendable	24,952		24,952
Restricted	2,983,106	969,799	3,952,905
Unassigned		(194,913)	(194,913)
Total fund balances	<u><u>3,008,058</u></u>	<u><u>774,886</u></u>	<u><u>3,782,944</u></u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 3,559,959</u></u>	<u><u>\$ 1,113,892</u></u>	<u><u>\$ 4,673,851</u></u>

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, 2014

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
Revenues:			
Other local	\$ 2,257,815	\$ 90,292	\$ 2,348,107
Property taxes		1,027,337	1,027,337
State aid and grants	659,922	70,813	730,735
Federal aid, grants and reimbursements	4,407,102		4,407,102
Total revenues	<u>7,324,839</u>	<u>1,188,442</u>	<u>8,513,281</u>
Expenditures:			
Current -			
Instruction	3,016,432		3,016,432
Support services - students and staff	1,368,721		1,368,721
Support services - administration	372,193		372,193
Operation and maintenance of plant services	5,278	3,933	9,211
Student transportation services	58,775		58,775
Operation of non-instructional services	1,972,341		1,972,341
Capital outlay	512,312	2,944,042	3,456,354
Debt service -			
Principal retirement		353,825	353,825
Interest and fiscal charges		28,064	28,064
Total expenditures	<u>7,306,052</u>	<u>3,329,864</u>	<u>10,635,916</u>
Excess (deficiency) of revenues over expenditures	<u>18,787</u>	<u>(2,141,422)</u>	<u>(2,122,635)</u>
Other financing sources (uses):			
Transfers in		626,789	626,789
Transfers out	(32,232)	(626,789)	(659,021)
Total other financing sources (uses):	<u>(32,232)</u>	<u></u>	<u>(32,232)</u>
Changes in fund balances	<u>(13,445)</u>	<u>(2,141,422)</u>	<u>(2,154,867)</u>
Fund balances, beginning of year	2,996,551	2,916,308	5,912,859
Increase (decrease) in reserve for inventory	24,952		24,952
Fund balances, end of year	<u>\$ 3,008,058</u>	<u>\$ 774,886</u>	<u>\$ 3,782,944</u>

SPECIAL REVENUE FUNDS

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

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

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

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.

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

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

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

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.

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

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2014

	Instructional Improvement	Title I Grants	Professional Development and Technology Grants
<u>ASSETS</u>			
Cash and investments	\$ 408,816	\$ 33,920	\$ 5,877
Due from governmental entities	91,527	9,349	2,287
Inventory			
Total assets	<u>\$ 500,343</u>	<u>\$ 43,269</u>	<u>\$ 8,164</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			
Accrued payroll and employee benefits	3,849	43,269	8,164
Unearned revenues			
Total liabilities	<u>3,849</u>	<u>43,269</u>	<u>8,164</u>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Fund balances:			
Nonspendable			
Restricted	496,494		
Total fund balances	<u>496,494</u>		
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 500,343</u>	<u>\$ 43,269</u>	<u>\$ 8,164</u>

Limited English and Immigrant Students	Special Education Grants	Vocational Education	E-Rate	Other Federal Projects	State Vocational Education
\$ 5,006	\$ 111,398	\$ 15,471	\$ 289,393 178,853	\$ 6,847	\$ 2,243
<u>\$ 5,006</u>	<u>\$ 111,398</u>	<u>\$ 15,471</u>	<u>\$ 468,246</u>	<u>\$ 6,847</u>	<u>\$ 2,243</u>
\$ 5,006	\$ 82,741 28,657	\$ 15,471	\$	\$ 6,847	\$
<u>5,006</u>	<u>111,398</u>	<u>15,471</u>		<u>6,847</u>	<u>2,243</u> <u>2,243</u>
			<u>128,299</u>		
			<u>339,947</u> <u>339,947</u>		
<u>\$ 5,006</u>	<u>\$ 111,398</u>	<u>\$ 15,471</u>	<u>\$ 468,246</u>	<u>\$ 6,847</u>	<u>\$ 2,243</u>

(Continued)

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2014

	<u>Other State Projects</u>	<u>Food Service</u>	<u>Civic Center</u>
<u>ASSETS</u>			
Cash and investments	\$ 10,665	\$ 1,119,278	\$ 67,013
Due from governmental entities	2,606	21,153	
Inventory		24,952	
Total assets	<u>\$ 13,271</u>	<u>\$ 1,165,383</u>	<u>\$ 67,013</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 11,829	\$ 83,191	\$
Due to other funds			
Accrued payroll and employee benefits	1,442	2,366	
Unearned revenues			
Total liabilities	<u>13,271</u>	<u>85,557</u>	
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Fund balances:			
Nonspendable		24,952	
Restricted		1,054,874	67,013
Total fund balances		<u>1,079,826</u>	<u>67,013</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 13,271</u>	<u>\$ 1,165,383</u>	<u>\$ 67,013</u>

<u>Community School</u>	<u>Extracurricular Activities Fees Tax Credit</u>	<u>Gifts and Donations</u>	<u>Fingerprint</u>	<u>Textbooks</u>	<u>Insurance Refund</u>
\$ 247,920	\$ 305,643	\$ 182,939	\$ 17,602	\$ 14,385	\$ 18,784
<u>\$ 247,920</u>	<u>\$ 305,643</u>	<u>\$ 182,939</u>	<u>\$ 17,602</u>	<u>\$ 14,385</u>	<u>\$ 18,784</u>
\$	\$	\$	\$	\$	\$
3,776	5,906				
<u>3,776</u>	<u>5,906</u>				
244,144	299,737	182,939	17,602	14,385	18,784
<u>244,144</u>	<u>299,737</u>	<u>182,939</u>	<u>17,602</u>	<u>14,385</u>	<u>18,784</u>
<u>\$ 247,920</u>	<u>\$ 305,643</u>	<u>\$ 182,939</u>	<u>\$ 17,602</u>	<u>\$ 14,385</u>	<u>\$ 18,784</u>

(Continued)

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2014

	Joint Technical Education	Totals
<u>ASSETS</u>		
Cash and investments	\$ 366,032	\$ 3,090,510
Due from governmental entities		444,497
Inventory		24,952
Total assets	<u>\$ 366,032</u>	<u>\$ 3,559,959</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>		
Liabilities:		
Accounts payable	\$ 111,266	\$ 206,286
Due to other funds		110,065
Accrued payroll and employee benefits	7,579	105,008
Unearned revenues		2,243
Total liabilities	<u>118,845</u>	<u>423,602</u>
Deferred inflows of resources:		
Unavailable revenues - intergovernmental		<u>128,299</u>
Fund balances:		
Nonspendable		24,952
Restricted	247,187	2,983,106
Total fund balances	<u>247,187</u>	<u>3,008,058</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 366,032</u>	<u>\$ 3,559,959</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, 2014

	Instructional Improvement	Title I Grants	Professional Development and Technology Grants
Revenues:			
Other local	\$	\$	\$
State aid and grants	341,277		
Federal aid, grants and reimbursements		1,135,489	188,408
Total revenues	<u>341,277</u>	<u>1,135,489</u>	<u>188,408</u>
Expenditures:			
Current -			
Instruction	157,923	543,974	4,495
Support services - students and staff		374,707	179,745
Support services - administration		148,079	1,537
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay		53,606	
Total expenditures	<u>157,923</u>	<u>1,120,366</u>	<u>185,777</u>
Excess (deficiency) of revenues over expenditures	<u>183,354</u>	<u>15,123</u>	<u>2,631</u>
Other financing sources (uses):			
Transfers out		(15,123)	(2,631)
Total other financing sources (uses):		<u>(15,123)</u>	<u>(2,631)</u>
Changes in fund balances	<u>183,354</u>		
Fund balances, beginning of year	313,140		
Increase (decrease) in reserve for inventory			
Fund balances, end of year	<u>\$ 496,494</u>	<u>\$</u>	<u>\$</u>

Limited English and Immigrant Students	Special Education Grants	Vocational Education	E-Rate	Other Federal Projects	State Vocational Education
\$	\$	\$	\$ 2,351	\$	\$
15,972	946,323	97,864	179,448	28,992	70,152
15,972	946,323	97,864	181,799	28,992	70,152
11,554	499,080	51,293		4,986	19,766
4,195	413,425	36,535	90,802	15,720	9,273
	20,318	5,556		8,088	
			1,384		
	359	3,564			41,113
15,749	933,182	96,948	92,186	28,794	70,152
223	13,141	916	89,613	198	
(223)	(13,141)	(916)		(198)	
(223)	(13,141)	(916)		(198)	
			89,613		
			250,334		
\$	\$	\$	\$ 339,947	\$	\$

(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, 2014

	Other State Projects	Food Service	Civic Center
Revenues:			
Other local	\$	\$ 538,652	\$ 62,611
State aid and grants	248,493		
Federal aid, grants and reimbursements		1,814,606	
Total revenues	<u>248,493</u>	<u>2,353,258</u>	<u>62,611</u>
Expenditures:			
Current -			
Instruction	129,138		
Support services - students and staff	107,936	21,769	
Support services - administration	684	146,514	10,568
Operation and maintenance of plant services			2,748
Student transportation services			
Operation of non-instructional services		1,952,817	19,524
Capital outlay	10,735	51,917	
Total expenditures	<u>248,493</u>	<u>2,173,017</u>	<u>32,840</u>
Excess (deficiency) of revenues over expenditures		<u>180,241</u>	<u>29,771</u>
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances		<u>180,241</u>	<u>29,771</u>
Fund balances, beginning of year		874,633	37,242
Increase (decrease) in reserve for inventory		24,952	
Fund balances, end of year	<u>\$</u>	<u>\$ 1,079,826</u>	<u>\$ 67,013</u>

Community School	Extracurricular Activities Fees Tax Credit	Gifts and Donations	Fingerprint	Textbooks	Insurance Refund
\$ 381,991	\$ 523,405	\$ 158,592	\$ 2,550	\$ 7,587	\$ 159
<u>381,991</u>	<u>523,405</u>	<u>158,592</u>	<u>2,550</u>	<u>7,587</u>	<u>159</u>
461,907	702,960	55,676		4,760	
9,610		24,586			
149		12,060	2,412		
1,146		2,060			
<u>1,659</u>	<u>16,347</u>	<u>29,307</u>	<u>2,412</u>	<u>4,760</u>	
<u>474,471</u>	<u>719,307</u>	<u>123,689</u>	<u>2,412</u>	<u>4,760</u>	
<u>(92,480)</u>	<u>(195,902)</u>	<u>34,903</u>	<u>138</u>	<u>2,827</u>	<u>159</u>
<u>(92,480)</u>	<u>(195,902)</u>	<u>34,903</u>	<u>138</u>	<u>2,827</u>	<u>159</u>
336,624	495,639	148,036	17,464	11,558	18,625
<u>\$ 244,144</u>	<u>\$ 299,737</u>	<u>\$ 182,939</u>	<u>\$ 17,602</u>	<u>\$ 14,385</u>	<u>\$ 18,784</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, 2014

	Joint Technical Education	Totals
Revenues:		
Other local	\$ 579,917	\$ 2,257,815
State aid and grants		659,922
Federal aid, grants and reimbursements		4,407,102
Total revenues	<u>579,917</u>	<u>7,324,839</u>
Expenditures:		
Current -		
Instruction	368,920	3,016,432
Support services - students and staff	80,418	1,368,721
Support services - administration	16,228	372,193
Operation and maintenance of plant services		5,278
Student transportation services	56,715	58,775
Operation of non-instructional services		1,972,341
Capital outlay	303,705	512,312
Total expenditures	<u>825,986</u>	<u>7,306,052</u>
Excess (deficiency) of revenues over expenditures	<u>(246,069)</u>	<u>18,787</u>
Other financing sources (uses):		
Transfers out		(32,232)
Total other financing sources (uses):		<u>(32,232)</u>
Changes in fund balances	<u>(246,069)</u>	<u>(13,445)</u>
Fund balances, beginning of year	493,256	2,996,551
Increase (decrease) in reserve for inventory		24,952
Fund balances, end of year	<u>\$ 247,187</u>	<u>\$ 3,008,058</u>

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LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2014

	Instructional Improvement		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants		341,277	341,277
Federal aid, grants and reimbursements			
Total revenues		<u>341,277</u>	<u>341,277</u>
Expenditures:			
Current -			
Instruction	215,000	157,923	57,077
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>215,000</u>	<u>157,923</u>	<u>57,077</u>
Excess (deficiency) of revenues over expenditures	<u>(215,000)</u>	<u>183,354</u>	<u>398,354</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(215,000)</u>	<u>183,354</u>	<u>398,354</u>
Fund balances, beginning of year		313,140	313,140
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (215,000)</u>	<u>\$ 496,494</u>	<u>\$ 711,494</u>

Title I Grants			Professional Development and Technology Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	1,135,489	1,135,489		188,408	188,408
	1,135,489	1,135,489		188,408	188,408
1,221,117	543,974	677,143		4,495	(4,495)
	374,707	(374,707)	205,398	179,745	25,653
	148,079	(148,079)		1,537	(1,537)
	53,606	(53,606)			
1,221,117	1,120,366	100,751	205,398	185,777	19,621
(1,221,117)	15,123	1,236,240	(205,398)	2,631	208,029
	(15,123)	(15,123)		(2,631)	(2,631)
	(15,123)	(15,123)		(2,631)	(2,631)
(1,221,117)		1,221,117	(205,398)		205,398
\$ (1,221,117)	\$	\$ 1,221,117	\$ (205,398)	\$	\$ 205,398

(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, 2014

	Limited English and Immigrant Students		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		15,972	15,972
Total revenues		<u>15,972</u>	<u>15,972</u>
Expenditures:			
Current -			
Instruction	17,142	11,554	5,588
Support services - students and staff		4,195	(4,195)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>17,142</u>	<u>15,749</u>	<u>1,393</u>
Excess (deficiency) of revenues over expenditures	<u>(17,142)</u>	<u>223</u>	<u>17,365</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(223)	(223)
Total other financing sources (uses):		<u>(223)</u>	<u>(223)</u>
Changes in fund balances	<u>(17,142)</u>		<u>17,142</u>
Fund balances, beginning of year			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (17,142)</u>	<u>\$</u>	<u>\$ 17,142</u>

Special Education Grants			Vocational Education		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	946,323	946,323		97,864	97,864
	946,323	946,323		97,864	97,864
1,222,923	499,080	723,843	129,040	51,293	77,747
	413,425	(413,425)		36,535	(36,535)
	20,318	(20,318)		5,556	(5,556)
	359	(359)		3,564	(3,564)
1,222,923	933,182	289,741	129,040	96,948	32,092
(1,222,923)	13,141	1,236,064	(129,040)	916	129,956
	(13,141)	(13,141)		(916)	(916)
	(13,141)	(13,141)		(916)	(916)
(1,222,923)		1,222,923	(129,040)		129,040
\$ (1,222,923)	\$	\$ 1,222,923	\$ (129,040)	\$	\$ 129,040

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, 2014

	Medicaid Reimbursement		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 5,060	\$ 5,060
State aid and grants			
Federal aid, grants and reimbursements		175,961	175,961
Total revenues		<u>181,021</u>	<u>181,021</u>
Expenditures:			
Current -			
Instruction		14,186	(14,186)
Support services - students and staff	280,000	73,953	206,047
Support services - administration		4,576	(4,576)
Operation and maintenance of plant services			
Student transportation services		1,380	(1,380)
Operation of non-instructional services			
Capital outlay		36,451	(36,451)
Total expenditures	<u>280,000</u>	<u>130,546</u>	<u>149,454</u>
Excess (deficiency) of revenues over expenditures	<u>(280,000)</u>	<u>50,475</u>	<u>330,475</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(280,000)</u>	<u>50,475</u>	<u>330,475</u>
Fund balances, beginning of year		568,564	568,564
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (280,000)</u>	<u>\$ 619,039</u>	<u>\$ 899,039</u>

E-Rate			Other Federal Projects		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 2,351	\$ 2,351	\$	\$	\$
	179,448	179,448		28,992	28,992
	181,799	181,799		28,992	28,992
				4,986	(4,986)
172,000	90,802	81,198		15,720	(15,720)
	1,384	(1,384)		8,088	(8,088)
172,000	92,186	79,814		28,794	(28,794)
(172,000)	89,613	261,613		198	198
				(198)	(198)
				(198)	(198)
(172,000)	89,613	261,613			
	250,334	250,334			
\$ (172,000)	\$ 339,947	\$ 511,947	\$	\$	\$

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, 2014

	State Vocational Education		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants		70,152	70,152
Federal aid, grants and reimbursements			
Total revenues		<u>70,152</u>	<u>70,152</u>
Expenditures:			
Current -			
Instruction		19,766	(19,766)
Support services - students and staff		9,273	(9,273)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	29,658	41,113	(11,455)
Total expenditures	<u>29,658</u>	<u>70,152</u>	<u>(40,494)</u>
Excess (deficiency) of revenues over expenditures	<u>(29,658)</u>		<u>29,658</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(29,658)</u>		<u>29,658</u>
Fund balances, beginning of year			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (29,658)</u>	<u>\$</u>	<u>\$ 29,658</u>

Other State Projects			School Plant		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	248,493	248,493		35,446	35,446
	248,493	248,493		35,446	35,446
135,000	129,138	5,862			
	107,936	(107,936)			
	684	(684)			
	10,735	(10,735)	37,000		37,000
135,000	248,493	(113,493)	37,000		37,000
(135,000)		135,000	(37,000)	35,446	72,446
(135,000)		135,000	(37,000)	35,446	72,446
				178,898	178,898
\$ (135,000)	\$	\$ 135,000	\$ (37,000)	\$ 214,344	\$ 251,344

(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, 2014

	Food Service		Variance -
	Budget	Actual	Positive (Negative)
Revenues:			
Other local	\$	\$ 538,652	\$ 538,652
State aid and grants			
Federal aid, grants and reimbursements		1,814,606	1,814,606
Total revenues		<u>2,353,258</u>	<u>2,353,258</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff		21,769	(21,769)
Support services - administration		146,514	(146,514)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services	2,800,000	1,952,817	847,183
Capital outlay		51,917	(51,917)
Total expenditures	<u>2,800,000</u>	<u>2,173,017</u>	<u>626,983</u>
Excess (deficiency) of revenues over expenditures	<u>(2,800,000)</u>	<u>180,241</u>	<u>2,980,241</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(2,800,000)</u>	<u>180,241</u>	<u>2,980,241</u>
Fund balances, beginning of year		874,633	874,633
Increase (decrease) in reserve for inventory		24,952	24,952
Fund balances (deficits), end of year	<u>\$ (2,800,000)</u>	<u>\$ 1,079,826</u>	<u>\$ 3,879,826</u>

Civic Center			Community School		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 62,611	\$ 62,611	\$	\$ 381,991	\$ 381,991
	62,611	62,611		381,991	381,991
			35,000	461,907	(426,907)
	10,568	(10,568)		9,610	(9,610)
	2,748	(2,748)		149	(149)
				1,146	(1,146)
30,000	19,524	10,476			
				1,659	(1,659)
30,000	32,840	(2,840)	35,000	474,471	(439,471)
(30,000)	29,771	59,771	(35,000)	(92,480)	(57,480)
(30,000)	29,771	59,771	(35,000)	(92,480)	(57,480)
	37,242	37,242		336,624	336,624
\$ (30,000)	\$ 67,013	\$ 97,013	\$ (35,000)	\$ 244,144	\$ 279,144

(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, 2014

	Auxiliary Operations		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 438,812	\$ 438,812
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		438,812	438,812
Expenditures:			
Current -			
Instruction		194,666	(194,666)
Support services - students and staff		24,834	(24,834)
Support services - administration			
Operation and maintenance of plant services		6,582	(6,582)
Student transportation services			
Operation of non-instructional services	500,000	201,381	298,619
Capital outlay		23,221	(23,221)
Total expenditures	500,000	450,684	49,316
Excess (deficiency) of revenues over expenditures	(500,000)	(11,872)	488,128
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	(500,000)	(11,872)	488,128
Fund balances, beginning of year		578,165	578,165
Increase (decrease) in reserve for inventory		63,998	63,998
Fund balances (deficits), end of year	\$ (500,000)	\$ 630,291	\$ 1,130,291

Extracurricular Activities Fees Tax Credit			Gifts and Donations		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 523,405	\$ 523,405	\$	\$ 158,592	\$ 158,592
	523,405	523,405		158,592	158,592
600,000	702,960	(102,960)	250,000	55,676	194,324
				24,586	(24,586)
				12,060	(12,060)
				2,060	(2,060)
	16,347	(16,347)		29,307	(29,307)
600,000	719,307	(119,307)	250,000	123,689	126,311
(600,000)	(195,902)	404,098	(250,000)	34,903	284,903
(600,000)	(195,902)	404,098	(250,000)	34,903	284,903
	495,639	495,639		148,036	148,036
\$ (600,000)	\$ 299,737	\$ 899,737	\$ (250,000)	\$ 182,939	\$ 432,939

(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, 2014

	Fingerprint		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 2,550	\$ 2,550
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>2,550</u>	<u>2,550</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration	5,000	2,412	2,588
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>5,000</u>	<u>2,412</u>	<u>2,588</u>
Excess (deficiency) of revenues over expenditures	<u>(5,000)</u>	<u>138</u>	<u>5,138</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(5,000)</u>	<u>138</u>	<u>5,138</u>
Fund balances, beginning of year		17,464	17,464
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (5,000)</u>	<u>\$ 17,602</u>	<u>\$ 22,602</u>

Textbooks			Litigation Recovery		
<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>	<u>Budget</u>	<u>Non-GAAP Actual</u>	<u>Variance - Positive (Negative)</u>
\$	\$ 7,587	\$ 7,587	\$	\$ 909	\$ 909
	<u>7,587</u>	<u>7,587</u>		<u>909</u>	<u>909</u>
10,000	4,760	5,240	2,000		2,000
<u>10,000</u>	<u>4,760</u>	<u>5,240</u>	<u>2,000</u>		<u>2,000</u>
<u>(10,000)</u>	<u>2,827</u>	<u>12,827</u>	<u>(2,000)</u>	<u>909</u>	<u>2,909</u>
<u>(10,000)</u>	<u>2,827</u>	<u>12,827</u>	<u>(2,000)</u>	<u>909</u>	<u>2,909</u>
	11,558	11,558		106,877	106,877
<u>\$ (10,000)</u>	<u>\$ 14,385</u>	<u>\$ 24,385</u>	<u>\$ (2,000)</u>	<u>\$ 107,786</u>	<u>\$ 109,786</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, 2014

	Indirect Costs		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues			
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration	60,000	32,232	27,768
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	60,000	32,232	27,768
Excess (deficiency) of revenues over expenditures	(60,000)	(32,232)	27,768
Other financing sources (uses):			
Transfers in		32,232	32,232
Transfers out			
Total other financing sources (uses):		32,232	32,232
Changes in fund balances	(60,000)		60,000
Fund balances, beginning of year			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (60,000)	\$	\$ 60,000

Insurance Refund			Advertisement		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 159	\$ 159	\$	\$ 78	\$ 78
	159	159		78	78
			5,000	689	4,311
			5,000	689	4,311
	159	159	(5,000)	(611)	4,389
	159	159	(5,000)	(611)	4,389
	18,625	18,625		9,374	9,374
\$	\$ 18,784	\$ 18,784	\$ (5,000)	\$ 8,763	\$ 13,763

(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, 2014

	Joint Technical Education		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 579,917	\$ 579,917
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>579,917</u>	<u>579,917</u>
Expenditures:			
Current -			
Instruction	1,500,000	368,920	1,131,080
Support services - students and staff		80,418	(80,418)
Support services - administration		16,228	(16,228)
Operation and maintenance of plant services			
Student transportation services		56,715	(56,715)
Operation of non-instructional services			
Capital outlay		303,705	(303,705)
Total expenditures	<u>1,500,000</u>	<u>825,986</u>	<u>674,014</u>
Excess (deficiency) of revenues over expenditures	<u>(1,500,000)</u>	<u>(246,069)</u>	<u>1,253,931</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(1,500,000)</u>	<u>(246,069)</u>	<u>1,253,931</u>
Fund balances, beginning of year		493,256	493,256
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (1,500,000)</u>	<u>\$ 247,187</u>	<u>\$ 1,747,187</u>

Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 2,738,120	\$ 2,738,120
	659,922	659,922
	4,583,063	4,583,063
	7,981,105	7,981,105
5,337,222	3,225,284	2,111,938
657,398	1,467,508	(810,110)
70,000	409,690	(339,690)
	11,860	(11,860)
	60,155	(60,155)
3,367,000	2,173,722	1,193,278
29,658	571,984	(542,326)
9,461,278	7,920,203	1,541,075
(9,461,278)	60,902	9,522,180
	32,232	32,232
	(32,232)	(32,232)
(9,461,278)	60,902	9,522,180
	4,438,429	4,438,429
	88,950	88,950
\$ (9,461,278)	\$ 4,588,281	\$ 14,049,559

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DEBT SERVICE FUND

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

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
DEBT SERVICE
YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	<u>Original & Final</u>	<u>Actual</u>	<u></u>
Revenues:			
Other local	\$	\$ 19,428	\$ 19,428
Property taxes		4,737,627	4,737,627
Total revenues		<u>4,757,055</u>	<u>4,757,055</u>
Expenditures:			
Debt service -			
Principal retirement	4,350,000	4,350,000	
Interest and fiscal charges	396,688	397,632	(944)
Total expenditures	<u>4,746,688</u>	<u>4,747,632</u>	<u>(944)</u>
Changes in fund balances	<u>(4,746,688)</u>	<u>9,423</u>	<u>4,756,111</u>
Fund balances, beginning of year		884,200	884,200
Fund balances (deficits), end of year	<u>\$ (4,746,688)</u>	<u>\$ 893,623</u>	<u>\$ 5,640,311</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.

Soft Capital Allocation - to account for transactions relating to the acquisition of short-term capital items required to meet academic adequacy standards.

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 - to account for monies received 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.

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, 2014

	<u>Insurance Proceeds</u>	<u>Unrestricted Capital Outlay</u>	<u>Adjacent Ways</u>
<u>ASSETS</u>			
Cash and investments	\$ 77,829	\$ 95,364	\$ 61,368
Cash and investments - restricted			
Property taxes receivable		16,341	23,963
Accounts receivable			
Due from governmental entities		207,836	
Due from other funds		404,978	
Total assets	<u><u>\$ 77,829</u></u>	<u><u>\$ 724,519</u></u>	<u><u>\$ 85,331</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$ 21,371	\$
Due to other funds			
Total liabilities		<u>21,371</u>	
Deferred inflows of resources:			
Unavailable revenues - property taxes		<u>8,527</u>	<u>14,195</u>
Fund balances (deficits):			
Restricted	77,829	694,621	71,136
Unassigned			
Total fund balances	<u>77,829</u>	<u>694,621</u>	<u>71,136</u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 77,829</u></u>	<u><u>\$ 724,519</u></u>	<u><u>\$ 85,331</u></u>

<u>Energy and Water Savings</u>	<u>Building Renewal</u>	<u>Building Renewal Grant</u>	<u>Totals</u>
\$ 144,057	\$ 25	\$	\$ 234,586
82,131			144,057
			40,304
			82,131
			207,836
			404,978
<u>\$ 226,188</u>	<u>\$ 25</u>	<u>\$</u>	<u>\$ 1,113,892</u>
\$ 100,000	\$	\$	\$ 21,371
<u>100,000</u>		<u>194,913</u>	<u>294,913</u>
		<u>194,913</u>	<u>316,284</u>
			<u>22,722</u>
126,188	25		969,799
		(194,913)	(194,913)
<u>126,188</u>	<u>25</u>	<u>(194,913)</u>	<u>774,886</u>
<u>\$ 226,188</u>	<u>\$ 25</u>	<u>\$</u>	<u>\$ 1,113,892</u>

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, 2014

	Insurance Proceeds	Unrestricted Capital Outlay	Adjacent Ways
Revenues:			
Other local	\$ 987	\$ 7,174	\$
Property taxes		117,569	909,768
State aid and grants		70,813	
Total revenues	<u>987</u>	<u>195,556</u>	<u>909,768</u>
Expenditures:			
Current -			
Operation and maintenance of plant services	3,933		
Capital outlay	1,286	522,703	838,632
Debt service -			
Principal retirement		353,825	
Interest and fiscal charges		28,064	
Total expenditures	<u>5,219</u>	<u>904,592</u>	<u>838,632</u>
Excess (deficiency) of revenues over expenditures	<u>(4,232)</u>	<u>(709,036)</u>	<u>71,136</u>
Other financing sources (uses):			
Transfers in		626,789	
Transfers out			
Total other financing sources (uses):		<u>626,789</u>	
Changes in fund balances	<u>(4,232)</u>	<u>(82,247)</u>	<u>71,136</u>
Fund balances, beginning of year	82,061	776,868	
Fund balances (deficits), end of year	<u>\$ 77,829</u>	<u>\$ 694,621</u>	<u>\$ 71,136</u>

Soft Capital Allocation	Energy and Water Savings	Building Renewal	Building Renewal Grant	Totals
\$	\$ 82,131	\$	\$	\$ 90,292
				1,027,337
				70,813
	82,131			1,188,442
				3,933
	1,386,508		194,913	2,944,042
				353,825
				28,064
	1,386,508		194,913	3,329,864
	(1,304,377)		(194,913)	(2,141,422)
				626,789
(626,789)				(626,789)
(626,789)				
(626,789)	(1,304,377)		(194,913)	(2,141,422)
626,789	1,430,565	25		2,916,308
\$	\$ 126,188	\$ 25	\$ (194,913)	\$ 774,886

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2014

	Insurance Proceeds		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 987	\$ 987
Property taxes			
State aid and grants			
Total revenues		<u>987</u>	<u>987</u>
Expenditures:			
Current -			
Operation and maintenance of plant services	30,000	3,933	26,067
Capital outlay		1,286	(1,286)
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	<u>30,000</u>	<u>5,219</u>	<u>24,781</u>
Excess (deficiency) of revenues over expenditures	<u>(30,000)</u>	<u>(4,232)</u>	<u>25,768</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(30,000)</u>	<u>(4,232)</u>	<u>25,768</u>
Fund balances, beginning of year		82,061	82,061
Fund balances (deficits), end of year	<u>\$ (30,000)</u>	<u>\$ 77,829</u>	<u>\$ 107,829</u>

Unrestricted Capital Outlay			Adjacent Ways		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 7,174	\$ 7,174	\$	\$	\$
	117,569	117,569		909,768	909,768
	70,813	70,813			
	195,556	195,556		909,768	909,768
1,942,511	522,703	1,419,808	900,000	838,632	61,368
353,825	353,825				
28,064	28,064				
2,324,400	904,592	1,419,808	900,000	838,632	61,368
(2,324,400)	(709,036)	1,615,364	(900,000)	71,136	971,136
	626,789	626,789			
	626,789	626,789			
(2,324,400)	(82,247)	2,242,153	(900,000)	71,136	971,136
	776,868	776,868			
\$ (2,324,400)	\$ 694,621	\$ 3,019,021	\$ (900,000)	\$ 71,136	\$ 971,136

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LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2014

	Soft Capital Allocation		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
Property taxes			
State aid and grants			
Total revenues			
Expenditures:			
Current -			
Operation and maintenance of plant services			
Capital outlay			
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures			
Excess (deficiency) of revenues over expenditures			
Other financing sources (uses):			
Transfers in			
Transfers out		(626,789)	(626,789)
Total other financing sources (uses):		(626,789)	(626,789)
Changes in fund balances		(626,789)	(626,789)
Fund balances, beginning of year		626,789	626,789
Fund balances, end of year	\$	\$	\$

Energy and Water Savings			Building Renewal		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 82,131	\$ 82,131	\$	\$	\$
	82,131	82,131			
	1,386,508	(1,386,508)			
	1,386,508	(1,386,508)			
	(1,304,377)	(1,304,377)			
	(1,304,377)	(1,304,377)			
	1,430,565	1,430,565		25	25
\$	\$ 126,188	\$ 126,188	\$	\$ 25	\$ 25

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2014

	Building Renewal Grant		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
Property taxes			
State aid and grants			
Total revenues			
Expenditures:			
Current -			
Operation and maintenance of plant services			
Capital outlay	1,270,000	194,913	1,075,087
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	1,270,000	194,913	1,075,087
Excess (deficiency) of revenues over expenditures	(1,270,000)	(194,913)	1,075,087
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	(1,270,000)	(194,913)	1,075,087
Fund balances, beginning of year			
Fund balances (deficits), end of year	\$ (1,270,000)	\$ (194,913)	\$ 1,075,087

Totals		
Budget	Actual	Variance - Positive (Negative)
\$	\$ 90,292	\$ 90,292
	1,027,337	1,027,337
	70,813	70,813
	1,188,442	1,188,442
30,000	3,933	26,067
4,112,511	2,944,042	1,168,469
353,825	353,825	
28,064	28,064	
4,524,400	3,329,864	1,194,536
(4,524,400)	(2,141,422)	2,382,978
	626,789	626,789
	(626,789)	(626,789)
(4,524,400)	(2,141,422)	2,382,978
	2,916,308	2,916,308
\$ (4,524,400)	\$ 774,886	\$ 5,299,286

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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, 2014

	Student Activities	Employee Insurance	Totals
<u>ASSETS</u>			
Cash and investments	\$ 252,991	\$ 13,313	\$ 266,304
Total assets	<u>\$ 252,991</u>	<u>\$ 13,313</u>	<u>\$ 266,304</u>
<u>LIABILITIES</u>			
Deposits held for others	\$	\$ 13,313	\$ 13,313
Due to student groups	252,991		252,991
Total liabilities	<u>\$ 252,991</u>	<u>\$ 13,313</u>	<u>\$ 266,304</u>

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2014

	<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>183,030</u>	\$ <u>357,614</u>	\$ <u>287,653</u>	\$ <u>252,991</u>
Total assets	\$ <u><u>183,030</u></u>	\$ <u><u>357,614</u></u>	\$ <u><u>287,653</u></u>	\$ <u><u>252,991</u></u>
<u>Liabilities</u>				
Due to student groups	\$ <u>183,030</u>	\$ <u>357,614</u>	\$ <u>287,653</u>	\$ <u>252,991</u>
Total liabilities	\$ <u><u>183,030</u></u>	\$ <u><u>357,614</u></u>	\$ <u><u>287,653</u></u>	\$ <u><u>252,991</u></u>
<u>EMPLOYEE INSURANCE FUND</u>				
<u>Assets</u>				
Cash and investments	\$ <u>9,901</u>	\$ <u>20,112</u>	\$ <u>16,700</u>	\$ <u>13,313</u>
Total assets	\$ <u><u>9,901</u></u>	\$ <u><u>20,112</u></u>	\$ <u><u>16,700</u></u>	\$ <u><u>13,313</u></u>
<u>Liabilities</u>				
Deposits held for others	\$ <u>9,901</u>	\$ <u>20,112</u>	\$ <u>16,700</u>	\$ <u>13,313</u>
Total liabilities	\$ <u><u>9,901</u></u>	\$ <u><u>20,112</u></u>	\$ <u><u>16,700</u></u>	\$ <u><u>13,313</u></u>
<u>TOTAL AGENCY FUNDS</u>				
<u>Assets</u>				
Cash and investments	\$ <u>192,931</u>	\$ <u>377,726</u>	\$ <u>304,353</u>	\$ <u>266,304</u>
Total assets	\$ <u><u>192,931</u></u>	\$ <u><u>377,726</u></u>	\$ <u><u>304,353</u></u>	\$ <u><u>266,304</u></u>
<u>Liabilities</u>				
Deposits held for others	\$ <u>9,901</u>	\$ <u>20,112</u>	\$ <u>16,700</u>	\$ <u>13,313</u>
Due to student groups	<u>183,030</u>	<u>357,614</u>	<u>287,653</u>	<u>252,991</u>
Total liabilities	\$ <u><u>192,931</u></u>	\$ <u><u>377,726</u></u>	\$ <u><u>304,353</u></u>	\$ <u><u>266,304</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.

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>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	2,411,731	11,226,078	14,885,989	14,611,881	18,471,910
Total net position	<u>\$ 49,777,755</u>	<u>\$ 50,853,453</u>	<u>\$ 53,767,487</u>	<u>\$ 50,277,302</u>	<u>\$ 49,228,918</u>
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Net Position:					
Net investment in capital assets	\$ 24,580,909	\$ 22,716,451	\$ 20,550,318	\$ 18,503,107	\$ 17,795,182
Restricted	5,520,014	3,944,876	3,302,999	3,903,576	5,478,558
Unrestricted	14,501,604	17,358,615	15,413,963	15,183,658	13,485,275
Total net position	<u>\$ 44,602,527</u>	<u>\$ 44,019,942</u>	<u>\$ 39,267,280</u>	<u>\$ 37,590,341</u>	<u>\$ 36,759,015</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>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>

(Continued)

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Expenses					
Instruction	\$ 28,217,419	\$ 26,939,183	\$ 27,390,945	\$ 28,346,865	\$ 22,770,004
Support services - students and staff	4,499,693	3,921,807	3,723,309	3,304,261	2,547,223
Support services - administration	4,525,095	4,435,350	4,020,040	3,237,193	3,556,377
Operation and maintenance of plant services	5,317,863	4,987,634	4,971,537	4,594,272	4,093,237
Student transportation services	1,087,123	1,586,608	1,609,909	1,115,662	1,052,036
Operation of non-instructional services	2,780,015	3,141,198	3,217,584	3,300,864	2,791,062
Interest on long-term debt	1,475,496	1,683,371	2,153,116	2,123,730	1,931,779
Total expenses	<u>47,902,704</u>	<u>46,695,151</u>	<u>47,086,440</u>	<u>46,022,847</u>	<u>38,741,718</u>
Program Revenues					
Charges for services:					
Instruction	348,970	304,175	942,488	824,222	608,123
Operation of non-instructional services	1,218,567	1,449,462	1,625,113	1,900,252	1,392,058
Other activities	61,537	67,430	68,179	23,313	199,735
Operating grants and contributions	5,767,429	5,448,957	4,849,105	4,586,605	4,322,316
Capital grants and contributions	254,632	197,815	269,509	268,538	286,039
Total program revenues	<u>7,651,135</u>	<u>7,467,839</u>	<u>7,754,394</u>	<u>7,602,930</u>	<u>6,808,271</u>
Net (Expense)/Revenue	<u>\$ (40,251,569)</u>	<u>\$ (39,227,312)</u>	<u>\$ (39,332,046)</u>	<u>\$ (38,419,917)</u>	<u>\$ (31,933,447)</u>

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

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>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>

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Net (Expense)/Revenue	\$ (40,251,569)	\$ (39,227,312)	\$ (39,332,046)	\$ (38,419,917)	\$ (31,933,447)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	19,029,407	18,383,213	17,370,386	15,946,504	14,276,533
Property taxes, levied for debt service	4,649,963	4,645,358	3,353,690	4,570,594	4,278,051
Property taxes, levied for capital outlay	2,617,390	2,214,000	2,024,966	1,443,001	1,074,821
Investment income	382,480	787,701	787,688	503,764	263,384
Unrestricted county aid	31	1,782	84,558	966,428	985,420
Unrestricted state aid	14,153,306	17,947,836	17,387,593	15,820,865	15,303,987
Unrestricted federal aid	1,577	84	104	87	167
Total general revenues	<u>40,834,154</u>	<u>43,979,974</u>	<u>41,008,985</u>	<u>39,251,243</u>	<u>36,182,363</u>
Changes in Net Position	<u>\$ 582,585</u>	<u>\$ 4,752,662</u>	<u>\$ 1,676,939</u>	<u>\$ 831,326</u>	<u>\$ 4,248,916</u>

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

Note: The Arizona State Legislature suspended county equalization payments to school districts for fiscal years 2006-07 through 2008-09.

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>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
General Fund:					
Nonspendable	\$ 284,525	\$	\$ 299,260	\$ 269,960	\$
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>

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
General Fund:					
Reserved	\$ 105,683	\$ 168,069	\$ 460,288	\$ 183,880	\$ 174,258
Unreserved	2,002,632	4,276,694	5,612,944	6,151,889	6,384,200
Total General Fund	<u>\$ 2,108,315</u>	<u>\$ 4,444,763</u>	<u>\$ 6,073,232</u>	<u>\$ 6,335,769</u>	<u>\$ 6,558,458</u>
All Other Governmental Funds:					
Reserved	\$ 301,597	\$ 79,511	\$ 154,262	\$ 54,506	\$ 43,377
Unreserved, reported in:					
Special revenue funds	5,319,799	5,937,754	3,903,096	3,632,813	2,972,113
Capital projects funds	4,472,440	3,158,142	2,584,099	2,135,420	2,746,590
Debt service fund	542,893	486,110	434,017	1,611,571	2,506,531
Total all other governmental funds	<u>\$ 10,636,729</u>	<u>\$ 9,661,517</u>	<u>\$ 7,075,474</u>	<u>\$ 7,434,310</u>	<u>\$ 8,268,611</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.

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>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>\$ 37,408,479</u>	<u>\$ 38,974,930</u>	<u>\$ 42,836,020</u>	<u>\$ 45,785,965</u>	<u>\$ 49,417,843</u>

(Continued)

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Federal sources:					
Federal grants	\$ 3,187,181	\$ 2,995,545	\$ 3,431,264	\$ 3,109,975	\$ 3,100,701
National School Lunch Program	1,537,958	1,448,778	1,343,860	1,244,194	1,197,855
Total federal sources	<u>4,725,139</u>	<u>4,444,323</u>	<u>4,775,124</u>	<u>4,354,169</u>	<u>4,298,556</u>
State sources:					
State equalization assistance	11,773,417	14,343,249	14,087,219	12,579,882	12,850,896
State grants	385,607	485,942	354,326	279,846	286,042
School Facilities Board	30,436	265,527	522,183	412,602	603,765
Other revenues	2,587,329	3,339,060	2,778,191	2,828,381	2,144,671
Total state sources	<u>14,776,789</u>	<u>18,433,778</u>	<u>17,741,919</u>	<u>16,100,711</u>	<u>15,885,374</u>
Local sources:					
Property taxes	26,465,834	24,858,596	22,576,236	22,091,187	19,836,287
County aid	31	1,782	84,558	966,428	985,420
Food service sales	877,828	1,067,924	1,259,417	1,090,847	1,038,582
Investment income	276,253	639,970	476,797	408,720	234,145
Other revenues	1,396,643	1,670,236	1,376,363	1,670,940	1,161,334
Total local sources	<u>29,016,589</u>	<u>28,238,508</u>	<u>25,773,371</u>	<u>26,228,122</u>	<u>23,255,768</u>
Total revenues	<u><u>\$ 48,518,517</u></u>	<u><u>\$ 51,116,609</u></u>	<u><u>\$ 48,290,414</u></u>	<u><u>\$ 46,683,002</u></u>	<u><u>\$ 43,439,698</u></u>

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

Note: The Arizona State Legislature suspended county equalization payments to school districts for fiscal years 2006-07 through 2008-09.

(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>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%

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Expenditures:					
Current -					
Instruction	\$ 25,206,882	\$ 24,047,256	\$ 23,983,398	\$ 22,601,211	\$ 19,536,214
Support services - students and staff	4,214,268	3,958,919	3,610,972	3,287,592	2,539,812
Support services - administration	4,118,298	4,047,117	3,971,518	3,212,624	3,345,905
Operation and maintenance of plant services	5,233,070	4,957,574	4,857,217	4,439,789	4,090,293
Student transportation services	935,378	1,078,647	1,013,828	964,440	843,947
Operation of non-instructional services	2,678,289	3,034,155	3,127,021	3,142,548	2,687,159
Capital outlay	2,207,849	3,680,406	3,718,328	7,299,729	2,148,394
Debt service -					
Principal retirement	4,036,747	3,944,580	3,281,675	4,553,665	2,941,678
Interest and fiscal charges	1,408,672	1,616,547	2,086,292	2,056,906	1,864,955
Bond issuance costs					
Total expenditures	<u>\$ 50,039,453</u>	<u>\$ 50,365,201</u>	<u>\$ 49,650,249</u>	<u>\$ 51,558,504</u>	<u>\$ 39,998,357</u>
Expenditures for capitalized assets	\$ 470,672	\$ 1,683,912	\$ 1,532,372	\$ 2,128,823	\$ 842,672
Debt service as a percentage of noncapital expenditures	11%	11%	11%	13%	12%

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

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>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)		1,459,565			
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>
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Excess (deficiency) of revenues over expenditures	\$ (1,520,936)	\$ 751,408	\$ (1,359,835)	\$ (4,875,502)	\$ 3,441,341
Other financing sources (uses):					
Capital lease agreements		573,136	362,298	3,797,761	
Transfers in	23,957	13,830	46,704	216,982	1,706,816
Transfers out	(23,957)	(13,830)	(46,704)	(216,982)	(1,706,816)
Payment to refunded bond escrow agent					
Total other financing sources (uses)		573,136	362,298	3,797,761	
Changes in fund balances	<u>\$ (1,520,936)</u>	<u>\$ 1,324,544</u>	<u>\$ (997,537)</u>	<u>\$ (1,077,741)</u>	<u>\$ 3,441,341</u>

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

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
PRIMARY ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY BY CLASS
LAST TEN FISCAL YEARS

<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>
Estimated Actual Value (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 Primary Assessed Value to Estimated Actual Value	10.48%	10.52%	10.68%	10.64%	9.57%

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Commercial, Industrial, Utilities and Mining	\$ 171,349,001	\$ 159,022,724	\$ 146,084,943	\$ 133,922,611	\$ 121,153,643
Agricultural and Vacant	99,328,369	78,567,705	61,101,606	43,096,733	35,260,715
Residential (Owner Occupied)	491,456,528	421,313,143	353,080,693	295,975,781	252,902,532
Residential (Rental)	65,442,520	53,411,604	45,103,100	38,175,308	31,553,393
Railroad, Private Cars and Airlines	231,044	210,680	292,237	243,696	224,130
Total	<u>\$ 827,807,462</u>	<u>\$ 712,525,856</u>	<u>\$ 605,662,579</u>	<u>\$ 511,414,129</u>	<u>\$ 441,094,413</u>
Estimated Actual Value (Full Cash Value)	\$ 10,428,177,892	\$ 9,272,021,363	\$ 7,065,214,923	\$ 5,507,123,414	\$ 4,280,391,771
Ratio of Primary Value to Estimated Actual Value	7.94%	7.68%	8.57%	9.29%	10.31%

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

Note: The primary assessed value generates revenues for general District operations.

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
SECONDARY ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY BY CLASS
LAST TEN FISCAL YEARS

<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>
Ratio of Secondary Assessed Value to Estimated Actual Value	10.64%	10.70%	10.75%	10.82%	10.58%

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Commercial, Industrial, Utilities and Mining	\$ 191,775,438	\$ 189,920,819	\$ 166,976,944	\$ 150,748,646	\$ 126,952,677
Agricultural and Vacant	166,867,306	147,631,591	115,651,259	77,463,121	49,899,191
Residential (Owner Occupied)	661,681,184	580,844,603	461,997,234	353,201,853	272,689,863
Residential (Rental)	87,710,337	73,129,831	57,738,327	44,255,783	33,331,257
Railroad, Private Cars and Airlines	253,530	227,585	305,210	262,931	248,185
Total	<u>\$ 1,108,287,795</u>	<u>\$ 991,754,429</u>	<u>\$ 802,668,974</u>	<u>\$ 625,932,334</u>	<u>\$ 483,121,173</u>
Ratio of Secondary Assesd Value to Estimated Actual Value	10.63%	10.70%	11.36%	11.37%	11.29%

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

Note: The secondary assessed value generates revenues to service district bonded debt requirements and other voter-approved overrides.

LAKE HAVASU UNIFIED SCHOOL DISTRICT NO. 1
PROPERTY TAX ASSESSMENT RATIOS
LAST TEN FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>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

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Commercial, Industrial, Utilities and Mining	23 %	24 %	25 %	25 %	25 %
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	20	21	22	21	21

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 y College	Lake Havasu	Desert Hills	City of	Havasu	Primary	Secondary	Total
	Equalization		District	Sanitary District	Fire District	Lake Havasus	Irrigation District			
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
2009		3.06	0.72	0.00	2.15	0.60	100.74/acre	2.80	0.75	3.55
2008		3.36	0.82	0.00	2.40	0.67	100.74/acre	3.01	0.86	3.87
2007		3.59	0.90	0.00	2.40	0.73	100.74/acre	3.31	0.86	4.17
2006		4.14	0.94	0.00	2.40	0.80	100.74/acre	3.42	1.28	4.70
2005		4.16	0.95	0.00	2.40	0.80	100.74/acre	4.34	1.06	5.40

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	2014		2005	
	Secondary Assessed Valuation	Percentage of District's Net Assessed Valuation	Secondary Assessed Valuation	Percentage of District's Net Assessed Valuation
Unisource Energy Corporation	\$ 9,822,254	1.60 %	\$ 14,964,978	3.10 %
PHC Lake Havasu Inc.	5,409,260	0.88	8,044,658	1.67
SFT Havasu LLC Etal	3,872,527	0.63		
Citizen's Rural Division	3,485,497	0.57	5,676,950	1.18
Walmart Stores, Inc.	1,821,266	0.30	1,306,420	0.27
Anderson Family, LLC	1,749,680	0.29		
Sterlite Corporation	1,631,190	0.27	1,802,994	0.37
London Bridge Resort	1,543,568	0.25	3,418,649	0.71
Steinle Janice A Chapter 11 Trustee	1,514,855	0.25		
Lowes HIW, Inc.	1,424,596	0.23		
Citizens Utilities, Inc.			2,625,504	0.54
Palo Verde Investments			1,228,457	0.25
Lake Havasu City Hotel Partners, LLC			1,414,555	0.29
Home Depot USA inc.			1,237,481	0.26
Total	<u>\$ 32,274,693</u>	<u>5.27 %</u>	<u>\$ 41,720,646</u>	<u>8.64 %</u>

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

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
2014	\$ 19,497,164	\$ 19,305,030	99.01 %	\$	\$ 19,305,030	99.01 %
2013	19,683,126	19,072,123	96.90	611,003	19,683,126	100.00
2012	21,496,943	20,826,554	96.88	63,509	20,890,063	97.18
2011	22,621,563	21,846,489	96.57	677,958	22,524,447	99.57
2010	26,591,794	25,451,932	95.71	543,365	25,995,297	97.76
2009	25,695,299	24,614,488	95.79	1,062,949	25,677,437	99.93
2008	24,764,374	23,491,096	94.86	1,255,216	24,746,312	99.93
2007	22,079,677	21,318,733	96.55	746,595	22,065,328	99.94
2006	21,282,155	20,786,316	97.67	494,244	21,280,560	99.99
2005	19,393,676	18,598,444	95.90	795,232	19,393,676	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)			
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	
2009	27,842,000	542,893	27,299,107	0.26	493	2,494,931	30,336,931	0.29	547	0.65	
2008	31,029,000	2,477,268	28,551,732	0.31	517	3,149,678	34,178,678	0.37	618	0.76	
2007	33,726,000	684,666	33,041,334	0.47	605	3,334,122	37,060,122	0.52	679	0.90	
2006	36,350,000	1,611,571	34,738,429	0.63	634	3,556,499	39,906,499	0.72	728	1.07	
2005	39,142,335	1,451,399	37,690,936	0.88	708	408,403	39,550,738	0.92	743	1.15	

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, 2014

<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	\$ 69,562,413	100.00 %	\$ 69,562,413
Subtotal, Overlapping Debt			<u>69,562,413</u>
Direct:			
Lake Havasu Unified School District No. 1			<u>6,362,154</u>
Total Direct and Overlapping Governmental Activities Debt			<u><u>\$ 75,924,567</u></u>

DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Secondary Assessed Valuation	0.59 %	
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 1,384	
As a Percentage of Net Secondary Assessed Valuation	11.94 %	
As a Percentage of Estimated Actual Value (Full Cash Value)	1.27 %	

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 the District's secondary assessed valuation as a percentage of the secondary assessed valuation of the overlapping jurisdiction.
- 2) Outstanding debt as of June 30, 2013 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 2014:

Secondary assessed valuation	\$ 613,248,218
Debt limit (20% of assessed value)	122,649,644
Debt applicable to limit	
Legal debt margin	<u><u>\$ 122,649,644</u></u>

Total Legal Debt Margin Calculation for Fiscal Year 2013:

Secondary assessed valuation	\$ 613,248,218
Debt limit (30% of assessed value)	183,974,465
Debt applicable to limit	4,535,000
Legal debt margin	<u><u>\$ 179,439,465</u></u>

Fiscal Year Ended June 30

	<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%

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Debt Limit	\$ 332,486,339	\$ 297,526,329	\$ 240,800,692	\$ 187,779,700	\$ 144,936,352
Total net debt applicable to limit	<u>27,842,000</u>	<u>31,029,000</u>	<u>33,726,000</u>	<u>36,350,000</u>	<u>39,142,335</u>
Legal debt margin	<u><u>\$ 304,644,339</u></u>	<u><u>\$ 266,497,329</u></u>	<u><u>\$ 207,074,692</u></u>	<u><u>\$ 151,429,700</u></u>	<u><u>\$ 105,794,017</u></u>
Total net debt applicable to the limit as a percentage of debt limit	8%	10%	14%	19%	27%

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

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

Year	Population		Personal Income (thousands)		Per Capita Income	Unemployment Rate	Estimated District Population
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
2008	195,873		4,682,940		23,908	8.0	55,429
2007	191,649		4,512,952		23,548	5.1	55,263
2006	184,199		4,115,919		22,345	3.2	54,610
2005	177,858		3,743,202		21,046	3.2	54,800
2004	171,763		3,444,542		20,054	3.1	53,200

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 2003 through 2010 is the University of Arizona, Eller College of Management, Economic and Business Research Center. For 2011 through 2013, the source of the information is the Arizona Office of Employment and Population Statistics.

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

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

Employer	2014			2006		
	Employees	Percentage of Total Employment		Employees	Percentage of Total Employment	
Havasu Regional Medical Center	695	3.08	%	695	2.85	%
Lake Havasu City	654	2.90		671	2.75	
Lake Havasu Unified School District No. 1	607	2.69		530	2.17	
Sterilite Corporation	450	1.99		425	1.74	
Wal-Mart	300	1.33		259	1.06	
Shugrue's Restaurants	300	1.33		250	1.03	
London Bridge Resort	250	1.11		315	1.29	
Bashas'	203	0.90				
River Medical	165	0.73		160	0.66	
Anderson Auto Group	165	0.73				
Mission of Nevada, Inc.				200	0.82	
Mohave Community College				183	1.29	
Total	3,789	16.79	%	3,688	15.66	%
Total employment	22,588			24,375		

Source: The source of this information is the Arizona Department of Administration-Office of Employment and Population Statistics and Arizona Workforce Informer.

Note: Data is not available from nine years prior, therefore data is presented from eight years ago.

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

	Full-time Equivalent Employees as of June 30				
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Supervisory					
Certified employees	367	367	361	293	321
Administration	19	18	18	18	19
Support Staff	285	284	279	261	238
Total	<u>671</u>	<u>669</u>	<u>658</u>	<u>572</u>	<u>578</u>

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

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

Fiscal Year Ended June 30	Average Daily Membership	Operating Expenditures	Cost per Pupil	Percentage Change	Expenses	Cost per Pupil	Percentage Change	Teaching Staff	Pupil- Teacher Ratio	Percentage of Free/Reduced Students
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	(5.49)	45,046,836	7,598	(3.06)	337	17.6	45.4
2009	6,112	42,386,185	6,935	3.71	47,902,704	7,837	3.22	359	17.0	51.4
2008	6,150	41,123,668	6,687	4.26	46,695,151	7,593	1.99	367	16.8	47.0
2007	6,325	40,563,954	6,413	6.23	47,086,440	7,444	0.87	367	17.2	44.6
2006	6,236	37,648,204	6,037	14.32	46,022,847	7,380	19.19	361	17.3	47.0
2005	6,257	33,043,330	5,281	14.33	38,741,718	6,192	17.15	293	21.4	44.0

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

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

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

	Fiscal Year Ended June 30									
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</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	308,875	308,875
Capacity	3,389	3,389	3,389	3,389	3,389	3,389	3,389	3,389	3,389	3,389
Enrollment	2,621	2,624	2,912	3,105	2,854	2,779	2,904	3,110	3,117	3,078
<u>Middle</u>										
Buildings	1	1	1	1	14	14	14	14	14	14
Square feet	183,694	183,694	183,694	183,694	249,872	249,872	249,872	249,872	248,000	248,000
Capacity	1,653	1,653	1,653	1,653	2,385	2,385	2,385	2,385	2,385	2,385
Enrollment	909	909	942	950	1,486	1,492	1,528	1,580	1,589	1,625
<u>High</u>										
Buildings	13	13	13	13	13	13	13	13	12	12
Square feet	286,861	286,861	286,861	286,861	286,861	286,861	286,861	268,861	267,035	267,035
Capacity	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377	2,377
Enrollment	1,868	1,868	1,822	1,767	1,813	1,901	1,784	1,771	1,783	1,721
<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	32	32	32	32	32	30	29	29	25
<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
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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