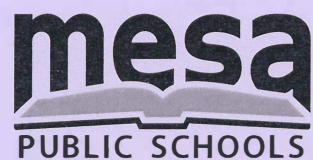


MESA UNIFIED SCHOOL DISTRICT NO. 4

MESA, ARIZONA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2021



MESA UNIFIED SCHOOL DISTRICT NO. 4

MESA, ARIZONA

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

Issued by:
Financial Services Department

MESA UNIFIED SCHOOL DISTRICT NO. 4

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INTRODUCTORY SECTION

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Mesa Public Schools
63 East Main Street
Mesa, Arizona 85201-7422

(480) 472-0201
www.mpsaz.org

December 14, 2021

Citizens and Governing Board
Mesa Unified School District No. 4
63 East Main Street #101
Mesa, Arizona 85201-7422

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 annual comprehensive financial report of the Mesa Unified School District No. 4 (District) for the fiscal year ended June 30, 2021.

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

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

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

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

PROFILE OF THE DISTRICT

The District is one of fifty-eight public school districts located in Maricopa County, Arizona. It provides a program of public education from preschool through grade 12, with an estimated current enrollment of 58,000 students. This is similar to the student enrollment for the 2020-21 school year.

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. The Mesa Unified School District No. 4 Employee Benefit Trust, a component unit, is a legally separate entity for which the primary government is financially accountable and is therefore combined with the District for financial statement presentation purposes. 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, bookstore and athletic functions.

The District is located in the south-central portion of Maricopa County and encompasses an area of approximately 200 square miles. Mesa, the principal city within the District, is located approximately 12 miles southeast of Phoenix, the state capital. Light rail and bus systems provide regional accessibility through public transportation. Despite challenging economic times, the city has successfully advanced its H.E.A.T. (healthcare, education, aerospace, tourism/technology) initiative. Banner Health, the largest city employer, is home to the renowned MD Anderson Cancer Center. Several private liberal arts colleges have campuses in Mesa, joining ASU Polytechnic and Mesa Community College in offering postsecondary education opportunities. The Boeing Company, AZLabs and Phoenix-Mesa Gateway Airport form an epicenter of aerospace research, development and production. From the internationally recognized Mesa Arts Center to the Cubs Stadium and several youth-focused museums, entertainment venues draw local visitors and travelers at ever-increasing rates.

With a population of more than 504,000 Mesa, Arizona is the 37th largest city in the United States and second largest in the Phoenix-Mesa metro area and is larger than Miami, Minneapolis, Atlanta and St. Louis. Mesa encompasses 138 square miles (357 square kilometers) inside a 21-city region that has a population of 4.9 million people, and is projected to grow to 5.4 million by 2026.

The District comprises 6 comprehensive high schools, 9 junior high schools, 50 elementary schools and 17 choice/success schools. The District employs more than 9,000 full-time and part-time equivalent staff, which includes 4,056 certified staff. The District has been recognized nationally for its outstanding educational programs and low costs in administering those programs. The Center for American Progress reports that Mesa Public Schools provide an excellent return on investment, based on per-pupil spending and student achievement. The District's award-winning neighborhood schools include 21 National Blue Ribbon Schools, 54 America's Healthiest Schools from the Alliance for a Healthier Generation, 18 A+ Schools of Excellence from the Arizona Educational Foundation and 17 Civic Engagement Schools from the Arizona Department of Education.

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 details 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.

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. Maricopa County is located in the south-central portion of Arizona and encompasses an area of approximately 9,225 square miles. Its boundaries encompass the cities of Phoenix, Scottsdale, Mesa, Tempe, Glendale, Chandler, and such towns as Gilbert, Paradise Valley

and Fountain Hills. Maricopa County is currently the nation's fourth largest county due to population size and the 14th in land area. Maricopa County has a very wide range of economic sectors.

Service is still the largest employment sector in the County, partly fueled by the tourist industry. Maricopa County has excellent accommodations, diverse cultural and recreational activities, and a favorable climate attracting millions to the area annually. Wholesale and retail trade is the second largest employment category, employing over a quarter million people.

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

A few of the major companies represented in the metropolitan area include The Boeing Company, Banner Health Systems, Mesa Public Schools, Empire Southwest, and City of Mesa. In addition, the metropolitan area continues to provide excellent educational and training opportunities through seven community colleges, four private colleges and graduate schools, one state university, and one private university.

Long-term Financial Planning. Student enrollment for the 2020-21 fiscal year decreased due to the COVID-19 pandemic. The District has been able to leverage federal stimulus funds to address the immediate financial impact of the student decline. This includes creation of Mesa Virtual Campus, a dedicated K-12 remote learning option for students throughout the District. The District will continue to monitor enrollment while working with state and federal leaders to address the challenge of the loss of students and the COVID-19 related additional expenses.

Prior to the pandemic, the District has experienced relatively consistent enrollment for the prior three years, despite a maturing population and an increasingly competitive education market. For the 2021-22 school year, enrollment is similar to the prior year. More than 85 percent of children who live in District boundaries attend Mesa Public Schools.

In addition to strong neighborhood elementary and junior high schools and comprehensive high schools, the District offers a variety of programs to meet the needs of every student. From preschool, Montessori and traditional, to International Baccalaureate, Advancement via Individual Determination (AVID) and Advanced Placement, parents and students can choose the opportunities that best fulfill their aspirations. Students benefit from in-person and remote learning models, stellar career and technical education offerings and award-winning creative and performing arts programs. The District offers an academically challenging Scholastic diploma, an AP Capstone diploma, and an Honor for Excellence in Service Learning gold seal.

In fiscal year 2020-21, the District received reimbursements of \$6,584,123 in building renewal funds from the School Facilities Board (SFB). The SFB administers these funds through a grant application process to allow school districts to repair and upgrade buildings and grounds. However, there are limited funds available statewide.

The District's school's average 41 years of age, with 18 schools being built since 1990, and 5 schools being built since 2000. The building of new school buildings and renovation of existing schools is occurring at various schools throughout the District with the use of proceeds from the 2018 bond authorization.

For over the past thirteen years, the state has reduced the capital funding formula for school districts. During this time, the district has seen a reduction of funding of over \$208 million. As a result of these reductions, on November 6, 2018, the voters of the District authorized an additional \$300,000,000 in General Obligation Bonds. The bonds will be used for technology, facility repairs and renovations and to purchase new buses. The District sold \$65,000,000 of these bonds in April 2019. The second bond sale was \$70,630,000 in May 2020. In May 2021, a third bond sale of \$60,000,000 was made. In November 2019, the community also approved a 15% maintenance & operations budget increase.

AWARDS AND ACKNOWLEDGMENTS

Awards. The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its annual comprehensive financial report for the 2020 fiscal year. This was the 35th consecutive year that the District has received this prestigious award. In addition, the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its annual comprehensive financial report for the 2020 fiscal year for the 35th consecutive year. In order to be awarded these certificates, the District published an easily readable and efficiently organized annual comprehensive financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

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

Acknowledgments. The preparation of the annual comprehensive financial report on a timely basis was made possible by the dedicated service of the entire staff of the Financial Services and Audit Services departments. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report. In closing, without the leadership and support of the Governing Board of the District, preparation of this report would not have been possible.

Respectfully submitted,



Dr. Andi Furlis
Superintendent of Schools



Scott Thompson
Assistant Superintendent of Business and Support Services



Ken Alexander, CPA
Chief Financial Officer

2020-2021 GOVERNING BOARD



Jenny Richardson
President



Marcie Hutchinson
Clerk



Lara Ellingson
Member



Dr. Joe O'Reilly
Member



Kiana Maria Sears
Member

2020-2021 SUPERINTENDENCY



Dr. Andi Furlis
*Superintendent
of Schools*



Holly Williams
Associate Superintendent



Dr. James Driscoll
*Assistant Superintendent
Human Resources*



Dr. Tracy Yslas
*Assistant Superintendent
Teaching & Learning*



Scott Thompson
*Assistant Superintendent
Business and Support Services*



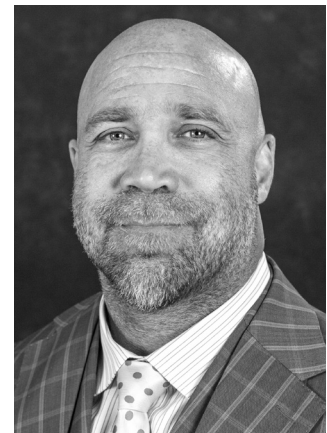
Theresa Baca
*Assistant Superintendent
Special Education*



Arlinda Mann
*Assistant Superintendent
Dobson-Westwood Area*

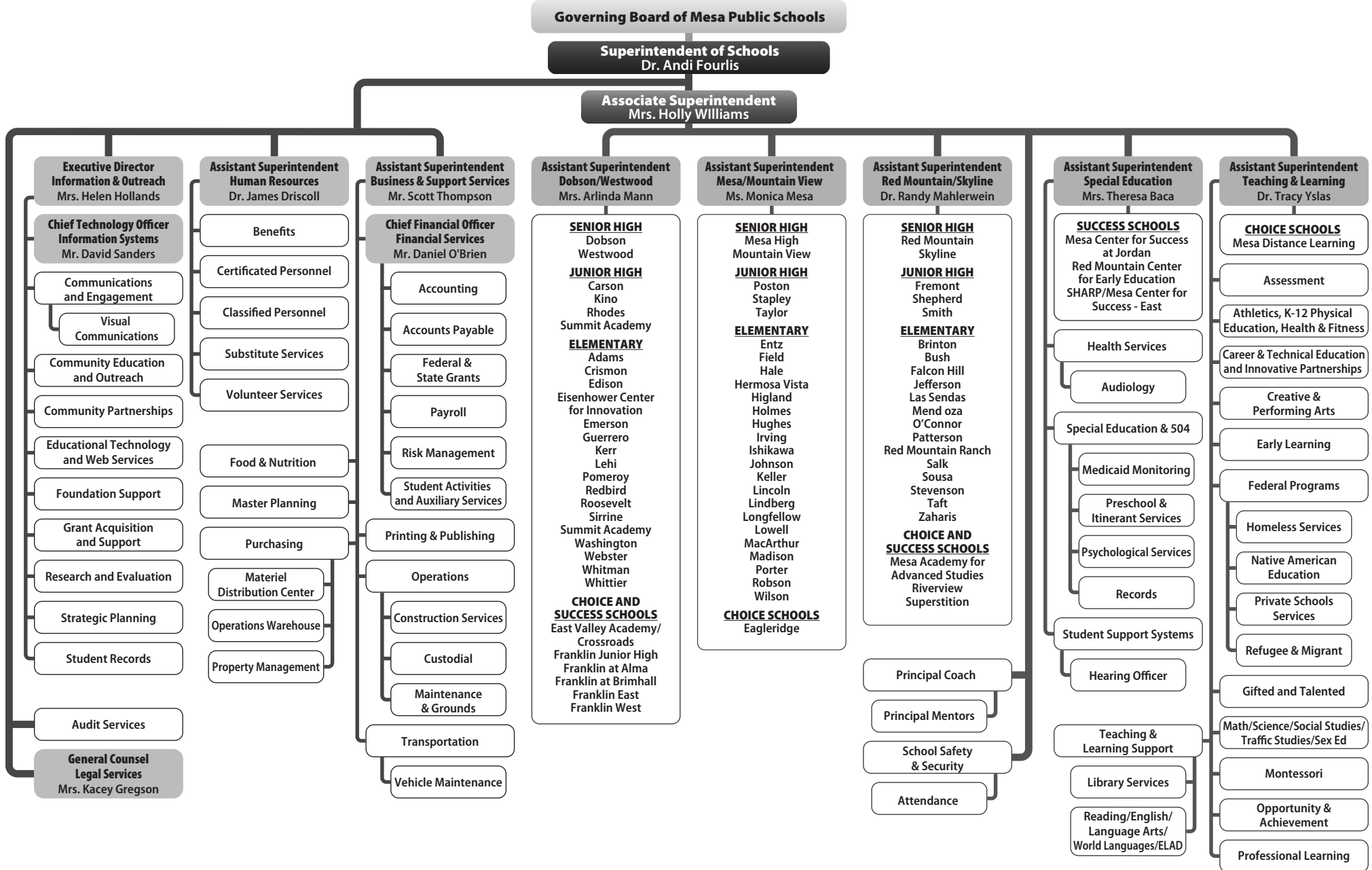


Monica Mesa
*Assistant Superintendent
Mesa-Mountain View Area*



Dr. Randy Mahlerwein
*Assistant Superintendent
Red Mountain-Skyline Area*

MESA PUBLIC SCHOOLS 2020-21 ORGANIZATIONAL CHART





ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Mesa Unified School District No. 4

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

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



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

W. Edward Chabal
President

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

David J. Lewis
Executive Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Mesa Unified School District No. 4
Arizona**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

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Independent Auditor's Report

Governing Board
Mesa Unified School District No. 4

Report on Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Mesa Unified School District No. 4 (District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Mesa Unified School District No. 4, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Mesa Unified School District No. 4 and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, and net pension liability information as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Combining and Individual Fund Financial Statements and Schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining and Individual Fund Financial Statements and Schedules information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section and Statistical Section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on other work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2021, on our consideration of Mesa Unified School District No. 4's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Mesa Unified School District No. 4's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Mesa Unified School District No. 4's internal control over financial reporting and compliance.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Scottsdale, Arizona
December 14, 2021

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

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**MESA UNIFIED SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2021**

As management of the Mesa Unified School District No. 4 (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2021. The management's discussion and analysis is presented as required supplementary information to supplement the basic financial statements. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

FINANCIAL HIGHLIGHTS

- The District's total net position of governmental activities increased \$35.0 million which represents a 47 percent increase from the prior fiscal year. This was as a result of a decrease in the deferred inflows related to the pension liability.
- General revenues accounted for \$552.8 million in revenue, or 79 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$150.2 million or 21 percent of total current fiscal year revenues.
- The District had approximately \$667.9 million in expenses related to governmental activities, an increase of eight percent from the prior fiscal year. The increase was due to increased salaries and benefits as well as combined with other expenses related to the pension liability.
- Among major funds, the General Fund had \$444.1 million current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$431.6 million in expenditures. The General Fund's fund balance increase from \$66.4 million at the prior fiscal year end to \$82.9 million at the end of the current fiscal year was primarily due to a decrease in expenditures as a result of COVID-19 protocols.
- Net position for the Internal Service Funds increased \$5.7 million from the prior fiscal year. Operating revenues of \$53.6 million exceeded operating expenses of \$48.2 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.

**MESA UNIFIED SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2021**

OVERVIEW OF FINANCIAL STATEMENTS

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. The accrual basis of accounting is used for the government-wide financial statements.

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

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

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

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

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

**MESA UNIFIED SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2021**

OVERVIEW OF FINANCIAL STATEMENTS

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Other Federal Projects, Debt Service, and Bond Building 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 funds are accounting devices used to accumulate and allocate costs internally among the District's various functions. The District uses its internal service funds 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. Other internal service funds include (1) the Workers' Compensation Fund which accounts for the financial activity associated with the District's self-insurance program for employee workers' compensation and (2) the Property and Casualty Insurance Fund which accounts for the financial activity associated with the District's self-insurance program for property and casualty losses. Because these activities predominantly benefit governmental functions, they have been included within governmental activities in the government-wide financial statements.

The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

**MESA UNIFIED SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2021**

OVERVIEW OF FINANCIAL STATEMENTS

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget process and pension plan. The District adopts an annual expenditure budget for all governmental funds. A schedule of revenues, expenditures and changes in fund balances – budget and actual has been provided for the General Fund and major Special Revenue Fund as required supplementary information. Schedules for the pension plan have also been provided as required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities by \$109.6 million at the current fiscal year end.

A large portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment and construction in progress), 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.

**MESA UNIFIED SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2021**

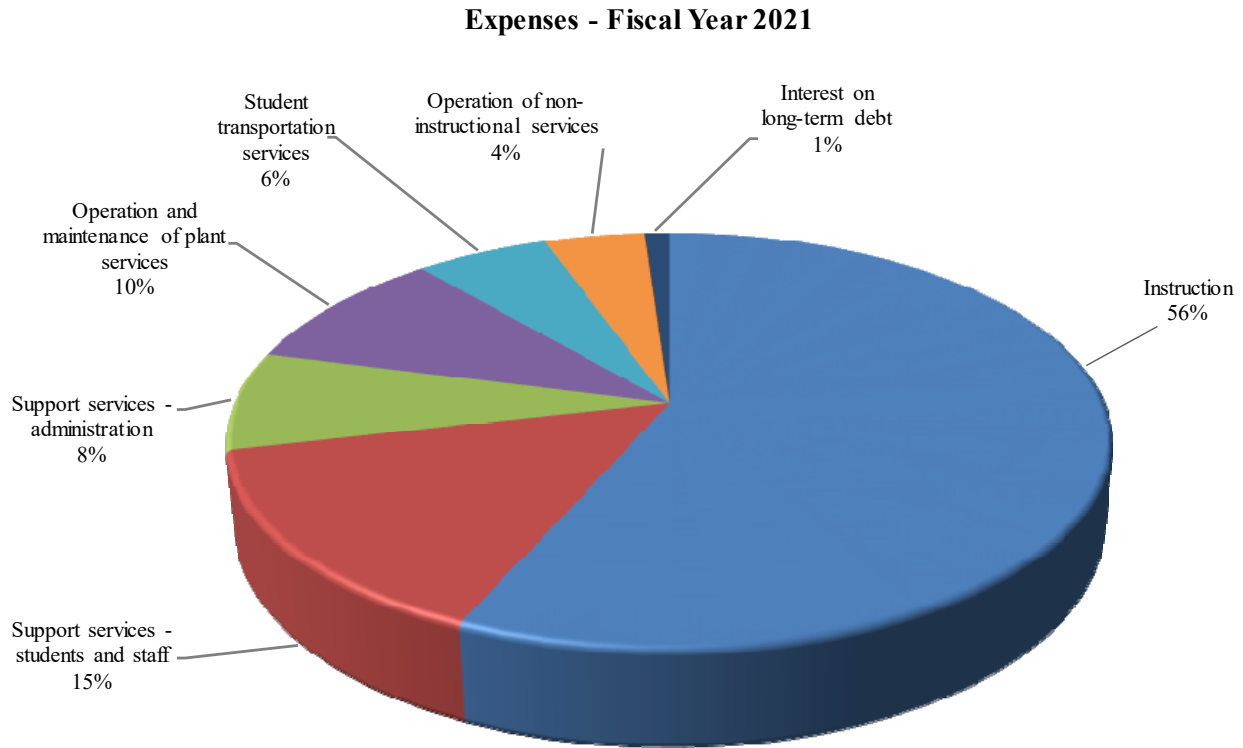
GOVERNMENT-WIDE FINANCIAL ANALYSIS

Changes in net position. The District's total revenues for the current fiscal year were \$703.0 million. The total cost of all programs and services was \$667.9 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2021 and June 30, 2020.

	Fiscal Year Ended June 30, 2021	Fiscal Year Ended June 30, 2020
Revenues:		
Program revenues:		
Charges for services	\$ 14,095,278	\$ 23,657,416
Operating grants and contributions	128,641,768	77,667,596
Capital grants and contributions	7,481,087	12,846,602
General revenues:		
Property taxes	226,653,337	191,834,986
Investment income	2,351,841	4,048,015
Unrestricted county aid	24,914,544	23,792,790
Unrestricted state aid	292,134,452	304,164,879
Unrestricted federal aid	6,715,888	6,742,296
Total revenues	702,988,195	644,754,580
Expenses:		
Instruction	377,990,166	355,926,838
Support services - students and staff	99,116,971	92,780,898
Support services - administration	51,084,470	37,390,362
Operation and maintenance of plant services	64,677,848	59,568,062
Student transportation services	38,809,951	34,921,019
Operation of non-instructional services	29,234,464	31,743,089
Interest on long-term debt	7,025,140	5,874,980
Total expenses	667,939,010	618,205,248
Changes in net position	35,049,185	26,549,332
Net position, beginning	74,521,146	47,971,814
Net position, ending	\$ 109,570,331	\$ 74,521,146

**MESA UNIFIED SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2021**

GOVERNMENT-WIDE FINANCIAL ANALYSIS



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

- An increase of \$34.8 million of property tax revenue as a result of an increase in the property tax rate.
- An increase of operating grant and contributions of \$51.0 million as a result of federal funding for COVID-19.
- An overall increase in expenses of \$49.7 million due to a number of factors, including increased salaries for staff specifically in the instruction and support services – students and staff line items. In addition, expenses are recognized for increased pension obligations which predominately affect those two line items.

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.

**MESA UNIFIED SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2021**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

	Year Ended June 30, 2021		Year Ended June 30, 2020	
	Total	Net (Expense)/	Total	Net (Expense)/
	Expenses	Revenue	Expenses	Revenue
Instruction	\$ 377,990,166	\$(309,124,565)	\$ 355,926,838	\$(306,131,375)
Support services - students and staff	99,116,971	(69,546,116)	92,780,898	(71,167,686)
Support services - administration	51,084,470	(48,776,949)	37,390,362	(35,625,955)
Operation and maintenance of plant services	64,677,848	(48,450,832)	59,568,062	(54,414,041)
Student transportation services	38,809,951	(35,711,036)	34,921,019	(32,652,791)
Operation of non-instructional services	29,234,464	913,761	31,743,089	1,833,194
Interest on long-term debt	7,025,140	(7,025,140)	5,874,980	(5,874,980)
Total	\$ 667,939,010	\$(517,720,877)	\$ 618,205,248	\$(504,033,634)

- The cost of all governmental activities this year was \$667.9 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$150.2 million.
- Net cost of governmental activities of \$517.7 million was financed by general revenues, which are made up of primarily property taxes of \$226.7 million and state and county aid of \$317.0 million. Investment earnings accounted for \$2.4 million of funding.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

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

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$270.2 million, an increase of \$38.5 million due primarily to an increase in federal funding as a result of COVID-19, an increase in the property tax rate, and the issuance of \$48.1 million in school improvement bonds and related premium of \$12.3 million.

**MESA UNIFIED SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2021**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The General Fund comprises 31 percent of the total fund balance. Approximately \$79.5 million, or 96 percent of the General Fund's fund balance is unassigned.

The General Fund is the principal operating fund of the District. The increase in fund balance of \$16.5 million to \$82.9 million as of fiscal year end was primarily a result of an increase in the property tax rate.

Fund balance in Other Federal Projects increased \$4.7 million primarily due to an increase in federal funding as a result of COVID-19.

Fund balance in the Debt Service Fund increased \$386,468 or 12 percent primarily due to an increase in property tax revenues.

Fund balance in the Bond Building Fund decreased \$9.4 million due to the utilization of fund balance to make capital improvements.

Proprietary funds. Net position of the Internal Service Funds at the end of the fiscal year amounted to \$51.3 million. The increase of \$5.7 million from the prior fiscal year was primarily due to contribution revenues exceeding claims.

BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the General Fund annual expenditure budget for changes in legislative allowances. The difference between the original budget and the final amended budget was a \$31.4 million decrease, or six 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 District was able to use CARES Act monies received from the federal government to offset normal maintenance and operation expenditures. As a result, there were favorable variances of \$20.3 million and \$8.2 million in the instruction and operation and maintenance of plant services line items, respectively.

**MESA UNIFIED SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2021**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District had invested \$1.3 billion 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 \$56.6 million from the prior fiscal year, primarily due to renovations of several District sites. Total depreciation expense for the current fiscal year was \$34.8 million.

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

	As of June 30, 2021	As of June 30, 2020
Capital assets - non-depreciable	\$ 60,968,506	\$ 45,634,502
Capital assets - depreciable, net	500,706,947	492,378,907
Total	\$ 561,675,453	\$ 538,013,409

The estimated cost to complete current construction projects is \$19.6 million.

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

Debt Administration. At year-end, the District had \$354.4 million in long-term debt outstanding, \$45.0 million due within one year. Long-term debt increased by \$13.1 million due to the District issuing \$40.1 million in general obligation bonds and \$12.3 million in related premium, as well as meeting debt service requirements.

The District's general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds (up to 30 percent of the total net full cash assessed valuation) and the statutory debt limit on Class B bonds (the greater of 20 percent of the net full cash assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$1.4 billion and the Class B debt limit is \$966.5 million, which are more than the District's total outstanding general obligation and Class B debt, respectively. There were no changes in the credit rating of the District's outstanding bonds.

Additional information on the District's long-term debt can be found in Notes 8 and 9.

**MESA UNIFIED SCHOOL DISTRICT NO. 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2021**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

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

- Fiscal year 2020-21 budget balance carry-forward (estimated \$42.4 million).
- District student population is estimated to remain stable (estimated 55,000 average daily membership).
- Additional state funding for teacher pay.

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

Budgeted expenditures in the General Fund increased three percent to \$473.8 million in fiscal year 2021-22. Classified and certified salary increases are the primary reasons for the increase. State aid and property taxes are expected to be the primary funding sources.

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 Financial Services Department, Mesa Unified School District No. 4, 63 East Main Street, Suite 101, Mesa, Arizona 85201-7422.

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

MESA UNIFIED SCHOOL DISTRICT NO. 4
STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 343,932,489
Deposits	2,081,138
Property taxes receivable	5,938,842
Accounts receivable	729,513
Due from governmental entities	91,818,655
Prepaid items	427,533
Inventory	4,651,631
Total current assets	449,579,801
Noncurrent assets:	
Capital assets not being depreciated	60,968,506
Capital assets, net of accumulated depreciation	500,706,947
Total noncurrent assets	561,675,453
Total assets	1,011,255,254
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Pension plan items	112,409,325
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	29,038,426
Claims payable	7,719,423
Accrued payroll and employee benefits	30,064,002
Compensated absences payable	2,144,663
Accrued interest payable	5,081,950
Unearned revenues	907,214
Bonds payable	44,975,000
Total current liabilities	119,930,678
Noncurrent liabilities:	
Non-current portion of long-term obligations	894,163,570
Total noncurrent liabilities	894,163,570
Total liabilities	1,014,094,248
<u>NET POSITION</u>	
Net investment in capital assets	294,475,579
Restricted for:	
Instruction	44,996,417
Food service	13,982,973
Non-instructional purposes	14,761,355
Debt service	3,962,848
Capital outlay	31,309,412
Unrestricted	(293,918,253)
Total net position	\$ 109,570,331

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

**MESA UNIFIED SCHOOL DISTRICT NO. 4
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Instruction	\$ 377,990,166	\$ 9,285,567	\$ 58,683,071	\$ 896,963	\$ (309,124,565)
Support services - students and staff	99,116,971	525,613	29,045,242		(69,546,116)
Support services - administration	51,084,470	547,567	1,759,954		(48,776,949)
Operation and maintenance of plant services	64,677,848	1,276,310	8,366,582	6,584,124	(48,450,832)
Student transportation services	38,809,951		3,098,915		(35,711,036)
Operation of non-instructional services	29,234,464	2,460,221	27,688,004		913,761
Interest on long-term debt	7,025,140				(7,025,140)
Total governmental activities	<u>\$ 667,939,010</u>	<u>\$ 14,095,278</u>	<u>\$ 128,641,768</u>	<u>\$ 7,481,087</u>	<u>(517,720,877)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes	163,980,891
Property taxes, levied for debt service	54,746,602
Property taxes, levied for capital outlay	7,925,844
Investment income	2,351,841
Unrestricted county aid	24,914,544
Unrestricted state aid	292,134,452
Unrestricted federal aid	6,715,888

Total general revenues 552,770,062

Changes in net position 35,049,185

Net position, beginning of year 74,521,146

Net position, end of year \$ 109,570,331

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

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FUND FINANCIAL STATEMENTS

MESA UNIFIED SCHOOL DISTRICT NO. 4
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021

	General	Other Federal Projects	Debt Service
<u>ASSETS</u>			
Cash and investments	\$ 12,029,341	\$	\$ 53,113,786
Property taxes receivable	5,032,830		906,012
Due from governmental entities	70,614,830	12,907,082	
Due from other funds	12,455,868		
Inventory	3,341,212		
Total assets	\$ 103,474,081	\$ 12,907,082	\$ 54,019,798
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 4,862,298	\$ 217,496	\$
Due to other funds		10,398,486	
Accrued payroll and employee benefits	12,097,944	2,294,305	
Unearned revenues			
Bonds payable			44,975,000
Bond interest payable			5,081,950
Total liabilities	16,960,242	12,910,287	50,056,950
Deferred inflows of resources:			
Unavailable revenues - property taxes	3,636,266		459,726
Unavailable revenues - intergovernmental		5,881,624	
Total deferred inflows of resources	3,636,266	5,881,624	459,726
Fund balances (deficits):			
Nonspendable	3,341,212		
Restricted			3,503,122
Unassigned	79,536,361	(5,884,829)	
Total fund balances	82,877,573	(5,884,829)	3,503,122
 Total liabilities, deferred inflows of resources and fund balances	 \$ 103,474,081	 \$ 12,907,082	 \$ 54,019,798

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

<u>Bond Building</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 106,370,927	\$ 116,663,272	\$ 288,177,326
		5,938,842
	8,296,743	91,818,655
	2,239,587	14,695,455
	1,310,419	4,651,631
<u>\$ 106,370,927</u>	<u>\$ 128,510,021</u>	<u>\$ 405,281,909</u>
\$ 19,183,813	\$ 4,774,819	\$ 29,038,426
	4,296,969	14,695,455
	15,671,753	30,064,002
	907,214	907,214
		44,975,000
		5,081,950
<u>19,183,813</u>	<u>25,650,755</u>	<u>124,762,047</u>
		4,095,992
	294,106	6,175,730
	<u>294,106</u>	<u>10,271,722</u>
	1,310,419	4,651,631
87,187,114	103,649,399	194,339,635
	(2,394,658)	71,256,874
<u>87,187,114</u>	<u>102,565,160</u>	<u>270,248,140</u>
<u>\$ 106,370,927</u>	<u>\$ 128,510,021</u>	<u>\$ 405,281,909</u>

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MESA UNIFIED SCHOOL DISTRICT NO. 4
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021

Total governmental fund balances		\$ 270,248,140
<p>Amounts reported for <i>governmental activities</i> in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		
Governmental capital assets	\$ 1,269,463,860	
Less accumulated depreciation	<u>(707,788,407)</u>	561,675,453
<p>Some receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds.</p>		
Property taxes	4,095,992	
Intergovernmental	<u>6,175,730</u>	10,271,722
<p>Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.</p>		
Deferred outflows of resources related to pensions		112,409,325
<p>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.</p>		
		51,273,924
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.</p>		
Compensated absences payable	(19,761,126)	
Net pension liability	(567,135,119)	
Bonds payable	<u>(309,411,988)</u>	<u>(896,308,233)</u>
Net position of governmental activities		<u><u>\$ 109,570,331</u></u>

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

MESA UNIFIED SCHOOL DISTRICT NO. 4
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	General	Other Federal Projects	Debt Service
Revenues:			
Other local	\$ 28,321,717	\$	\$ 30,065
Property taxes	164,080,187		54,871,905
State aid and grants	244,937,271		
Federal aid, grants and reimbursements	6,715,888	51,954,053	
Total revenues	444,055,063	51,954,053	54,901,970
Expenditures:			
Current -			
Instruction	236,699,550	29,901,329	
Support services - students and staff	66,953,279	4,222,779	
Support services - administration	43,667,848	1,206,004	
Operation and maintenance of plant services	57,501,862	1,920,036	
Student transportation services	23,987,020	1,143,262	
Operation of non-instructional services	1,393,772	1,405,093	
Capital outlay	1,372,783	6,638,956	
Debt service -			
Principal retirement			44,975,000
Interest and fiscal charges			10,519,810
Bond issuance costs			
Total expenditures	431,576,114	46,437,459	55,494,810
Excess (deficiency) of revenues over expenditures	12,478,949	5,516,594	(592,840)
Other financing sources (uses):			
Transfers in	4,318,693		979,308
Transfers out		(848,249)	
Issuance of school improvement bonds			
Premium on sale of bonds			
Proceeds from sale of capital assets	30,868		
Total other financing sources (uses)	4,349,561	(848,249)	979,308
Changes in fund balances	16,828,510	4,668,345	386,468
Fund balances (deficits), beginning of year	66,379,327	(10,553,174)	3,116,654
Increase (decrease) in reserve for inventory	(330,264)		
Fund balances (deficits), end of year	\$ 82,877,573	\$ (5,884,829)	\$ 3,503,122

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

Bond Building	Non-Major Governmental Funds	Total Governmental Funds
\$ 979,296	\$ 13,948,265	\$ 43,279,343
	7,925,844	226,877,936
	61,250,583	306,187,854
	76,444,441	135,114,382
<u>979,296</u>	<u>159,569,133</u>	<u>711,459,515</u>
	53,101,769	319,702,648
	23,179,947	94,356,005
	701,801	45,575,653
	908,795	60,330,693
	1,602,656	26,732,938
	23,162,180	25,961,045
69,358,664	26,287,430	103,657,833
		44,975,000
		10,519,810
467,342		467,342
<u>69,826,006</u>	<u>128,944,578</u>	<u>732,278,967</u>
<u>(68,846,710)</u>	<u>30,624,555</u>	<u>(20,819,452)</u>
		5,298,001
(979,308)	(3,470,444)	(5,298,001)
48,140,000		48,140,000
12,264,163		12,264,163
		30,868
<u>59,424,855</u>	<u>(3,470,444)</u>	<u>60,435,031</u>
<u>(9,421,855)</u>	<u>27,154,111</u>	<u>39,615,579</u>
96,608,969	76,239,183	231,790,959
	(828,134)	(1,158,398)
<u>\$ 87,187,114</u>	<u>\$ 102,565,160</u>	<u>\$ 270,248,140</u>

MESA UNIFIED SCHOOL DISTRICT NO. 4
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

Changes in fund balances - total governmental funds **\$ 39,615,579**

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	\$ 58,671,859	
Less current year depreciation	<u>(34,832,070)</u>	23,839,789

Issuance of school improvement bonds and premium provide current financial resources to governmental funds but the issuance increases long term liabilities in the Statement of Net Position.		(60,404,163)
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Some revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes	(224,599)	
Intergovernmental	<u>(8,569,801)</u>	(8,794,400)

Repayments of bond principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		44,975,000
--	--	------------

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

Current year pension contributions	43,598,096	
Pension expense	<u>(53,535,149)</u>	(9,937,053)

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

Inventory	(1,158,398)	
Loss on disposal of assets	(177,745)	
Amortization of issuance premium	3,494,670	
Compensated absences	<u>(2,079,564)</u>	78,963

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.		<u>5,675,470</u>
--	--	------------------

Changes in net position in governmental activities **\$ 35,049,185**

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

MESA UNIFIED SCHOOL DISTRICT NO. 4
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	Governmental Activities: Internal Service Funds
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 55,755,163
Deposits	2,081,138
Accounts receivable	729,513
Prepaid items	427,533
Total current assets	58,993,347
Total assets	58,993,347
<u>LIABILITIES</u>	
Current liabilities:	
Claims payable	7,719,423
Total current liabilities	7,719,423
Total liabilities	7,719,423
<u>NET POSITION</u>	
Unrestricted	51,273,924
Total net position	\$ 51,273,924

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

MESA UNIFIED SCHOOL DISTRICT NO. 4
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Governmental Activities: Internal Service Funds
Operating revenues:	
Other local	\$ 2,066,207
Contributions	51,561,910
Total operating revenues	<u>53,628,117</u>
Operating expenses:	
Other	1,071,349
Claims	42,523,487
Adjustment to prior year claims reserves	464,709
Premiums	1,786,933
Administrative fees	2,398,381
Total operating expenses	<u>48,244,859</u>
Operating income (loss)	<u>5,383,258</u>
Nonoperating revenues (expenses):	
Investment income	292,212
Total nonoperating revenues (expenses)	<u>292,212</u>
Changes in net position	<u>5,675,470</u>
Total net position, beginning of year	45,598,454
Total net position, end of year	<u><u>\$ 51,273,924</u></u>

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

**MESA UNIFIED SCHOOL DISTRICT NO. 4
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2021**

	Governmental Activities: Internal Service Funds
<u>Increase/Decrease in Cash and Cash Equivalents</u>	
Cash flows from operating activities:	
Cash received from contributions	\$ 51,547,729
Cash received from other sources	2,066,207
Cash payments to suppliers for goods and services	(5,587,352)
Cash payments for claims	(42,941,655)
Net cash provided by/used for operating activities	5,084,929
 Cash flows from investing activities:	
Investment income	292,212
Net cash provided by/used for investing activities	292,212
Net increase/decrease in cash and cash equivalents	5,377,141
Cash and cash equivalents, beginning of year	50,378,022
Cash and cash equivalents, end of year	\$ 55,755,163
 <u>Reconciliation of Operating Income/Loss to Net Cash Provided by/Used for Operating Activities</u>	
Operating income/loss	\$ 5,383,258
Adjustments to reconcile operating income/loss to net cash provided by/used for operating activities:	
Changes in assets and liabilities:	
Increase/decrease in deposits	(2,590)
Increase/decrease in accounts receivable	(14,181)
Increase/decrease in prepaid items	(68,515)
Increase/decrease in accounts payable	(236,766)
Increase/decrease in claims payable	46,541
Increase/decrease in unearned revenue	(22,818)
Total adjustments	(298,329)
Net cash provided by/used for operating activities	\$ 5,084,929

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

MESA UNIFIED SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Mesa Unified School District No. 4 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

A. Reporting Entity

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

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

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

The financial reporting entity consists of a primary government and its component units. A component unit is a legally separate entity that must be included in the reporting entity in conformity with generally accepted accounting principles. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Furthermore, the component unit combined with the District for financial statement presentation purposes, and the District, are not included in any other governmental reporting entity. Consequently, the District's financial statements include 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, bookstore, and athletic functions.

Blended Component Unit – Blended component units, although legally separate entities, are, in substance, part of the District's operations. The Mesa Unified School District No. 4 Employee Benefit Trust is responsible for providing health insurance for the District employees. The District's Governing Board appoints the Trust's Board of Directors. The Mesa Unified School District No. 4 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. Financial statements for the component unit may be obtained at the Mesa Unified School District No. 4's administrative offices, 63 East Main Street, Suite 101, Mesa, Arizona 85201-7422.

MESA UNIFIED SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) present financial information about the District as a whole. The reported information includes all of the nonfiduciary activities of the District and its component unit. For the most part, the effect of internal activity has been removed from these statements. These statements are to distinguish between the governmental and business-type activities of the District. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District does not have any business-type activities or fiduciary activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, unrestricted federal, state and county aid, and other items not included among program revenues are reported instead as general revenues.

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

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

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

MESA UNIFIED SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

The District reports the following major governmental funds:

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

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

MESA UNIFIED SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Additionally, the District reports the following fund types:

Proprietary Funds – The Proprietary Funds are Internal Service Funds that account for activities related to the District’s self-insurance programs.

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

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

D. Cash and Investments

For purposes of the Statement of Cash Flows, the District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents at year-end were cash in bank and cash and investments held by the County Treasurer.

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.

MESA UNIFIED SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

E. Investment Income

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

F. Receivables and Payables

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

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

MESA UNIFIED SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

G. Property Tax Calendar

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

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

H. Inventory

Inventories of the General Fund are stated at cost using the weighted average method. The inventories of the Auxiliary Operations, Student Activities, and Food Service Funds are stated at cost using the first-in, first-out 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 and proprietary fund financial statements and as expenditures when purchased in the fund financial statements.

J. Capital Assets

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

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

MESA UNIFIED SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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	7 – 50 years
Buildings and improvements	10 – 50 years
Vehicles, furniture and equipment	2 – 25 years

K. Deferred Outflows/Inflows of Resources

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

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

L. Compensated Absences

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

M. Pensions

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

MESA UNIFIED SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

N. Long-term Obligations

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

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

O. Interfund Activity

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

P. Net Position Flow Assumption

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

Q. Estimates

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

MESA UNIFIED SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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 procedures for the utilization of committed fund balance, accordingly, no committed fund balance amounts are reported.

Assigned. Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. Assigned fund balance represents the intended uses established by the Assistant Superintendent of Business and Support Services or the Chief Financial Officer who have been delegated the authority to assign fund balance by the policy adopted by the Governing Board.

MESA UNIFIED SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

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

	<u>General Fund</u>	<u>Other Federal Projects Fund</u>	<u>Debt Service Fund</u>	<u>Bond Building Fund</u>	<u>Non-Major Governmental Funds</u>
Fund Balances:					
Nonspendable:					
Inventory	\$ 3,341,212	\$	\$	\$	\$ 1,310,419
Restricted:					
Debt service			3,503,122		
Capital projects					31,309,412
Bond building projects				87,187,114	
Voter approved initiatives					19,205,942
Federal and state projects					10,597,462
Food service					12,716,882
Civic center					2,787,069
Community school					11,953,615
Extracurricular activities					4,145,640
Gifts and donations					3,100,672
Career technical education					4,811,355
Student activities					2,848,692
Other purposes					172,658
Unassigned	<u>79,536,361</u>	<u>(5,884,829)</u>			<u>(2,394,658)</u>
Total fund balances	<u>\$82,877,573</u>	<u>\$(5,884,829)</u>	<u>\$ 3,503,122</u>	<u>\$ 87,187,114</u>	<u>\$ 102,565,160</u>

MESA UNIFIED SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

	Deficit
Major Fund:	
Other Federal Projects	\$ 5,884,829
Non-Major Governmental Funds:	
Title I Grants	88,327
Special Education Grants	13,931
Vocational Education	101,509
Building Renewal Grant	2,190,891

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

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

NOTE 4 – CASH AND INVESTMENTS

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure the District’s deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the District’s deposits was \$37,304,321 and the bank balance was \$40,264,131. At year end, \$39,710,652 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 \$3,495,782 was uninsured and uncollateralized. In addition, the District had \$16,385 of cash on hand at year end.

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

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

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

MESA UNIFIED SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 – CASH AND INVESTMENTS

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

	<u>Average Maturities</u>	<u>Fair Value</u>
County Treasurer’s investment pool	842 days	\$ 306,611,783

Interest Rate Risk. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. The District has no investment policy that would further limit its investment choices. As of year end, the District’s investment in the County Treasurer’s investment pool did not receive a credit quality rating from a national rating agency.

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

NOTE 5 – RECEIVABLES

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

	<u>General Fund</u>	<u>Other Federal Projects Fund</u>	<u>Non-Major Governmental Funds</u>
Due from other governmental entities:			
Due from federal government	\$ 876,715	\$ 12,907,082	\$ 5,018,476
Due from state government	69,548,690		1,827,499
Due from other Districts	189,425		1,450,768
Net due from governmental entities	<u>70,614,830</u>	<u>\$ 12,907,082</u>	<u>\$ 8,296,743</u>

MESA UNIFIED SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6 – CAPITAL ASSETS

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

	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 34,237,589	\$	\$	\$ 34,237,589
Construction in progress	11,396,913	42,040,969	26,706,965	26,730,917
Total capital assets, not being depreciated	<u>45,634,502</u>	<u>42,040,969</u>	<u>26,706,965</u>	<u>60,968,506</u>
Capital assets, being depreciated:				
Land improvements	75,230,997	2,567,597	44,310	77,754,284
Buildings and improvements	994,258,106	30,158,961	135,311	1,024,281,756
Vehicles, furniture and equipment	97,880,751	10,611,297	2,032,734	106,459,314
Total capital assets being depreciated	<u>1,167,369,854</u>	<u>43,337,855</u>	<u>2,212,355</u>	<u>1,208,495,354</u>
Less accumulated depreciation for:				
Land improvements	(43,448,668)	(2,916,229)	(185)	(46,364,712)
Buildings and improvements	(578,437,007)	(27,043,409)	(1,691)	(605,478,725)
Vehicles, furniture and equipment	(53,105,272)	(4,872,432)	(2,032,734)	(55,944,970)
Total accumulated depreciation	<u>(674,990,947)</u>	<u>(34,832,070)</u>	<u>(2,034,610)</u>	<u>(707,788,407)</u>
Total capital assets, being depreciated, net	<u>492,378,907</u>	<u>8,505,785</u>	<u>177,745</u>	<u>500,706,947</u>
Governmental activities capital assets, net	<u>\$ 538,013,409</u>	<u>\$ 50,546,754</u>	<u>\$26,884,710</u>	<u>\$ 561,675,453</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$28,381,048
Support services – students and staff	844,268
Support services – administration	1,530,845
Operation and maintenance of plant services	612,620
Student transportation services	3,211,102
Operation of non-instructional services	252,187
Total depreciation expense – governmental activities	<u>\$34,832,070</u>

Construction Commitments – At year end, the District had contractual commitments related to various capital projects for the renovation of several school sites. At year end, the District had spent \$26,730,917 on the projects and had estimated remaining contractual commitments of \$19,615,017. These projects are being funded primarily with bond proceeds.

MESA UNIFIED SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 7 – SHORT TERM DEBT – REVOLVING LINE OF CREDIT

The District has a revolving line of credit to provide cash flow during the year to mitigate the impact of timing differences of expenditures and the receipt of state aid and property tax revenues. At year end, the District had \$40.0 million in unused line of credit.

NOTE 8 – GENERAL OBLIGATION BONDS PAYABLE

Bonds payable at year end, consisted of the following outstanding general obligation bonds. Of the total amount originally authorized, \$95.0 million remains unissued. The bonds are both callable and noncallable with interest payable semiannually. Property taxes from the Debt Service Fund are used to pay bonded debt. The District’s legal debt limit is \$1.4 billion, and the available margin is \$1.1 billion.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2021	Due Within One Year
Governmental activities:					
General obligation bonds:					
School Improvement Bonds, Project of 2012, Series A (2013)	\$ 46,000,000	3.0%	7/1/21-22	\$ 24,800,000	\$ 11,000,000
School Improvement Bonds, Project of 2012, Series B (2014)	50,000,000	3.0-3.5%	7/1/21-23	23,750,000	4,500,000
School Improvement Bonds, Project of 2012, Series C (2015)	35,000,000	3.0%	7/1/21-24	22,000,000	5,260,000
School Improvement Bonds, Project of 2012, Series D (2016)	35,000,000	3.0%	7/1/21-25	30,000,000	14,000,000
School Improvement Bonds, Project of 2012, Series E (2017)	30,315,000	5.0%	7/1/21-26	23,565,000	3,465,000
School Improvement Bonds, Project of 2012, Series F (2018)	25,355,000	5.0%	7/1/21-27	24,105,000	2,000,000
School Improvement Bonds, Project of 2018, Series A (2019)	56,135,000	2.0-5.0%	7/1/22-28	53,510,000	
School Improvement Bonds, Project of 2018, Series C (2020)	40,630,000	5.0%	7/1/25-29	40,630,000	
School Improvement Bonds, Project of 2018, Series D (2021)	48,140,000	5.0%	7/1/23-30	48,140,000	
Private placement general obligation bonds:					
School Improvement Bonds, Project of 2018, Taxable Services B (2020)	30,000,000	1.0%	7/1/21-24	30,000,000	4,750,000
Total				<u>\$ 320,500,000</u>	<u>\$ 44,975,000</u>

MESA UNIFIED SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 8 – GENERAL OBLIGATION BONDS PAYABLE

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

Year ending June 30:	Governmental Activities			
	General Obligation Bonds		Private Placement General Obligation Bonds	
	Principal	Interest	Principal	Interest
2022	\$ 40,225,000	\$ 10,776,931	\$ 4,750,000	\$ 262,438
2023	44,430,000	10,341,350	2,125,000	229,782
2024	34,475,000	8,862,450	13,000,000	157,938
2025	31,220,000	7,486,400	10,125,000	48,094
2026	33,425,000	6,010,075		
2027-31	106,725,000	10,415,375		
Total	<u>\$ 290,500,000</u>	<u>\$ 53,892,581</u>	<u>\$ 30,000,000</u>	<u>\$ 698,252</u>

NOTE 9 – CHANGES IN LONG-TERM LIABILITIES

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$286,135,000	\$ 48,140,000	\$ 43,775,000	\$ 290,500,000	\$40,225,000
Private placement general obligation bonds	30,000,000			30,000,000	4,750,000
Premium	25,117,495	12,264,163	3,494,670	33,886,988	
Total bonds payable	<u>341,252,495</u>	<u>60,404,163</u>	<u>47,269,670</u>	<u>354,386,988</u>	<u>44,975,000</u>
Net pension liability	468,531,459	98,603,660		567,135,119	
Compensated absences payable	17,681,562	6,266,354	4,186,790	19,761,126	2,144,663
Governmental activity long-term liabilities	<u>\$827,465,516</u>	<u>\$ 165,274,177</u>	<u>\$ 51,456,460</u>	<u>\$ 941,283,233</u>	<u>\$47,119,663</u>

MESA UNIFIED SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 10 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At year end, interfund balances were as follows:

Due to/from other funds – At year end, the Other Federal Projects Fund and several non-major governmental funds had negative cash balances of \$10,398,486 and \$4,296,969, respectively, totaling \$14,695,455 in the Treasurer’s pooled cash accounts. Negative cash on deposit with the County Treasurer was reduced by interfund borrowing with the General Fund of \$12,455,868 and other non-major governmental funds of \$2,239,587. All interfund balances are expected to be paid within one year.

Interfund transfers:

Transfers out	Transfers in		
	General Fund	Debt Service Fund	Total
Other Federal Projects Fund	\$ 848,249	\$	\$ 848,249
Bond Building Fund		979,308	979,308
Non-Major Governmental Funds	3,470,444		3,470,444
Total	\$ 4,318,693	\$ 979,308	\$ 5,298,001

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

NOTE 11 – CONTINGENT LIABILITIES

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

Lawsuits – The District is a party to a number of various types of lawsuits, many of which normally occur in governmental operations. The ultimate outcome of the actions is not determinable, however, District management believes that the outcome of these proceedings, either individually or in the aggregate, will not have a materially adverse effect on the accompanying financial statements.

Arbitrage – Under the Tax Reform Act of 1986, interest earned on the debt proceeds in excess of interest expense or expenditure prior to the disbursement of the proceeds must be rebated to the Internal Revenue Service (IRS). Management believes there is no tax arbitrage rebate liability at year-end.

MESA UNIFIED SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 12 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District was unable to obtain general property and liability insurance at a cost it considered to be economically justifiable. Therefore, the District established the following self-insurance funds.

The District has established a Property and Casualty Fund (an Internal Service Fund) to account for and finance its uninsured risks of loss related to property and liability claims. Under this program, the Property and Casualty Fund provides coverage for up to a maximum of \$250,000 for each property claim and \$100,000 for each general liability claim.

The District has established a Workers' Compensation Fund (an Internal Service Fund) to account for and finance its uninsured risks of loss related to claims for on-the-job injuries to employees. Under this program, the Workers' Compensation Fund provides coverage for up to a maximum of \$600,000 for each claim.

The District has established an Employee Benefits 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 Employee Benefits Fund provides coverage for up to a maximum of \$350,000 for each claim.

The District purchases commercial insurance for claims in excess of coverage provided by each of these funds. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The General Fund makes payments to the Property and Casualty and Workers' Compensation Funds based on actuarial estimates of the amounts needed to pay prior and current year claims. The employees of the General and Special Revenue Funds participate in the Employee Benefit Trust Fund. The District makes contributions and the employees make payments based on actuarial estimates of the amounts needed to pay prior and current year claims. The claims liabilities reported in the Funds at June 30, 2021, are based on the requirements established by GASB, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

MESA UNIFIED SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 12 – RISK MANAGEMENT

Changes in the claims liability amounts in fiscal years 2020-21 and 2019-20 were as follows:

	Claims Payable Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Claims Payable at End of Year
Employee Benefit Trust				
2020-21	\$ 3,676,000	\$ 42,757,354	\$ 41,700,354	\$ 4,733,000
2019-20	4,252,000	37,899,285	38,475,285	3,676,000
Workers' Compensation				
2020-21	3,271,315	428,879	858,476	2,841,718
2019-20	3,861,298	346,660	936,643	3,271,315
Property and Casualty				
2020-21	725,567	(198,037)	382,825	144,705
2019-20	562,105	1,378,466	1,215,004	725,567
Total				
2020-21	7,672,882	42,988,196	42,941,655	7,719,423
2019-20	8,675,403	39,624,411	40,626,932	7,672,882

The District is also a member of 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 for administrative practices liability, property, automobile, storage tank system third party liability and cleanup and excess liability. 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.

NOTE 13 – PENSIONS

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

MESA UNIFIED SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 13 – PENSIONS

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

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

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

*With actuarially reduced benefits

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

Contributions. In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 12.22 percent (12.04 percent for retirement and 0.18 percent for long-term disability) of the members’ annual covered payroll, and the District was required by statute to contribute at the actuarially determined rate of 12.22 percent (11.65 percent for retirement, 0.39 percent for health insurance premium benefit, and 0.18 percent for long-term disability) of the active members’ annual covered payroll. The District’s contributions to the pension plan for the year ended June 30, 2021 were \$43,598,096.

MESA UNIFIED SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 13 – PENSIONS

Employers are also required to pay an Alternate Contribution Rate (ACR), for retired members who return to work in positions that would typically be filled by an employee who contributes to ASRS. The District was required by statute to contribute at the actuarially determined rate of 10.21 percent (10.14 for retirement and 0.07 percent for long-term disability). ACR contributions are included in employer contributions presented above.

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

Pension Liability. The net pension liability was measured as of June 30, 2020. The total liability used to calculate the net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2019, to the measurement date of June 30, 2020. The District’s proportion of the net liability was based on the District’s actual contributions to the applicable plan relative to the total of all participating employers’ contributions to the plan for the year ended June 30, 2020.

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

Net Liability	District % Proportion	Increase (Decrease)
\$ 567,135,119	3.273	0.053

Pension Expense and Deferred Outflows/Inflows of Resources. The District has deferred outflows and inflows of resources related to the net pension liability. Certain changes in the net pension liability are recognized as pension expense over a period of time rather than the year of occurrence. The District’s pension expense for the year ended June 30, 2021 was \$53,535,149.

MESA UNIFIED SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 13 – PENSIONS

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,130,720	\$
Net difference between projected and actual earnings on pension investments	54,700,846	
Changes in proportion and differences between contributions and proportionate share of contributions	8,979,663	
Contributions subsequent to the measurement date	43,598,096	
Total	\$ 112,409,325	\$

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

The amounts of deferred outflows of resources resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as an adjustment of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:		
2022	\$	12,860,199
2023		19,246,467
2024		19,785,879
2025		16,918,684

MESA UNIFIED SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 13 – PENSIONS

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

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

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2016. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2017, actuarial valuation.

The long-term expected rate of return on ASRS plan investments was determined to be 7.5 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, excluding any expected inflation.

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

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

MESA UNIFIED SCHOOL DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 13 – PENSIONS

Discount Rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board’s funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Rate	6.5%	7.5%	8.5%
Net liability	\$ 775,549,580	\$ 567,135,119	\$ 392,911,337

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

REQUIRED SUPPLEMENTARY INFORMATION

MESA UNIFIED SCHOOL DISTRICT NO. 4
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other local	\$	\$	\$ 23,785,574	\$ 23,785,574
Property taxes			164,080,187	164,080,187
State aid and grants			244,317,261	244,317,261
Total revenues			<u>432,183,022</u>	<u>432,183,022</u>
Expenditures:				
Current -				
Instruction	287,358,753	252,748,006	232,461,919	20,286,087
Support services - students and staff	67,590,979	70,997,824	63,978,646	7,019,178
Support services - administration	41,801,999	44,678,096	40,938,625	3,739,471
Operation and maintenance of plant services	62,437,729	63,976,076	55,726,958	8,249,118
Student transportation services	31,182,469	27,089,145	23,512,824	3,576,321
Operation of non-instructional services	1,309,622	786,266	1,269,608	(483,342)
Total expenditures	<u>491,681,551</u>	<u>460,275,413</u>	<u>417,888,580</u>	<u>42,386,833</u>
Changes in fund balances	<u>(491,681,551)</u>	<u>(460,275,413)</u>	<u>14,294,442</u>	<u>474,569,855</u>
Fund balances, beginning of year			28,913,149	28,913,149
Increase (decrease) in reserve for prepaid items			2,161,947	2,161,947
Increase (decrease) in reserve for inventory			(340,566)	(340,566)
Fund balances (deficits), end of year	<u>\$ (491,681,551)</u>	<u>\$ (460,275,413)</u>	<u>\$ 45,028,972</u>	<u>\$ 505,304,385</u>

See accompanying notes to this schedule.

MESA UNIFIED SCHOOL DISTRICT NO. 4
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
OTHER FEDERAL PROJECTS
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Federal aid, grants and reimbursements	\$	\$	\$ 51,954,053	\$ 51,954,053
Total revenues			51,954,053	51,954,053
Expenditures:				
Current -				
Instruction	50,823	49,851,855	29,901,329	19,950,526
Support services - students and staff			4,222,779	(4,222,779)
Support services - administration			1,206,004	(1,206,004)
Operation and maintenance of plant services			1,920,036	(1,920,036)
Student transportation services			1,143,262	(1,143,262)
Operation of non-instructional services			1,405,093	(1,405,093)
Capital outlay			6,638,956	(6,638,956)
Total expenditures	50,823	49,851,855	46,437,459	3,414,396
Excess (deficiency) of revenues over expenditures	(50,823)	(49,851,855)	5,516,594	55,368,449
Other financing sources (uses):				
Transfers out			(848,249)	(848,249)
Total other financing sources (uses)			(848,249)	(848,249)
Changes in fund balances	(50,823)	(49,851,855)	4,668,345	54,520,200
Fund balances (deficits), beginning of year			(10,553,174)	(10,553,174)
Fund balances (deficits), end of year	\$ (50,823)	\$ (49,851,855)	\$ (5,884,829)	\$ 43,967,026

See accompanying notes to this schedule.

MESA UNIFIED SCHOOL DISTRICT NO. 4
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
ARIZONA STATE RETIREMENT SYSTEM
LAST SEVEN FISCAL YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Measurement date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
District's proportion of the net pension (assets) liability	3.27%	3.22%	3.14%	3.22%
District's proportionate share of the net pension (assets) liability	\$ 567,135,119	\$ 468,531,459	\$ 437,623,830	\$ 502,205,200
District's covered payroll	\$ 357,406,437	\$ 339,304,428	\$ 311,770,945	\$ 314,622,894
District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	158.68%	138.09%	140.37%	159.62%
Plan fiduciary net position as a percentage of the total pension liability	69.33%	73.24%	73.40%	69.92%

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 43,598,096	\$ 40,923,037	\$ 37,919,488	\$ 33,983,033
Contributions in relation to the actuarially determined contribution	<u>43,598,096</u>	<u>40,923,037</u>	<u>37,919,488</u>	<u>33,983,033</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 374,232,584	\$ 357,406,437	\$ 339,304,428	\$ 311,770,945
Contributions as a percentage of covered payroll	11.65%	11.45%	11.18%	10.90%

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

See accompanying notes to this schedule.

<u>2017</u>	<u>2016</u>	<u>2015</u>
June 30, 2016	June 30, 2015	June 30, 2014
3.40%	3.35%	3.47%
\$ 548,313,154	\$ 521,547,061	\$ 513,793,450
\$ 317,883,364	\$ 308,054,151	\$ 312,911,047
172.49%	169.30%	164.20%
67.06%	68.35%	69.49%

<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 33,916,348	\$ 34,490,345	\$ 33,547,097
<u>33,916,348</u>	<u>34,490,345</u>	<u>33,547,097</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 314,622,894	\$ 317,883,364	\$ 308,054,151
10.78%	10.85%	10.89%

MESA UNIFIED SCHOOL DISTRICT NO. 4
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

The District budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America, except for the following 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.
- Employee insurance expenditures are budgeted in the year the employee insurance account is funded.

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

	Total Expenditures	Fund Balances End of Year
Statement of Revenues, Expenditures and Changes in		
Fund Balances – Governmental Funds	\$ 431,576,114	\$ 82,877,573
Activity budgeted as special revenue funds	(14,079,476)	(35,878,745)
Current-year prepaid items	2,161,947	
Prior-year prepaid items	(1,809,233)	
Employee insurance account	39,228	(1,969,856)
Schedule of Revenues, Expenditures and Changes in Fund		
Balances – Budget and Actual – General Fund	417,888,580	\$ 45,028,972

NOTE 2 – PENSION PLAN SCHEDULES

Actuarial Assumptions for Valuations Performed. The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated, which is the most recent actuarial valuation. The actuarial assumptions used are disclosed in the notes to the financial statements.

Factors that Affect Trends. The actuarial assumptions used in the June 30, 2019, valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2016. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2017, actuarial valuation.

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

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GOVERNMENTAL FUNDS

MESA UNIFIED SCHOOL DISTRICT NO. 4
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2021

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
<u>ASSETS</u>			
Cash and investments	\$ 84,082,380	\$ 32,580,892	\$ 116,663,272
Due from governmental entities	6,487,327	1,809,416	8,296,743
Due from other funds		2,239,587	2,239,587
Inventory	1,310,419		1,310,419
Total assets	<u><u>\$ 91,880,126</u></u>	<u><u>\$ 36,629,895</u></u>	<u><u>\$ 128,510,021</u></u>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 303,033	\$ 4,471,786	\$ 4,774,819
Due to other funds	1,257,381	3,039,588	4,296,969
Accrued payroll and employee benefits	15,671,753		15,671,753
Unearned revenues	907,214		907,214
Total liabilities	<u>18,139,381</u>	<u>7,511,374</u>	<u>25,650,755</u>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental	<u>294,106</u>		<u>294,106</u>
Fund balances (deficits):			
Nonspendable	1,310,419		1,310,419
Restricted	72,339,987	31,309,412	103,649,399
Unassigned	(203,767)	(2,190,891)	(2,394,658)
Total fund balances	<u>73,446,639</u>	<u>29,118,521</u>	<u>102,565,160</u>
 Total liabilities, deferred inflows of resources and fund balances	 <u><u>\$ 91,880,126</u></u>	 <u><u>\$ 36,629,895</u></u>	 <u><u>\$ 128,510,021</u></u>

MESA UNIFIED SCHOOL DISTRICT NO. 4
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
YEAR ENDED JUNE 30, 2021

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
Revenues:			
Other local	\$ 11,832,754	\$ 2,115,511	\$ 13,948,265
Property taxes		7,925,844	7,925,844
State aid and grants	40,572,309	20,678,274	61,250,583
Federal aid, grants and reimbursements	76,444,441		76,444,441
Total revenues	<u>128,849,504</u>	<u>30,719,629</u>	<u>159,569,133</u>
Expenditures:			
Current -			
Instruction	53,101,769		53,101,769
Support services - students and staff	23,179,947		23,179,947
Support services - administration	701,801		701,801
Operation and maintenance of plant services	908,795		908,795
Student transportation services	1,602,656		1,602,656
Operation of non-instructional services	23,162,180		23,162,180
Capital outlay	3,653,321	22,634,109	26,287,430
Total expenditures	<u>106,310,469</u>	<u>22,634,109</u>	<u>128,944,578</u>
Excess (deficiency) of revenues over expenditures	<u>22,539,035</u>	<u>8,085,520</u>	<u>30,624,555</u>
Other financing sources (uses):			
Transfers out	(3,470,444)		(3,470,444)
Total other financing sources (uses)	<u>(3,470,444)</u>		<u>(3,470,444)</u>
Changes in fund balances	<u>19,068,591</u>	<u>8,085,520</u>	<u>27,154,111</u>
Fund balances, beginning of year	55,206,182	21,033,001	76,239,183
Increase (decrease) in reserve for inventory	(828,134)		(828,134)
Fund balances, end of year	<u>\$ 73,446,639</u>	<u>\$ 29,118,521</u>	<u>\$ 102,565,160</u>

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

Indian Education - to account for financial assistance received for Indian education at preschool, elementary, secondary and adult levels.

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

Johnson-O'Malley - to account for financial assistance received to meet the unique educational needs of eligible Indian children.

Adult Education - to account for financial assistance received from the federal government for adult education programs.

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.

Taylor Grazing - to account for financial assistance received for the purpose of protecting public lands by preventing over-grazing and soil deterioration and to provide for orderly use, improvement and development, and stabilization of the livestock industry.

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

Impact Aid - to account for financial assistance received for technical assistance and support services to staff under Title VIII of the Elementary and Secondary Education Act of 1965.

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

Adult Basic Education - to account for state financial assistance for continuous adult education.

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

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

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

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.

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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MESA UNIFIED SCHOOL DISTRICT NO. 4
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2021

	Classroom Site	Instructional Improvement	Title I Grants
<u>ASSETS</u>			
Cash and investments	\$ 30,484,210	\$ 310,572	\$
Due from governmental entities			2,262,200
Inventory			
Total assets	\$ 30,484,210	\$ 310,572	\$ 2,262,200
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$ 279,343
Due to other funds			349,168
Accrued payroll and employee benefits	11,537,553	51,287	1,633,689
Unearned revenues			
Total liabilities	11,537,553	51,287	2,262,200
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			88,327
Fund balances (deficits):			
Nonspendable			
Restricted	18,946,657	259,285	
Unassigned			(88,327)
Total fund balances	18,946,657	259,285	(88,327)
 Total liabilities, deferred inflows of resources and fund balances	 \$ 30,484,210	 \$ 310,572	 \$ 2,262,200

<u>Professional Development and Technology Grants</u>	<u>Title IV Grants</u>	<u>Limited English & Immigrant Students</u>	<u>Indian Education</u>	<u>Special Education Grants</u>	<u>Johnson O'Malley</u>
\$ 149,868	\$ 149,024	\$ 266,530	\$ 114,734	\$ 545,526	\$ 32,621
<u>\$ 149,868</u>	<u>\$ 149,024</u>	<u>\$ 266,530</u>	<u>\$ 114,734</u>	<u>\$ 545,526</u>	<u>\$ 32,621</u>
\$ 38,583	\$ 27,170	\$ 23,690	\$ 102,593	\$ 73,144	\$ 32,409
105,972	121,699	192,188	12,141	472,382	212
5,313	155	49,283	114,734	545,526	32,621
<u>149,868</u>	<u>149,024</u>	<u>266,530</u>	<u>114,734</u>	<u>545,526</u>	<u>32,621</u>
				13,931	
				(13,931)	
				<u>(13,931)</u>	
<u>\$ 149,868</u>	<u>\$ 149,024</u>	<u>\$ 266,530</u>	<u>\$ 114,734</u>	<u>\$ 545,526</u>	<u>\$ 32,621</u>

(Continued)

MESA UNIFIED SCHOOL DISTRICT NO. 4
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2021

	Adult Education	Vocational Education	E-Rate
<u>ASSETS</u>			
Cash and investments	\$ 242,833	\$	\$ 9,106,815
Due from governmental entities	18,514	495,002	206,319
Inventory			
Total assets	\$ 261,347	\$ 495,002	\$ 9,313,134
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds		442,126	
Accrued payroll and employee benefits		52,876	
Unearned revenues	261,347		
Total liabilities	261,347	495,002	
Deferred inflows of resources:			
Unavailable revenues - intergovernmental		101,509	90,339
Fund balances (deficits):			
Nonspendable			
Restricted			9,222,795
Unassigned		(101,509)	
Total fund balances		(101,509)	9,222,795
 Total liabilities, deferred inflows of resources and fund balances	\$ 261,347	\$ 495,002	\$ 9,313,134

<u>Adult Basic Education</u>	<u>Gifted</u>	<u>College Credit Exam Incentives</u>	<u>Results-based Funding</u>	<u>Other State Projects</u>	<u>Food Service</u>
\$ 2,472	\$ 132	\$ 450,256	\$ 906,328 18,083	\$ 80,795	\$ 13,323,454 778,138 1,266,091
<u>\$ 2,472</u>	<u>\$ 132</u>	<u>\$ 450,256</u>	<u>\$ 924,411</u>	<u>\$ 80,795</u>	<u>\$ 15,367,683</u>
\$	\$	\$	\$	\$	\$
				77,072	764,360
<u>2,472</u>	<u>132</u>	<u></u>	<u></u>	<u>3,723</u>	<u>620,350</u>
<u>2,472</u>	<u>132</u>	<u></u>	<u></u>	<u>80,795</u>	<u>1,384,710</u>
		450,256	924,411		1,266,091 12,716,882
		<u>450,256</u>	<u>924,411</u>		<u>13,982,973</u>
<u>\$ 2,472</u>	<u>\$ 132</u>	<u>\$ 450,256</u>	<u>\$ 924,411</u>	<u>\$ 80,795</u>	<u>\$ 15,367,683</u>

(Continued)

MESA UNIFIED SCHOOL DISTRICT NO. 4
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2021

	Civic Center	Community School	Extracurricular Activities Fees Tax Credit
<u>ASSETS</u>			
Cash and investments	\$ 2,846,391	\$ 12,480,080	\$ 4,145,640
Due from governmental entities			
Inventory			
Total assets	\$ 2,846,391	\$ 12,480,080	\$ 4,145,640
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			
Accrued payroll and employee benefits	59,322	526,465	
Unearned revenues			
Total liabilities	59,322	526,465	
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Fund balances (deficits):			
Nonspendable			
Restricted	2,787,069	11,953,615	4,145,640
Unassigned			
Total fund balances	2,787,069	11,953,615	4,145,640
 Total liabilities, deferred inflows of resources and fund balances	 \$ 2,846,391	 \$ 12,480,080	 \$ 4,145,640

<u>Gifts and Donations</u>	<u>Fingerprint</u>	<u>Textbooks</u>	<u>Litigation Recovery</u>	<u>Insurance Refund</u>	<u>Career Technical Education</u>
\$ 3,100,672	\$ 1,214	\$ 151,987	\$ 18,344	\$ 1,113	\$ 3,580,380 1,450,768
<u>\$ 3,100,672</u>	<u>\$ 1,214</u>	<u>\$ 151,987</u>	<u>\$ 18,344</u>	<u>\$ 1,113</u>	<u>\$ 5,031,148</u>
\$	\$	\$	\$	\$	\$
					219,793
					<u>219,793</u>
3,100,672	1,214	151,987	18,344	1,113	4,811,355
<u>3,100,672</u>	<u>1,214</u>	<u>151,987</u>	<u>18,344</u>	<u>1,113</u>	<u>4,811,355</u>
<u>\$ 3,100,672</u>	<u>\$ 1,214</u>	<u>\$ 151,987</u>	<u>\$ 18,344</u>	<u>\$ 1,113</u>	<u>\$ 5,031,148</u>

(Continued)

MESA UNIFIED SCHOOL DISTRICT NO. 4
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2021

	<u>Student Activities</u>	<u>Totals</u>
<u>ASSETS</u>		
Cash and investments	\$ 2,848,692	\$ 84,082,380
Due from governmental entities		6,487,327
Inventory	44,328	1,310,419
Total assets	<u>\$ 2,893,020</u>	<u>\$ 91,880,126</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES</u>		
<u>AND FUND BALANCES</u>		
Liabilities:		
Accounts payable	\$	\$ 303,033
Due to other funds		1,257,381
Accrued payroll and employee benefits		15,671,753
Unearned revenues		907,214
Total liabilities		<u>18,139,381</u>
Deferred inflows of resources:		
Unavailable revenues - intergovernmental		<u>294,106</u>
Fund balances (deficits):		
Nonspendable	44,328	1,310,419
Restricted	2,848,692	72,339,987
Unassigned		(203,767)
Total fund balances	<u>2,893,020</u>	<u>73,446,639</u>
Total liabilities, deferred inflows of resources		
and fund balances	<u>\$ 2,893,020</u>	<u>\$ 91,880,126</u>

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MESA UNIFIED SCHOOL DISTRICT NO. 4
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Classroom Site	Instructional Improvement	Title I Grants
Revenues:			
Other local	\$ 239,100	\$ 10	\$
State aid and grants	30,527,212	2,575,819	
Federal aid, grants and reimbursements			25,231,322
Total revenues	30,766,312	2,575,829	25,231,322
Expenditures:			
Current -			
Instruction	25,283,134	1,198,284	10,353,160
Support services - students and staff		785,635	11,090,654
Support services - administration			129,508
Operation and maintenance of plant services		82	
Student transportation services			233,068
Operation of non-instructional services			
Capital outlay			274,715
Total expenditures	25,283,134	1,984,001	22,081,105
Excess (deficiency) of revenues over expenditures	5,483,178	591,828	3,150,217
Other financing sources (uses):			
Transfers out			(1,408,462)
Total other financing sources (uses)			(1,408,462)
Changes in fund balances	5,483,178	591,828	1,741,755
Fund balances (deficits), beginning of year	13,463,479	(332,543)	(1,830,082)
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ 18,946,657	\$ 259,285	\$ (88,327)

<u>Professional Development and Technology Grants</u>	<u>Title IV Grants</u>	<u>Limited English & Immigrant Students</u>	<u>Indian Education</u>	<u>Special Education Grants</u>	<u>Johnson O'Malley</u>
\$	\$	\$	\$	\$	\$
<u>1,880,943</u>	<u>1,704,047</u>	<u>1,035,149</u>	<u>697,995</u>	<u>11,572,301</u>	<u>93,117</u>
<u>1,880,943</u>	<u>1,704,047</u>	<u>1,035,149</u>	<u>697,995</u>	<u>11,572,301</u>	<u>93,117</u>
	163,549	426,168	54,538	6,281,417	45,677
1,511,806	1,195,378	518,461	487,213	2,682,895	40,944
102,428	31,994	1,205	249		
		2,597		1,364,940	
	57,848	995		14,363	
<u>1,614,234</u>	<u>1,448,769</u>	<u>949,426</u>	<u>542,000</u>	<u>10,343,615</u>	<u>86,621</u>
<u>266,709</u>	<u>255,278</u>	<u>85,723</u>	<u>155,995</u>	<u>1,228,686</u>	<u>6,496</u>
<u>(104,923)</u>	<u>(93,176)</u>	<u>(61,635)</u>	<u>(37,549)</u>	<u>(671,450)</u>	<u>(5,630)</u>
<u>(104,923)</u>	<u>(93,176)</u>	<u>(61,635)</u>	<u>(37,549)</u>	<u>(671,450)</u>	<u>(5,630)</u>
<u>161,786</u>	<u>162,102</u>	<u>24,088</u>	<u>118,446</u>	<u>557,236</u>	<u>866</u>
<u>(161,786)</u>	<u>(162,102)</u>	<u>(24,088)</u>	<u>(118,446)</u>	<u>(571,167)</u>	<u>(866)</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ (13,931)</u>	<u>\$</u>

(Continued)

MESA UNIFIED SCHOOL DISTRICT NO. 4
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Adult Education	Vocational Education	E-Rate
Revenues:			
Other local	\$	\$	\$ 45,379
State aid and grants			
Federal aid, grants and reimbursements	467,511	1,462,860	6,198,099
Total revenues	467,511	1,462,860	6,243,478
Expenditures:			
Current -			
Instruction	149,694	155,959	13,584
Support services - students and staff	281,271	496,890	
Support services - administration	1,560	9,600	105,079
Operation and maintenance of plant services			126,136
Student transportation services			
Operation of non-instructional services			
Capital outlay	7,029	594,707	1,469,065
Total expenditures	439,554	1,257,156	1,713,864
Excess (deficiency) of revenues over expenditures	27,957	205,704	4,529,614
Other financing sources (uses):			
Transfers out	(27,957)	(40,066)	
Total other financing sources (uses)	(27,957)	(40,066)	
Changes in fund balances		165,638	4,529,614
Fund balances (deficits), beginning of year		(267,147)	4,693,181
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$	\$ (101,509)	\$ 9,222,795

<u>State Vocational Education</u>	<u>Adult Basic Education</u>	<u>College Credit Exam Incentives</u>	<u>Results-based Funding</u>	<u>Other State Projects</u>	<u>Food Service</u>
\$ 273,000	\$ 229,529	\$ 210,556	\$ 3,737,969	\$ 3,018,224	\$ 667,367
<u>273,000</u>	<u>229,529</u>	<u>210,556</u>	<u>3,737,969</u>	<u>3,018,224</u>	<u>26,101,097</u>
					<u>26,768,464</u>
82,310	11,328	275,547	2,399,806	94,123	
24,138	218,201		216,811	2,730,037	
550			75,215		46,321
					434,600
					21,916,715
166,002				31,018	407,080
<u>273,000</u>	<u>229,529</u>	<u>275,547</u>	<u>2,691,832</u>	<u>2,855,178</u>	<u>22,804,716</u>
		(64,991)	1,046,137	163,046	3,963,748
					(1,019,596)
					(1,019,596)
		(64,991)	1,046,137	163,046	2,944,152
		515,247	(121,726)	(163,046)	11,834,795
					(795,974)
<u>\$</u>	<u>\$</u>	<u>\$ 450,256</u>	<u>\$ 924,411</u>	<u>\$</u>	<u>\$ 13,982,973</u>

(Continued)

MESA UNIFIED SCHOOL DISTRICT NO. 4
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	<u>Civic Center</u>	<u>Community School</u>	<u>Extracurricular Activities Fees Tax Credit</u>
Revenues:			
Other local	\$ 179,656	\$ 1,955,560	\$ 1,164,783
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	<u>179,656</u>	<u>1,955,560</u>	<u>1,164,783</u>
Expenditures:			
Current -			
Instruction	127,773	675,513	583,741
Support services - students and staff	337	4,172	5,261
Support services - administration		119,339	
Operation and maintenance of plant services	288,407	21,787	2,335
Student transportation services	37		275
Operation of non-instructional services	168,925	981,327	
Capital outlay		30,271	83,039
Total expenditures	<u>585,479</u>	<u>1,832,409</u>	<u>674,651</u>
Excess (deficiency) of revenues over expenditures	<u>(405,823)</u>	<u>123,151</u>	<u>490,132</u>
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	<u>(405,823)</u>	<u>123,151</u>	<u>490,132</u>
Fund balances (deficits), beginning of year	3,192,892	11,830,464	3,655,508
Increase (decrease) in reserve for inventory			
Fund balances, end of year	<u>\$ 2,787,069</u>	<u>\$ 11,953,615</u>	<u>\$ 4,145,640</u>

<u>Gifts and Donations</u>	<u>Fingerprint</u>	<u>Textbooks</u>	<u>Litigation Recovery</u>	<u>Insurance Refund</u>	<u>Career Technical Education</u>
\$ 1,076,388	\$ 13,620	\$ 24,554	\$ 6,669	\$ 9	\$ 5,745,849
<u>1,076,388</u>	<u>13,620</u>	<u>24,554</u>	<u>6,669</u>	<u>9</u>	<u>5,745,849</u>
463,313		19,036			3,567,902
138,196		9,357			733,717
27,419	10,667				40,667
2,597					28,913
	1,739				
94,762					
257,039					235,563
<u>983,326</u>	<u>12,406</u>	<u>28,393</u>			<u>4,606,762</u>
<u>93,062</u>	<u>1,214</u>	<u>(3,839)</u>	<u>6,669</u>	<u>9</u>	<u>1,139,087</u>
<u>93,062</u>	<u>1,214</u>	<u>(3,839)</u>	<u>6,669</u>	<u>9</u>	<u>1,139,087</u>
3,007,610		155,826	11,675	1,104	3,672,268
<u>\$ 3,100,672</u>	<u>\$ 1,214</u>	<u>\$ 151,987</u>	<u>\$ 18,344</u>	<u>\$ 1,113</u>	<u>\$ 4,811,355</u>

(Continued)

MESA UNIFIED SCHOOL DISTRICT NO. 4
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Arizona Industry Credentials Incentive	Student Activities	Totals
Revenues:			
Other local	\$ 1,150	\$ 712,660	\$ 11,832,754
State aid and grants			40,572,309
Federal aid, grants and reimbursements			76,444,441
Total revenues	1,150	712,660	128,849,504
Expenditures:			
Current -			
Instruction	1,150	675,063	53,101,769
Support services - students and staff		8,573	23,179,947
Support services - administration			701,801
Operation and maintenance of plant services		3,938	908,795
Student transportation services			1,602,656
Operation of non-instructional services		451	23,162,180
Capital outlay		24,587	3,653,321
Total expenditures	1,150	712,612	106,310,469
Excess (deficiency) of revenues over expenditures		48	22,539,035
Other financing sources (uses):			
Transfers out			(3,470,444)
Total other financing sources (uses)			(3,470,444)
Changes in fund balances		48	19,068,591
Fund balances (deficits), beginning of year		2,925,132	55,206,182
Increase (decrease) in reserve for inventory		(32,160)	(828,134)
Fund balances, end of year	\$	\$ 2,893,020	\$ 73,446,639

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MESA UNIFIED SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Classroom Site		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 239,100	\$ 239,100
State aid and grants		30,527,212	30,527,212
Federal aid, grants and reimbursements			
Total revenues		<u>30,766,312</u>	<u>30,766,312</u>
Expenditures:			
Current -			
Instruction	43,942,825	25,283,134	18,659,691
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>43,942,825</u>	<u>25,283,134</u>	<u>18,659,691</u>
Excess (deficiency) of revenues over expenditures	<u>(43,942,825)</u>	<u>5,483,178</u>	<u>49,426,003</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Proceeds from sale of capital assets			
Total other financing sources (uses)			
Changes in fund balances	<u>(43,942,825)</u>	<u>5,483,178</u>	<u>49,426,003</u>
Fund balances (deficits), beginning of year		13,463,479	13,463,479
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (43,942,825)</u>	<u>\$ 18,946,657</u>	<u>\$ 62,889,482</u>

Instructional Improvement			Title I Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 10 2,575,819	\$ 10 2,575,819	\$	\$	\$
	<u>2,575,829</u>	<u>2,575,829</u>		<u>25,231,322</u> <u>25,231,322</u>	<u>25,231,322</u> <u>25,231,322</u>
5,850,000	1,198,284 785,635	4,651,716 (785,635)	27,204,443	10,353,160 11,090,654 129,508	(10,353,160) 16,113,789 (129,508)
	82	(82)		233,068	(233,068)
<u>5,850,000</u>	<u>1,984,001</u>	<u>3,865,999</u>	<u>27,204,443</u>	<u>274,715</u> <u>22,081,105</u>	<u>(274,715)</u> <u>5,123,338</u>
<u>(5,850,000)</u>	<u>591,828</u>	<u>6,441,828</u>	<u>(27,204,443)</u>	<u>3,150,217</u>	<u>30,354,660</u>
				(1,408,462)	(1,408,462)
				<u>(1,408,462)</u>	<u>(1,408,462)</u>
<u>(5,850,000)</u>	<u>591,828</u>	<u>6,441,828</u>	<u>(27,204,443)</u>	<u>1,741,755</u>	<u>28,946,198</u>
	(332,543)	(332,543)		(1,830,082)	(1,830,082)
<u>\$ (5,850,000)</u>	<u>\$ 259,285</u>	<u>\$ 6,109,285</u>	<u>\$ (27,204,443)</u>	<u>\$ (88,327)</u>	<u>\$ 27,116,116</u>

(Continued)

MESA UNIFIED SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Professional Development and Technology Grants		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		1,880,943	1,880,943
Total revenues		1,880,943	1,880,943
Expenditures:			
Current -			
Instruction			
Support services - students and staff	3,253,323	1,511,806	1,741,517
Support services - administration		102,428	(102,428)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	3,253,323	1,614,234	1,639,089
Excess (deficiency) of revenues over expenditures	(3,253,323)	266,709	3,520,032
Other financing sources (uses):			
Transfers in			
Transfers out		(104,923)	(104,923)
Proceeds from sale of capital assets			
Total other financing sources (uses)		(104,923)	(104,923)
Changes in fund balances	(3,253,323)	161,786	3,415,109
Fund balances (deficits), beginning of year		(161,786)	(161,786)
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (3,253,323)	\$	\$ 3,253,323

Title IV Grants			Limited English & Immigrant Students		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	1,704,047	1,704,047		1,035,149	1,035,149
	1,704,047	1,704,047		1,035,149	1,035,149
1,333,015	163,549	(163,549)		426,168	(426,168)
	1,195,378	137,637	1,589,551	518,461	1,071,090
	31,994	(31,994)		1,205	(1,205)
				2,597	(2,597)
	57,848	(57,848)		995	(995)
1,333,015	1,448,769	(115,754)	1,589,551	949,426	640,125
(1,333,015)	255,278	1,588,293	(1,589,551)	85,723	1,675,274
	(93,176)	(93,176)		(61,635)	(61,635)
	(93,176)	(93,176)		(61,635)	(61,635)
(1,333,015)	162,102	1,495,117	(1,589,551)	24,088	1,613,639
	(162,102)	(162,102)		(24,088)	(24,088)
\$ (1,333,015)	\$	\$ 1,333,015	\$ (1,589,551)	\$	\$ 1,589,551

(Continued)

MESA UNIFIED SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Indian Education		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		697,995	697,995
Total revenues		<u>697,995</u>	<u>697,995</u>
Expenditures:			
Current -			
Instruction		54,538	(54,538)
Support services - students and staff	577,683	487,213	90,470
Support services - administration		249	(249)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>577,683</u>	<u>542,000</u>	<u>35,683</u>
Excess (deficiency) of revenues over expenditures	<u>(577,683)</u>	<u>155,995</u>	<u>733,678</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(37,549)	(37,549)
Proceeds from sale of capital assets			
Total other financing sources (uses)		<u>(37,549)</u>	<u>(37,549)</u>
Changes in fund balances	<u>(577,683)</u>	<u>118,446</u>	<u>696,129</u>
Fund balances (deficits), beginning of year		(118,446)	(118,446)
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (577,683)</u>	<u>\$</u>	<u>\$ 577,683</u>

Special Education Grants			Johnson O'Malley		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	11,572,301	11,572,301		93,117	93,117
	11,572,301	11,572,301		93,117	93,117
14,755,120	6,281,417	8,473,703	133,271	45,677	87,594
	2,682,895	(2,682,895)		40,944	(40,944)
	1,364,940	(1,364,940)			
	14,363	(14,363)			
14,755,120	10,343,615	4,411,505	133,271	86,621	46,650
(14,755,120)	1,228,686	15,983,806	(133,271)	6,496	139,767
	(671,450)	(671,450)		(5,630)	(5,630)
	(671,450)	(671,450)		(5,630)	(5,630)
(14,755,120)	557,236	15,312,356	(133,271)	866	134,137
	(571,167)	(571,167)		(866)	(866)
\$ (14,755,120)	\$ (13,931)	\$ 14,741,189	\$ (133,271)	\$	\$ 133,271

(Continued)

MESA UNIFIED SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Adult Education		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		467,511	467,511
Total revenues		<u>467,511</u>	<u>467,511</u>
Expenditures:			
Current -			
Instruction		149,694	(149,694)
Support services - students and staff	505,200	281,271	223,929
Support services - administration		1,560	(1,560)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay		7,029	(7,029)
Total expenditures	<u>505,200</u>	<u>439,554</u>	<u>65,646</u>
Excess (deficiency) of revenues over expenditures	<u>(505,200)</u>	<u>27,957</u>	<u>533,157</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(27,957)	(27,957)
Proceeds from sale of capital assets			
Total other financing sources (uses)		<u>(27,957)</u>	<u>(27,957)</u>
Changes in fund balances	<u>(505,200)</u>		<u>505,200</u>
Fund balances (deficits), beginning of year			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (505,200)</u>	<u>\$</u>	<u>\$ 505,200</u>

Vocational Education			Medicaid Reimbursement		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$ 33,760	\$ 33,760
	1,462,860	1,462,860		6,230,133	6,230,133
	1,462,860	1,462,860		6,263,893	6,263,893
	155,959	(155,959)		2,198,506	(2,198,506)
1,297,207	496,890	800,317	6,487,000	2,280,321	4,206,679
	9,600	(9,600)		505,481	(505,481)
				575,472	(575,472)
	594,707	(594,707)			
1,297,207	1,257,156	40,051	6,487,000	5,559,780	927,220
(1,297,207)	205,704	1,502,911	(6,487,000)	704,113	7,191,113
	(40,066)	(40,066)			
	(40,066)	(40,066)			
(1,297,207)	165,638	1,462,845	(6,487,000)	704,113	7,191,113
	(267,147)	(267,147)		10,622,118	10,622,118
\$ (1,297,207)	\$ (101,509)	\$ 1,195,698	\$ (6,487,000)	\$ 11,326,231	\$ 17,813,231

(Continued)

MESA UNIFIED SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Taylor Grazing Fees		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		6	6
Total revenues		<u>6</u>	<u>6</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration		61	(61)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures		<u>61</u>	<u>(61)</u>
Excess (deficiency) of revenues over expenditures		<u>(55)</u>	<u>(55)</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Proceeds from sale of capital assets			
Total other financing sources (uses)			
Changes in fund balances		<u>(55)</u>	<u>(55)</u>
Fund balances (deficits), beginning of year		55	55
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$</u>	<u>\$</u>	<u>\$</u>

E-Rate			Impact Aid		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 45,379	\$ 45,379	\$	\$	\$
	6,198,099	6,198,099		485,749	485,749
	6,243,478	6,243,478		485,749	485,749
	13,584	(13,584)		29,133	(29,133)
	105,079	(105,079)	399,645	61,834	337,811
	126,136	(126,136)		13,525	(13,525)
2,457,210	1,469,065	988,145		85,398	(85,398)
2,457,210	1,713,864	743,346	399,645	189,890	209,755
(2,457,210)	4,529,614	6,986,824	(399,645)	295,859	695,504
(2,457,210)	4,529,614	6,986,824	(399,645)	295,859	695,504
	4,693,181	4,693,181		1,144,126	1,144,126
\$ (2,457,210)	\$ 9,222,795	\$ 11,680,005	\$ (399,645)	\$ 1,439,985	\$ 1,839,630

(Continued)

MESA UNIFIED SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	State Vocational Education		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants		273,000	273,000
Federal aid, grants and reimbursements			
Total revenues	<u> </u>	<u>273,000</u>	<u>273,000</u>
Expenditures:			
Current -			
Instruction	272,127	82,310	189,817
Support services - students and staff		24,138	(24,138)
Support services - administration		550	(550)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay		166,002	(166,002)
Total expenditures	<u>272,127</u>	<u>273,000</u>	<u>(873)</u>
Excess (deficiency) of revenues over expenditures	<u>(272,127)</u>	<u> </u>	<u>272,127</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Proceeds from sale of capital assets			
Total other financing sources (uses)	<u> </u>	<u> </u>	<u> </u>
Changes in fund balances	<u>(272,127)</u>	<u> </u>	<u>272,127</u>
Fund balances (deficits), beginning of year			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (272,127)</u>	<u>\$</u>	<u>\$ 272,127</u>

Adult Basic Education			College Credit Exam Incentives		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	229,529	229,529		210,556	210,556
	<u>229,529</u>	<u>229,529</u>		<u>210,556</u>	<u>210,556</u>
108,000	11,328 218,201	(11,328) (110,201)	207,052	275,547	(68,495)
<u>108,000</u>	<u>229,529</u>	<u>(121,529)</u>	<u>207,052</u>	<u>275,547</u>	<u>(68,495)</u>
<u>(108,000)</u>		<u>108,000</u>	<u>(207,052)</u>	<u>(64,991)</u>	<u>142,061</u>
<u>(108,000)</u>		<u>108,000</u>	<u>(207,052)</u>	<u>(64,991)</u>	<u>142,061</u>
				515,247	515,247
<u>\$ (108,000)</u>	<u>\$</u>	<u>\$ 108,000</u>	<u>\$ (207,052)</u>	<u>\$ 450,256</u>	<u>\$ 657,308</u>

(Continued)

MESA UNIFIED SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Results-based Funding		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants		3,737,969	3,737,969
Federal aid, grants and reimbursements			
Total revenues		<u>3,737,969</u>	<u>3,737,969</u>
Expenditures:			
Current -			
Instruction	3,736,908	2,399,806	1,337,102
Support services - students and staff		216,811	(216,811)
Support services - administration		75,215	(75,215)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>3,736,908</u>	<u>2,691,832</u>	<u>1,045,076</u>
Excess (deficiency) of revenues over expenditures	<u>(3,736,908)</u>	<u>1,046,137</u>	<u>4,783,045</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Proceeds from sale of capital assets			
Total other financing sources (uses)			
Changes in fund balances	<u>(3,736,908)</u>	<u>1,046,137</u>	<u>4,783,045</u>
Fund balances (deficits), beginning of year		(121,726)	(121,726)
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (3,736,908)</u>	<u>\$ 924,411</u>	<u>\$ 4,661,319</u>

Other State Projects			School Plant		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	3,018,224	3,018,224		1,197,878	1,197,878
	<u>3,018,224</u>	<u>3,018,224</u>		<u>1,197,878</u>	<u>1,197,878</u>
3,017,872	94,123 2,730,037	(94,123) 287,835		39,279 290,933	(39,279) (290,933)
	31,018	(31,018)	5,000,000	315,974	4,684,026
<u>3,017,872</u>	<u>2,855,178</u>	<u>162,694</u>	<u>5,000,000</u>	<u>646,186</u>	<u>4,353,814</u>
<u>(3,017,872)</u>	<u>163,046</u>	<u>3,180,918</u>	<u>(5,000,000)</u>	<u>551,692</u>	<u>5,551,692</u>
				30,868	30,868
				<u>30,868</u>	<u>30,868</u>
<u>(3,017,872)</u>	<u>163,046</u>	<u>3,180,918</u>	<u>(5,000,000)</u>	<u>582,560</u>	<u>5,582,560</u>
	(163,046)	(163,046)		10,228,022	10,228,022
<u>\$ (3,017,872)</u>	<u>\$</u>	<u>\$ 3,017,872</u>	<u>\$ (5,000,000)</u>	<u>\$ 10,810,582</u>	<u>\$ 15,810,582</u>

(Continued)

MESA UNIFIED SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Food Service		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 667,367	\$ 667,367
State aid and grants			
Federal aid, grants and reimbursements		26,101,097	26,101,097
Total revenues		26,768,464	26,768,464
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration		46,321	(46,321)
Operation and maintenance of plant services		434,600	(434,600)
Student transportation services			
Operation of non-instructional services	37,000,000	21,916,715	15,083,285
Capital outlay		407,080	(407,080)
Total expenditures	37,000,000	22,804,716	14,195,284
Excess (deficiency) of revenues over expenditures	(37,000,000)	3,963,748	40,963,748
Other financing sources (uses):			
Transfers in			
Transfers out		(1,019,596)	(1,019,596)
Proceeds from sale of capital assets			
Total other financing sources (uses)		(1,019,596)	(1,019,596)
Changes in fund balances	(37,000,000)	2,944,152	39,944,152
Fund balances (deficits), beginning of year		11,834,795	11,834,795
Increase (decrease) in reserve for inventory		(795,974)	(795,974)
Fund balances (deficits), end of year	\$ (37,000,000)	\$ 13,982,973	\$ 50,982,973

Civic Center			Community School		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 179,656	\$ 179,656	\$	\$ 1,955,560	\$ 1,955,560
	<u>179,656</u>	<u>179,656</u>		<u>1,955,560</u>	<u>1,955,560</u>
	127,773	(127,773)		675,513	(675,513)
	337	(337)		4,172	(4,172)
3,350,000	288,407	3,061,593		119,339	(119,339)
	37	(37)		21,787	(21,787)
	168,925	(168,925)	6,100,000	981,327	5,118,673
				30,271	(30,271)
<u>3,350,000</u>	<u>585,479</u>	<u>2,764,521</u>	<u>6,100,000</u>	<u>1,832,409</u>	<u>4,267,591</u>
<u>(3,350,000)</u>	<u>(405,823)</u>	<u>2,944,177</u>	<u>(6,100,000)</u>	<u>123,151</u>	<u>6,223,151</u>
<u>(3,350,000)</u>	<u>(405,823)</u>	<u>2,944,177</u>	<u>(6,100,000)</u>	<u>123,151</u>	<u>6,223,151</u>
	3,192,892	3,192,892		11,830,464	11,830,464
<u>\$ (3,350,000)</u>	<u>\$ 2,787,069</u>	<u>\$ 6,137,069</u>	<u>\$ (6,100,000)</u>	<u>\$ 11,953,615</u>	<u>\$ 18,053,615</u>

(Continued)

MESA UNIFIED SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Auxiliary Operations		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 1,541,900	\$ 1,541,900
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>1,541,900</u>	<u>1,541,900</u>
Expenditures:			
Current -			
Instruction	5,725,000	1,417,700	4,307,300
Support services - students and staff		58,244	(58,244)
Support services - administration		12,499	(12,499)
Operation and maintenance of plant services		82,522	(82,522)
Student transportation services			
Operation of non-instructional services		37,037	(37,037)
Capital outlay		61,008	(61,008)
Total expenditures	<u>5,725,000</u>	<u>1,669,010</u>	<u>4,055,990</u>
Excess (deficiency) of revenues over expenditures	<u>(5,725,000)</u>	<u>(127,110)</u>	<u>5,597,890</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Proceeds from sale of capital assets			
Total other financing sources (uses)			
Changes in fund balances	<u>(5,725,000)</u>	<u>(127,110)</u>	<u>5,597,890</u>
Fund balances (deficits), beginning of year		3,461,685	3,461,685
Increase (decrease) in reserve for inventory		10,302	10,302
Fund balances (deficits), end of year	<u>\$ (5,725,000)</u>	<u>\$ 3,344,877</u>	<u>\$ 9,069,877</u>

Extracurricular Activities Fees Tax Credit			Gifts and Donations		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 1,164,783	\$ 1,164,783	\$	\$ 1,076,388	\$ 1,076,388
	<u>1,164,783</u>	<u>1,164,783</u>		<u>1,076,388</u>	<u>1,076,388</u>
2,400,000	583,741	1,816,259	2,450,000	463,313	1,986,687
	5,261	(5,261)		138,196	(138,196)
	2,335	(2,335)		27,419	(27,419)
	275	(275)		2,597	(2,597)
	83,039	(83,039)		94,762	(94,762)
<u>2,400,000</u>	<u>674,651</u>	<u>1,725,349</u>	<u>2,450,000</u>	<u>257,039</u>	<u>(257,039)</u>
<u>(2,400,000)</u>	<u>490,132</u>	<u>2,890,132</u>	<u>(2,450,000)</u>	<u>93,062</u>	<u>2,543,062</u>
<u>(2,400,000)</u>	<u>490,132</u>	<u>2,890,132</u>	<u>(2,450,000)</u>	<u>93,062</u>	<u>2,543,062</u>
	3,655,508	3,655,508		3,007,610	3,007,610
<u>\$ (2,400,000)</u>	<u>\$ 4,145,640</u>	<u>\$ 6,545,640</u>	<u>\$ (2,450,000)</u>	<u>\$ 3,100,672</u>	<u>\$ 5,550,672</u>

(Continued)

MESA UNIFIED SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Fingerprint		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 13,620	\$ 13,620
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	<u> </u>	<u>13,620</u>	<u>13,620</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration	45,000	10,667	34,333
Operation and maintenance of plant services			
Student transportation services		1,739	(1,739)
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>45,000</u>	<u>12,406</u>	<u>32,594</u>
Excess (deficiency) of revenues over expenditures	<u>(45,000)</u>	<u>1,214</u>	<u>46,214</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Proceeds from sale of capital assets			
Total other financing sources (uses)	<u> </u>	<u> </u>	<u> </u>
Changes in fund balances	<u>(45,000)</u>	<u>1,214</u>	<u>46,214</u>
Fund balances (deficits), beginning of year			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (45,000)</u>	<u>\$ 1,214</u>	<u>\$ 46,214</u>

Textbooks			Litigation Recovery		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 24,554	\$ 24,554	\$	\$ 6,669	\$ 6,669
	<u>24,554</u>	<u>24,554</u>		<u>6,669</u>	<u>6,669</u>
188,500	19,036 9,357	169,464 (9,357)			
<u>188,500</u>	<u>28,393</u>	<u>160,107</u>			
<u>(188,500)</u>	<u>(3,839)</u>	<u>184,661</u>		<u>6,669</u>	<u>6,669</u>
<u>(188,500)</u>	<u>(3,839)</u>	<u>184,661</u>		<u>6,669</u>	<u>6,669</u>
	155,826	155,826		11,675	11,675
<u>\$ (188,500)</u>	<u>\$ 151,987</u>	<u>\$ 340,487</u>	<u>\$</u>	<u>\$ 18,344</u>	<u>\$ 18,344</u>

(Continued)

MESA UNIFIED SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Indirect Costs		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
Revenues:			
Other local	\$	\$ 32,781	\$ 32,781
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>32,781</u>	<u>32,781</u>
Expenditures:			
Current -			
Instruction		6,264	(6,264)
Support services - students and staff		83,260	(83,260)
Support services - administration	5,906,750	1,765,700	4,141,050
Operation and maintenance of plant services		1,573,311	(1,573,311)
Student transportation services			
Operation of non-instructional services		87,127	(87,127)
Capital outlay		845,998	(845,998)
Total expenditures	<u>5,906,750</u>	<u>4,361,660</u>	<u>1,545,090</u>
Excess (deficiency) of revenues over expenditures	<u>(5,906,750)</u>	<u>(4,328,879)</u>	<u>1,577,871</u>
Other financing sources (uses):			
Transfers in		4,318,693	4,318,693
Transfers out			
Proceeds from sale of capital assets			
Total other financing sources (uses)		<u>4,318,693</u>	<u>4,318,693</u>
Changes in fund balances	<u>(5,906,750)</u>	<u>(10,186)</u>	<u>5,896,564</u>
Fund balances (deficits), beginning of year		5,725,021	5,725,021
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (5,906,750)</u>	<u>\$ 5,714,835</u>	<u>\$ 11,621,585</u>

Insurance Refund			Advertisement		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 9	\$ 9	\$	\$ 1,359	\$ 1,359
	<u>9</u>	<u>9</u>		<u>1,359</u>	<u>1,359</u>
1,200		1,200	75,000		75,000
<u>1,200</u>	<u></u>	<u>1,200</u>	<u>75,000</u>	<u></u>	<u>75,000</u>
<u>(1,200)</u>	<u>9</u>	<u>1,209</u>	<u>(75,000)</u>	<u>1,359</u>	<u>76,359</u>
<u>(1,200)</u>	<u>9</u>	<u>1,209</u>	<u>(75,000)</u>	<u>1,359</u>	<u>76,359</u>
	1,104	1,104		182,917	182,917
<u>\$ (1,200)</u>	<u>\$ 1,113</u>	<u>\$ 2,313</u>	<u>\$ (75,000)</u>	<u>\$ 184,276</u>	<u>\$ 259,276</u>

(Continued)

MESA UNIFIED SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Career Technical Education		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 5,745,849	\$ 5,745,849
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	5,200,000	5,745,849	5,745,849
Expenditures:			
Current -			
Instruction	5,200,000	3,567,902	1,632,098
Support services - students and staff		733,717	(733,717)
Support services - administration		40,667	(40,667)
Operation and maintenance of plant services		28,913	(28,913)
Student transportation services			
Operation of non-instructional services			
Capital outlay		235,563	(235,563)
Total expenditures	5,200,000	4,606,762	593,238
Excess (deficiency) of revenues over expenditures	(5,200,000)	1,139,087	6,339,087
Other financing sources (uses):			
Transfers in			
Transfers out			
Proceeds from sale of capital assets			
Total other financing sources (uses)			
Changes in fund balances	(5,200,000)	1,139,087	6,339,087
Fund balances (deficits), beginning of year		3,672,268	3,672,268
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (5,200,000)	\$ 4,811,355	\$ 10,011,355

Arizona Industry Credentials Incentive			Student Activities		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 1,150	\$ 1,150	\$	\$ 712,660	\$ 712,660
	<u>1,150</u>	<u>1,150</u>		<u>712,660</u>	<u>712,660</u>
30,000	1,150	28,850	500,000	675,063	(175,063)
				8,573	(8,573)
				3,938	(3,938)
				451	(451)
				24,587	(24,587)
<u>30,000</u>	<u>1,150</u>	<u>28,850</u>	<u>500,000</u>	<u>712,612</u>	<u>(212,612)</u>
<u>(30,000)</u>		<u>30,000</u>	<u>(500,000)</u>	<u>48</u>	<u>500,048</u>
<u>(30,000)</u>		<u>30,000</u>	<u>(500,000)</u>	<u>48</u>	<u>500,048</u>
				2,925,132	2,925,132
				(32,160)	(32,160)
<u>\$ (30,000)</u>	<u>\$</u>	<u>\$ 30,000</u>	<u>\$ (500,000)</u>	<u>\$ 2,893,020</u>	<u>\$ 3,393,020</u>

(Continued)

MESA UNIFIED SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Intergovernmental Agreements		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 1,728,465	\$ 1,728,465
State aid and grants		620,010	620,010
Federal aid, grants and reimbursements			
Total revenues		2,348,475	2,348,475
Expenditures:			
Current -			
Instruction	4,100,567	586,028	3,514,539
Support services - students and staff		490,974	(490,974)
Support services - administration		511,482	(511,482)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay		64,405	(64,405)
Total expenditures	4,100,567	1,652,889	2,447,678
Excess (deficiency) of revenues over expenditures	(4,100,567)	695,586	4,796,153
Other financing sources (uses):			
Transfers in			
Transfers out			
Proceeds from sale of capital assets			
Total other financing sources (uses)			
Changes in fund balances	(4,100,567)	695,586	4,796,153
Fund balances (deficits), beginning of year		2,362,373	2,362,373
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (4,100,567)	\$ 3,057,959	\$ 7,158,526

Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 16,368,897	\$ 16,368,897
	41,192,319	41,192,319
	83,160,329	83,160,329
	<u>140,721,545</u>	<u>140,721,545</u>
89,567,570	57,339,400	32,228,170
45,772,939	26,154,580	19,618,359
5,951,750	3,549,828	2,401,922
3,350,000	2,855,561	494,439
	2,178,128	(2,178,128)
43,100,000	23,286,344	19,813,656
7,457,210	5,026,104	2,431,106
<u>195,199,469</u>	<u>120,389,945</u>	<u>74,809,524</u>
<u>(195,199,469)</u>	<u>20,331,600</u>	<u>215,531,069</u>
	4,318,693	4,318,693
	(3,470,444)	(3,470,444)
	30,868	30,868
	<u>879,117</u>	<u>879,117</u>
<u>(195,199,469)</u>	<u>21,210,717</u>	<u>216,410,186</u>
	88,932,499	88,932,499
	(817,832)	(817,832)
<u>\$ (195,199,469)</u>	<u>\$ 109,325,384</u>	<u>\$ 304,524,853</u>

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DEBT SERVICE FUND

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

MESA UNIFIED SCHOOL DISTRICT NO. 4
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2021

	Debt Service		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 30,065	\$ 30,065
Property taxes		54,871,905	54,871,905
Total revenues		<u>54,901,970</u>	<u>54,901,970</u>
Expenditures:			
Debt service -			
Principal retirement		44,975,000	(44,975,000)
Interest and fiscal charges	55,492,809	10,519,810	44,972,999
Total expenditures	<u>55,492,809</u>	<u>55,494,810</u>	<u>(2,001)</u>
Excess (deficiency) of revenues over expenditures	<u>(55,492,809)</u>	<u>(592,840)</u>	<u>54,899,969</u>
Other financing sources (uses):			
Transfers in		979,308	979,308
Total other financing sources (uses)		<u>979,308</u>	<u>979,308</u>
Changes in fund balances	<u>(55,492,809)</u>	<u>386,468</u>	<u>55,879,277</u>
Fund balances, beginning of year		3,116,654	3,116,654
Fund balances (deficits), end of year	<u>\$ (55,492,809)</u>	<u>\$ 3,503,122</u>	<u>\$ 58,995,931</u>

CAPITAL PROJECTS FUNDS

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

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

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

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.

MESA UNIFIED SCHOOL DISTRICT NO. 4
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2021

	Unrestricted Capital Outlay	Adjacent Ways	Building Renewal Grant
<u>ASSETS</u>			
Cash and investments	\$ 31,646,014	\$ 934,878	\$
Due from governmental entities			1,809,416
Due from other funds	2,239,587		
Total assets	\$ 33,885,601	\$ 934,878	\$ 1,809,416
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 3,234,729	\$ 276,338	\$ 960,719
Due to other funds			3,039,588
Total liabilities	3,234,729	276,338	4,000,307
Fund balances (deficits):			
Restricted	30,650,872	658,540	
Unassigned			(2,190,891)
Total fund balances	30,650,872	658,540	(2,190,891)
 Total liabilities and fund balances	 \$ 33,885,601	 \$ 934,878	 \$ 1,809,416

Totals

\$	32,580,892
	1,809,416
	<u>2,239,587</u>
\$	<u><u>36,629,895</u></u>

\$	4,471,786
	<u>3,039,588</u>
	<u>7,511,374</u>

	31,309,412
	<u>(2,190,891)</u>
	<u>29,118,521</u>

\$	<u><u>36,629,895</u></u>
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MESA UNIFIED SCHOOL DISTRICT NO. 4
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2021

	Unrestricted Capital Outlay	Adjacent Ways	Building Renewal Grant
Revenues:			
Other local	\$ 2,102,963	\$ 12,548	\$
Property taxes	7,925,822	22	
State aid and grants	14,094,150		6,584,124
Total revenues	24,122,935	12,570	6,584,124
Expenditures:			
Capital outlay	14,335,791	726,132	7,572,186
Total expenditures	14,335,791	726,132	7,572,186
Changes in fund balances	9,787,144	(713,562)	(988,062)
Fund balances (deficits), beginning of year	20,863,728	1,372,102	(1,202,829)
Fund balances (deficits), end of year	\$ 30,650,872	\$ 658,540	\$ (2,190,891)

Totals

\$ 2,115,511
7,925,844
20,678,274
30,719,629

22,634,109
22,634,109

8,085,520

21,033,001

\$ 29,118,521

MESA UNIFIED SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2021

	Unrestricted Capital Outlay		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 2,102,963	\$ 2,102,963
Property taxes		7,925,822	7,925,822
State aid and grants		14,094,150	14,094,150
Total revenues		<u>24,122,935</u>	<u>24,122,935</u>
Expenditures:			
Capital outlay	46,056,607	14,335,791	31,720,816
Debt service - Bond issuance costs			
Total expenditures	<u>46,056,607</u>	<u>14,335,791</u>	<u>31,720,816</u>
Excess (deficiency) of revenues over expenditures	<u>(46,056,607)</u>	<u>9,787,144</u>	<u>55,843,751</u>
Other financing sources (uses):			
Transfers out			
Issuance of school improvement bonds			
Premium on sale of bonds			
Total other financing sources (uses)			
Changes in fund balances	<u>(46,056,607)</u>	<u>9,787,144</u>	<u>55,843,751</u>
Fund balances (deficits), beginning of year		20,863,728	20,863,728
Fund balances (deficits), end of year	<u>\$ (46,056,607)</u>	<u>\$ 30,650,872</u>	<u>\$ 76,707,479</u>

Adjacent Ways			Bond Building		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 12,548 22	\$ 12,548 22	\$	\$ 979,296	\$ 979,296
	<u>12,570</u>	<u>12,570</u>		<u>979,296</u>	<u>979,296</u>
1,372,102	726,132	645,970	157,000,000	69,358,664	87,641,336
				467,342	(467,342)
<u>1,372,102</u>	<u>726,132</u>	<u>645,970</u>	<u>157,000,000</u>	<u>69,826,006</u>	<u>87,173,994</u>
<u>(1,372,102)</u>	<u>(713,562)</u>	<u>658,540</u>	<u>(157,000,000)</u>	<u>(68,846,710)</u>	<u>88,153,290</u>
				(979,308)	(979,308)
				48,140,000	48,140,000
				12,264,163	12,264,163
				<u>59,424,855</u>	<u>59,424,855</u>
<u>(1,372,102)</u>	<u>(713,562)</u>	<u>658,540</u>	<u>(157,000,000)</u>	<u>(9,421,855)</u>	<u>147,578,145</u>
	1,372,102	1,372,102		96,608,969	96,608,969
<u>\$ (1,372,102)</u>	<u>\$ 658,540</u>	<u>\$ 2,030,642</u>	<u>\$ (157,000,000)</u>	<u>\$ 87,187,114</u>	<u>\$ 244,187,114</u>

(Continued)

MESA UNIFIED SCHOOL DISTRICT NO. 4
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2021

	Building Renewal Grant		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
Property taxes			
State aid and grants		6,584,124	6,584,124
Total revenues		<u>6,584,124</u>	<u>6,584,124</u>
Expenditures:			
Capital outlay	10,000,000	7,572,186	2,427,814
Debt service -			
Bond issuance costs			
Total expenditures	<u>10,000,000</u>	<u>7,572,186</u>	<u>2,427,814</u>
Excess (deficiency) of revenues over expenditures	<u>(10,000,000)</u>	<u>(988,062)</u>	<u>9,011,938</u>
Other financing sources (uses):			
Transfers out			
Issuance of school improvement bonds			
Premium on sale of bonds			
Total other financing sources (uses)			
Changes in fund balances	<u>(10,000,000)</u>	<u>(988,062)</u>	<u>9,011,938</u>
Fund balances (deficits), beginning of year		(1,202,829)	(1,202,829)
Fund balances (deficits), end of year	<u>\$ (10,000,000)</u>	<u>\$ (2,190,891)</u>	<u>\$ 7,809,109</u>

Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 3,094,807	\$ 3,094,807
	7,925,844	7,925,844
	20,678,274	20,678,274
	<u>31,698,925</u>	<u>31,698,925</u>
214,428,709	91,992,773	122,435,936
	467,342	(467,342)
<u>214,428,709</u>	<u>92,460,115</u>	<u>121,968,594</u>
<u>(214,428,709)</u>	<u>(60,761,190)</u>	<u>153,667,519</u>
	(979,308)	(979,308)
	48,140,000	48,140,000
	12,264,163	12,264,163
	<u>59,424,855</u>	<u>59,424,855</u>
<u>(214,428,709)</u>	<u>(1,336,335)</u>	<u>213,092,374</u>
	117,641,970	117,641,970
<u>\$ (214,428,709)</u>	<u>\$ 116,305,635</u>	<u>\$ 330,734,344</u>

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INTERNAL SERVICE FUNDS

Employee Benefit Trust - to account for the transactions of the Employee Health Plan. This Fund was established to account for amounts contributed by the District and District employees for a medical insurance program. Expenses from the Fund are used to provide health benefits to substantially all District employees and to pay servicing fees to the claims administrator.

Workers' Compensation - to account for the financial activity associated with the District's self-insurance program for employee workers' compensation.

Property and Casualty Insurance - to account for the financial activity associated with the District's self-insurance program for property and casualty losses.

**MESA UNIFIED SCHOOL DISTRICT NO. 4
 COMBINING STATEMENT OF NET POSITION -
 ALL INTERNAL SERVICE FUNDS
 JUNE 30, 2021**

	Employee Benefit Trust	Worker's Compensation	Property and Casualty Insurance
<u>ASSETS</u>			
Current assets:			
Cash and investments	\$ 42,214,414	\$ 4,552,214	\$ 8,988,535
Deposits	322,000		1,759,138
Accounts receivable	320,785		408,728
Prepaid items	257,533	170,000	
Total current assets	43,114,732	4,722,214	11,156,401
Total assets	43,114,732	4,722,214	11,156,401
<u>LIABILITIES</u>			
Current liabilities:			
Claims payable	4,733,000	2,841,718	144,705
Total current liabilities	4,733,000	2,841,718	144,705
Total liabilities	4,733,000	2,841,718	144,705
<u>NET POSITION</u>			
Unrestricted	38,381,732	1,880,496	11,011,696
Total net position	\$ 38,381,732	\$ 1,880,496	\$ 11,011,696

Totals

\$ 55,755,163
2,081,138
729,513
427,533
58,993,347
58,993,347

7,719,423
7,719,423
7,719,423

51,273,924
\$ 51,273,924

MESA UNIFIED SCHOOL DISTRICT NO. 4
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -
ALL INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Employee Benefit Trust</u>	<u>Worker's Compensation</u>	<u>Property and Casualty Insurance</u>
Operating revenues:			
Other local	\$ 1,908,324	\$ 1,928	\$ 155,955
Contributions	48,500,910	1,500,000	1,561,000
Total operating revenues	<u>50,409,234</u>	<u>1,501,928</u>	<u>1,716,955</u>
Operating expenses:			
Other	853,480	204,934	12,935
Claims	41,700,354	440,308	382,825
Adjustment to prior year claims reserves	1,057,000	(11,429)	(580,862)
Premiums	1,497,577	289,356	
Administrative fees	2,072,041	71,611	254,729
Total operating expenses	<u>47,180,452</u>	<u>994,780</u>	<u>69,627</u>
Operating income (loss)	<u>3,228,782</u>	<u>507,148</u>	<u>1,647,328</u>
Nonoperating revenues (expenses):			
Investment income	201,048	8,228	82,936
Total nonoperating revenues (expenses)	<u>201,048</u>	<u>8,228</u>	<u>82,936</u>
Changes in net position	<u>3,429,830</u>	<u>515,376</u>	<u>1,730,264</u>
Total net position, beginning of year	34,951,902	1,365,120	9,281,432
Total net position, end of year	<u>\$ 38,381,732</u>	<u>\$ 1,880,496</u>	<u>\$ 11,011,696</u>

Totals

\$ 2,066,207
51,561,910
53,628,117

1,071,349
42,523,487
464,709
1,786,933
2,398,381
48,244,859

5,383,258

292,212
292,212

5,675,470

45,598,454

\$ 51,273,924

MESA UNIFIED SCHOOL DISTRICT NO. 4
COMBINING STATEMENT OF CASH FLOWS - ALL INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2021

	Employee Benefit Trust	Workers' Compensation
<u>Increase/Decrease in Cash and Cash Equivalents</u>		
Cash flows from operating activities:		
Cash received from contributions	\$ 48,895,457	\$ 1,500,000
Cash received from other sources	1,908,324	1,928
Cash payments to suppliers for goods and services	(4,542,954)	(565,901)
Cash payments for claims	(41,700,354)	(858,476)
Net cash provided by/used for operating activities	4,560,473	77,551
Cash flows from investing activities:		
Investment income	201,048	8,228
Net cash provided by/used for investing activities	201,048	8,228
Net increase/decrease in cash and cash equivalents	4,761,521	85,779
Cash and cash equivalents, beginning of year	37,452,893	4,466,435
Cash and cash equivalents, end of year	\$ 42,214,414	\$ 4,552,214
 <u>Reconciliation of Operating Income/Loss to Net Cash Provided by/Used for Operating Activities</u>		
Operating income/loss	\$ 3,228,782	\$ 507,148
Adjustments to reconcile operating income/loss to net cash provided by/used for operating activities:		
Changes in assets and liabilities:		
Increase/decrease in deposits		
Increase/decrease in accounts receivable	394,547	
Increase/decrease in prepaid items	(68,515)	
Increase/decrease in accounts payable	(28,523)	
Increase/decrease in claims payable	1,057,000	(429,597)
Increase/decrease in unearned revenue	(22,818)	
Total adjustments	1,331,691	(429,597)
Net cash provided by/used for operating activities	\$ 4,560,473	\$ 77,551

Property and Casualty Insurance	Totals
\$ 1,152,272	\$ 51,547,729
155,955	2,066,207
(478,497)	(5,587,352)
<u>(382,825)</u>	<u>(42,941,655)</u>
446,905	5,084,929
<u>82,936</u>	<u>292,212</u>
<u>82,936</u>	<u>292,212</u>
<u>529,841</u>	<u>5,377,141</u>
<u>8,458,694</u>	<u>50,378,022</u>
<u>\$ 8,988,535</u>	<u>\$ 55,755,163</u>

\$ 1,647,328	\$ 5,383,258
(2,590)	(2,590)
(408,728)	(14,181)
(208,243)	(68,515)
(580,862)	(236,766)
	46,541
	<u>(22,818)</u>
<u>(1,200,423)</u>	<u>(298,329)</u>
<u>\$ 446,905</u>	<u>\$ 5,084,929</u>

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STATISTICAL SECTION

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

Note: For locally assessed property (i.e., excluding mines, utilities, etc.) Proposition 117, approved by voters in 2012, amended the Arizona Constitution to require that all property taxes after fiscal year 2014-15 be based upon property values limited to 5 percent in annual growth. The aggregate assessed value of all taxable properties within a taxing jurisdiction (i.e., after applying assessment ratios based on the use of a property), including property values with a growth limit, is currently referred to as net limited assessed value and formerly as primary assessed value. In accordance with Proposition 117, this value is used for all taxing purposes beginning fiscal year 2015-16. Aggregate assessed value without a growth limit is currently referred to as net full cash assessed value and formerly as secondary assessed value. This remains the value utilized for determining debt capacity limits.

MESA UNIFIED SCHOOL DISTRICT NO. 4
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Net Position:					
Net investment in capital assets	\$ 294,475,579	\$ 291,142,909	\$ 289,673,525	\$ 284,979,886	\$ 280,887,534
Restricted	109,013,005	85,460,236	68,649,166	69,314,393	73,768,937
Unrestricted	<u>(293,918,253)</u>	<u>(302,081,999)</u>	<u>(313,448,895)</u>	<u>(365,494,452)</u>	<u>(419,897,425)</u>
Total net position	<u><u>\$ 109,570,331</u></u>	<u><u>\$ 74,521,146</u></u>	<u><u>\$ 44,873,796</u></u>	<u><u>\$ (11,200,173)</u></u>	<u><u>\$ (65,240,954)</u></u>
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Net Position:					
Net investment in capital assets	\$ 273,393,759	\$ 293,968,422	\$ 301,226,821	\$ 313,980,672	\$ 305,946,898
Restricted	88,565,034	90,283,357	106,827,807	121,923,514	122,209,405
Unrestricted	<u>(429,130,224)</u>	<u>(423,502,218)</u>	<u>115,482,930</u>	<u>131,476,750</u>	<u>147,744,000</u>
Total net position	<u><u>\$ (67,171,431)</u></u>	<u><u>\$ (39,250,439)</u></u>	<u><u>\$ 523,537,558</u></u>	<u><u>\$ 567,380,936</u></u>	<u><u>\$ 575,900,303</u></u>

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

Note: The provisions of the Governmental Accounting Standards Board Statement No. 68 were implemented in fiscal year 2015. The standard required the District to record the proportionate share of the state pension plan liability, resulting in a significant decrease in the net position of the District.

MESA UNIFIED SCHOOL DISTRICT NO. 4
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Expenses					
Instruction	\$ 377,990,166	\$ 355,926,838	\$ 310,301,952	\$ 293,505,646	\$ 306,244,431
Support services - students and staff	99,116,971	92,780,898	77,292,839	71,472,663	75,402,706
Support services - administration	51,084,470	37,390,362	49,711,541	37,312,711	51,639,898
Operation and maintenance of plant services	64,677,848	59,568,062	56,416,258	54,131,885	57,384,919
Student transportation services	38,809,951	34,921,019	32,846,639	31,570,604	32,657,175
Operation of non-instructional services	29,234,464	31,743,089	30,599,036	30,419,322	32,463,927
Interest on long-term debt	7,025,140	5,874,980	6,511,137	8,309,719	7,689,798
Total expenses	<u>667,939,010</u>	<u>618,205,248</u>	<u>563,679,402</u>	<u>526,722,550</u>	<u>563,482,854</u>
Program Revenues					
Charges for services:					
Instruction	9,285,567	11,839,030	11,715,827	11,208,432	10,611,617
Operation of non-instructional services	2,460,221	8,336,924	10,005,584	8,851,251	8,969,542
Other activities	2,349,490	3,481,462	2,674,389	3,346,383	3,666,158
Operating grants and contributions	128,641,768	77,667,596	73,859,660	69,280,633	68,660,145
Capital grants and contributions	7,481,087	12,846,602	5,801,128	4,493,336	3,454,773
Total program revenues	<u>150,218,133</u>	<u>114,171,614</u>	<u>104,056,588</u>	<u>97,180,035</u>	<u>95,362,235</u>
Net (Expense)/Revenue	<u>\$ (517,720,877)</u>	<u>\$ (504,033,634)</u>	<u>\$ (459,622,814)</u>	<u>\$ (429,542,515)</u>	<u>\$ (468,120,619)</u>

(Continued)

MESA UNIFIED SCHOOL DISTRICT NO. 4
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Expenses					
Instruction	\$ 323,041,626	\$ 312,523,292	\$ 316,268,374	\$ 291,775,812	\$ 298,287,325
Support services - students and staff	66,580,632	67,290,219	65,757,543	63,004,743	60,851,094
Support services - administration	51,501,847	51,273,180	49,274,922	45,028,035	39,111,463
Operation and maintenance of plant services	56,346,816	57,134,613	54,897,205	51,409,079	51,442,545
Student transportation services	33,042,804	34,190,628	35,853,679	32,913,799	31,915,383
Operation of non-instructional services	32,281,985	31,437,236	34,757,582	33,097,011	33,235,211
Interest on long-term debt	8,227,474	8,965,570	7,820,758	6,828,839	10,100,791
Total expenses	<u>571,023,184</u>	<u>562,814,738</u>	<u>564,630,063</u>	<u>524,057,318</u>	<u>524,943,812</u>
Program Revenues					
Charges for services:					
Instruction	12,679,353	12,254,163	8,679,542	8,916,142	8,517,336
Operation of non-instructional services	9,199,632	4,268,844	13,214,480	13,781,768	14,333,180
Other activities	4,701,474	8,292,905	3,572,756	2,697,693	2,624,705
Operating grants and contributions	65,986,998	68,088,198	69,975,568	67,909,433	77,698,553
Capital grants and contributions	1,732,109	3,570,423	1,503,642	3,746,386	5,153,536
Total program revenues	<u>94,299,566</u>	<u>96,474,533</u>	<u>96,945,988</u>	<u>97,051,422</u>	<u>108,327,310</u>
Net (Expense)/Revenue	<u>\$ (476,723,618)</u>	<u>\$ (466,340,205)</u>	<u>\$ (467,684,075)</u>	<u>\$ (427,005,896)</u>	<u>\$ (416,616,502)</u>

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

(Concluded)

MESA UNIFIED SCHOOL DISTRICT NO. 4
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Net (Expense)/Revenue	\$ (517,720,877)	\$ (504,033,634)	\$ (459,622,814)	\$ (429,542,515)	\$ (468,120,619)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	163,980,891	126,060,565	142,463,437	141,324,169	131,942,939
Property taxes, levied for debt service	54,746,602	52,307,073	51,045,193	46,750,686	42,600,557
Property taxes, levied for capital outlay	7,925,844	13,467,348	762,302	442,941	9,636,322
Investment income	2,351,841	4,048,015	3,342,747	1,633,074	1,045,459
Unrestricted county aid	24,914,544	23,792,790	23,827,895	23,556,471	22,749,284
Unrestricted state aid	292,134,452	304,164,879	287,463,705	264,443,679	257,741,819
Unrestricted federal aid	6,715,888	6,742,296	6,791,504	5,347,459	4,334,716
Total general revenues	552,770,062	530,582,966	515,696,783	483,498,479	470,051,096
Changes in Net Position	\$ 35,049,185	\$ 26,549,332	\$ 56,073,969	\$ 53,955,964	\$ 1,930,477

(Continued)

MESA UNIFIED SCHOOL DISTRICT NO. 4
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Net (Expense)/Revenue	\$ (476,723,618)	\$ (466,340,205)	\$ (467,684,075)	\$ (427,005,896)	\$ (416,616,502)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	122,526,383	136,198,277	130,033,888	130,493,555	140,471,672
Property taxes, levied for debt service	40,701,262	38,797,176	35,320,231	36,323,106	43,193,001
Property taxes, levied for capital outlay	3,614,588	1,370,373	434,957	1,294,276	7,077,433
Investment income	988,058	806,877	879,756	898,167	1,150,793
Unrestricted county aid	21,554,406	20,697,042	20,263,506	20,346,307	21,111,571
Unrestricted state aid	254,598,141	234,491,938	235,147,851	226,325,072	219,274,332
Unrestricted federal aid	4,819,788	2,828,702	1,760,508	2,806,046	2,416,633
Total general revenues	<u>448,802,626</u>	<u>435,190,385</u>	<u>423,840,697</u>	<u>418,486,529</u>	<u>434,695,435</u>
Changes in Net Position	<u>\$ (27,920,992)</u>	<u>\$ (31,149,820)</u>	<u>\$ (43,843,378)</u>	<u>\$ (8,519,367)</u>	<u>\$ 18,078,933</u>

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

(Concluded)

MESA UNIFIED SCHOOL DISTRICT NO. 4
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
General Fund:					
Nonspendable	\$ 3,341,212	\$ 3,671,476	\$ 2,972,130	\$ 2,413,922	\$ 2,678,469
Unassigned	79,536,361	62,707,851	61,678,542	52,705,920	39,891,408
Total General Fund	<u>\$ 82,877,573</u>	<u>\$ 66,379,327</u>	<u>\$ 64,650,672</u>	<u>\$ 55,119,842</u>	<u>\$ 42,569,877</u>
All Other Governmental Funds:					
Nonspendable	\$ 1,310,419	\$ 2,138,553	\$ 1,221,846	\$ 1,219,051	\$ 1,068,546
Restricted	194,339,635	178,782,081	131,171,482	95,748,678	99,859,326
Unassigned	(8,279,487)	(15,509,002)	(5,202,561)	(625,927)	
Total all other governmental funds	<u>\$ 187,370,567</u>	<u>\$ 165,411,632</u>	<u>\$ 127,190,767</u>	<u>\$ 96,341,802</u>	<u>\$ 100,927,872</u>
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General Fund:					
Nonspendable	\$ 2,498,062	\$ 2,340,624	\$ 2,377,088	\$ 2,179,594	\$ 2,052,841
Unassigned	29,432,511	32,811,985	32,198,236	37,164,642	45,475,514
Total General Fund	<u>\$ 31,930,573</u>	<u>\$ 35,152,609</u>	<u>\$ 34,575,324</u>	<u>\$ 39,344,236</u>	<u>\$ 47,528,355</u>
All Other Governmental Funds:					
Nonspendable	\$ 1,071,503	\$ 1,373,926	\$ 1,423,089	\$ 1,199,545	\$ 1,167,457
Restricted	104,539,944	124,035,650	144,273,536	159,515,081	119,500,273
Assigned				4,995,263	5,656,111
Unassigned	(33,763)	(129,863)			
Total all other governmental funds	<u>\$ 105,577,684</u>	<u>\$ 125,279,713</u>	<u>\$ 145,696,625</u>	<u>\$ 165,709,889</u>	<u>\$ 126,323,841</u>

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

MESA UNIFIED SCHOOL DISTRICT NO. 4
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Federal sources:					
Federal grants	\$ 108,527,536	\$ 46,173,976	\$ 47,753,524	\$ 44,725,817	\$ 42,562,505
Impact Aid	485,749	412,305	450,723	313,838	315,037
National School Lunch Program	26,101,097	21,077,010	24,968,235	24,864,791	26,632,631
Total federal sources	<u>135,114,382</u>	<u>67,663,291</u>	<u>73,172,482</u>	<u>69,904,446</u>	<u>69,510,173</u>
State sources:					
State equalization assistance	258,411,411	270,041,760	249,318,144	231,664,428	230,658,406
State grants	7,469,278	6,774,731	4,861,508	4,553,962	1,717,642
School Facilities Board	6,584,124	9,216,378	450,402	1,684,370	1,860,111
Other revenues	33,723,041	34,123,119	37,695,159	31,094,881	27,083,413
Total state sources	<u>306,187,854</u>	<u>320,155,988</u>	<u>292,325,213</u>	<u>268,997,641</u>	<u>261,319,572</u>
Local sources:					
Property taxes	226,877,936	200,728,039	195,991,014	188,843,789	184,805,718
County aid	24,914,544	23,792,790	23,827,895	23,556,471	22,749,284
Food service sales	582,895	4,409,932	6,119,684	5,819,736	5,640,716
Investment income	2,059,629	3,425,487	2,860,464	1,453,972	886,969
Other revenues	15,722,275	22,654,173	22,751,629	21,743,808	21,797,393
Total local sources	<u>270,157,279</u>	<u>255,010,421</u>	<u>251,550,686</u>	<u>241,417,776</u>	<u>235,880,080</u>
Total revenues	<u><u>\$ 711,459,515</u></u>	<u><u>\$ 642,829,700</u></u>	<u><u>\$ 617,048,381</u></u>	<u><u>\$ 580,319,863</u></u>	<u><u>\$ 566,709,825</u></u>

(Continued)

MESA UNIFIED SCHOOL DISTRICT NO. 4
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Federal sources:					
Federal grants	\$ 41,943,525	\$ 46,630,089	\$ 45,858,456	\$ 48,896,648	\$ 58,959,099
Impact Aid	316,351	316,460	237,851	323,347	300,228
Education Jobs					199,449
National School Lunch Program	25,575,863	24,238,284	23,765,771	22,303,922	21,616,061
Total federal sources	<u>67,835,739</u>	<u>71,184,833</u>	<u>69,862,078</u>	<u>71,523,917</u>	<u>81,074,837</u>
State sources:					
State equalization assistance	228,020,378	209,258,136	209,914,924	205,028,540	200,455,950
State grants	2,064,125	1,549,436	1,234,073	3,650,631	4,558,133
School Facilities Board	900,974	44,520			
Other revenues	26,566,443	26,104,402	25,848,649	18,773,132	16,327,710
Total state sources	<u>257,551,920</u>	<u>236,956,494</u>	<u>236,997,646</u>	<u>227,452,303</u>	<u>221,341,793</u>
Local sources:					
Property taxes	173,563,409	175,738,937	165,304,688	167,482,665	189,436,332
County aid	21,554,406	20,697,042	20,263,506	20,346,307	21,111,571
Food service sales	5,897,322	5,638,976	6,367,584	6,482,250	6,995,205
Investment income	988,058	683,137	719,836	701,526	930,409
Other revenues	21,943,120	20,481,650	20,859,717	20,899,756	19,725,130
Total local sources	<u>223,946,315</u>	<u>223,239,742</u>	<u>213,515,331</u>	<u>215,912,504</u>	<u>238,198,647</u>
Total revenues	<u>\$ 549,333,974</u>	<u>\$ 531,381,069</u>	<u>\$ 520,375,055</u>	<u>\$ 514,888,724</u>	<u>\$ 540,615,277</u>

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

(Concluded)

MESA UNIFIED SCHOOL DISTRICT NO. 4
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Expenditures:					
Current -					
Instruction	\$ 319,702,648	\$ 314,698,859	\$ 299,160,125	\$ 277,655,640	\$ 270,951,435
Support services - students and staff	94,356,005	91,050,469	82,609,401	74,730,899	72,922,283
Support services - administration	45,575,653	45,018,904	44,285,313	43,261,595	42,200,799
Operation and maintenance of plant services	60,330,693	57,734,550	57,114,749	54,719,119	56,006,320
Student transportation services	26,732,938	27,940,255	28,860,932	28,095,351	27,819,551
Operation of non-instructional services	25,961,045	30,582,983	31,144,365	30,774,567	32,083,167
Capital outlay	103,657,833	67,271,997	47,334,417	44,472,422	49,564,817
Debt service -					
Interest and fiscal charges	10,519,810	9,369,650	9,142,735	8,985,283	8,365,361
Principal retirement	44,975,000	43,775,000	42,530,000	38,460,000	35,900,000
Bond issuance costs	467,342	535,824	426,909	247,909	266,374
Total expenditures	<u>\$ 732,278,967</u>	<u>\$ 687,978,491</u>	<u>\$ 642,608,946</u>	<u>\$ 601,402,785</u>	<u>\$ 596,080,107</u>
Expenditures for capitalized assets	\$ 58,671,859	\$ 41,540,498	\$ 28,236,516	\$ 31,063,447	\$ 30,032,893
Debt service as a percentage of noncapital expenditures	8%	8%	8%	8%	8%

(Continued)

MESA UNIFIED SCHOOL DISTRICT NO. 4
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Expenditures:					
Current -					
Instruction	\$ 278,234,726	\$ 269,153,702	\$ 270,012,123	\$ 260,272,242	\$ 266,342,397
Support services - students and staff	63,311,598	63,382,476	61,630,595	61,005,494	58,791,500
Support services - administration	40,853,815	39,249,811	38,851,477	37,003,506	37,160,726
Operation and maintenance of plant services	54,299,387	54,636,961	52,491,954	49,921,930	50,449,122
Student transportation services	27,983,493	29,292,753	30,717,237	29,128,243	28,683,732
Operation of non-instructional services	31,402,412	30,582,165	34,131,738	32,663,683	32,644,399
Capital outlay	68,920,581	59,423,729	72,931,404	23,037,787	23,585,382
Debt service -					
Interest and fiscal charges	9,096,805	9,547,336	7,820,758	8,684,819	10,100,791
Principal retirement	34,220,000	32,140,000	29,450,000	29,915,000	33,780,000
Bond issuance costs	397,346	301,682	670,743	302,874	
Total expenditures	<u>\$ 608,720,163</u>	<u>\$ 587,710,615</u>	<u>\$ 598,708,029</u>	<u>\$ 531,935,578</u>	<u>\$ 541,538,049</u>
Expenditures for capitalized assets	\$ 37,252,331	\$ 37,010,905	\$ 44,734,991	\$ 12,235,039	\$ 13,935,457
Debt service as a percentage of noncapital expenditures	8%	8%	7%	7%	8%

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

(Concluded)

MESA UNIFIED SCHOOL DISTRICT NO. 4
OTHER FINANCING SOURCES AND USES AND NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Excess (deficiency) of revenues over expenditures	\$ (20,819,452)	\$ (45,148,791)	\$ (25,560,565)	\$ (21,082,922)	\$ (29,370,282)
Other financing sources (uses):					
General obligation bonds issued	48,140,000	70,630,000	56,135,000	25,355,000	30,315,000
Refunding bonds issued					
Premium on sale of bonds	12,264,163	9,816,032	9,244,357	3,805,859	4,867,324
Proceeds from sale of capital assets	30,868				
Transfers in	5,298,001	4,005,349	7,261,523	6,245,019	5,009,100
Transfers out	(5,298,001)	(4,005,349)	(7,261,523)	(6,245,019)	(5,009,100)
Payment to refunded bond escrow agent					
Total other financing sources (uses)	<u>60,435,031</u>	<u>80,446,032</u>	<u>65,379,357</u>	<u>29,160,859</u>	<u>35,182,324</u>
Changes in fund balances	<u>\$ 39,615,579</u>	<u>\$ 35,297,241</u>	<u>\$ 39,818,792</u>	<u>\$ 8,077,937</u>	<u>\$ 5,812,042</u>
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Excess (deficiency) of revenues over expenditures	\$ (59,386,189)	\$ (56,329,546)	\$ (78,332,974)	\$ (17,046,854)	\$ (922,772)
Other financing sources (uses):					
General obligation bonds issued	35,000,000	35,000,000	50,000,000	46,000,000	
Refunding bonds issued	12,815,000		45,000,000		
Premium on sale of bonds	1,455,363	1,575,546	2,466,523	2,158,854	
Premium on sale of refunding bonds	862,696		5,137,757		
Proceeds from sale of capital assets					
Transfers in	3,695,589	4,520,918	10,018,231	4,897,318	13,717,427
Transfers out	(3,695,589)	(4,520,918)	(10,018,231)	(4,966,230)	(13,717,427)
Payment to refunded bond escrow agent	(13,525,950)		(49,474,520)		
Total other financing sources (uses)	<u>36,607,109</u>	<u>36,575,546</u>	<u>53,129,760</u>	<u>48,089,942</u>	
Changes in fund balances	<u>\$ (22,779,080)</u>	<u>\$ (19,754,000)</u>	<u>\$ (25,203,214)</u>	<u>\$ 31,043,088</u>	<u>\$ (922,772)</u>

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

MESA UNIFIED SCHOOL DISTRICT NO. 4
NET LIMITED ASSESSED VALUE AND FULL CASH VALUE OF TAXABLE PROPERTY BY CLASS
LAST TEN FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Commercial, Industrial, Utilities and Mining	\$ 904,144,273	\$ 896,444,041	\$ 854,220,352	\$ 776,970,064	\$ 744,211,648
Agricultural and Vacant	59,581,003	65,466,818	64,397,627	69,148,527	72,298,095
Residential (Owner Occupied)	1,571,316,513	1,471,889,010	1,398,116,285	1,313,335,612	1,242,728,444
Residential (Rental)	821,771,959	769,851,366	711,941,939	674,194,435	631,758,705
Railroad, Private Cars and Airlines	634,568	656,661	674,652	697,613	642,774
Historical Property	680,821	689,761	641,691	514,188	801,015
Certain Government Property Improvements	237,643	269,853	262,519	277,428	261,589
Total	\$ 3,358,366,780	\$ 3,205,267,510	\$ 3,030,255,065	\$ 2,835,137,867	\$ 2,692,702,270
Gross Full Cash Value	\$ 47,852,168,437	\$ 43,639,435,114	\$ 40,390,270,653	\$ 37,544,123,311	\$ 35,490,412,139
Ratio of Net Limited Assessed Value to Gross Full Cash Value	7.02%	7.34%	7.50%	7.55%	7.59%
Total Direct Rate	7.37	6.98	7.22	7.33	7.56

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Commercial, Industrial, Utilities and Mining	\$ 733,496,872	\$ 747,420,522	\$ 785,288,431	\$ 908,993,398	\$ 1,033,259,260
Agricultural and Vacant	72,868,716	74,696,435	76,802,626	85,881,995	127,358,534
Residential (Owner Occupied)	1,192,311,974	1,156,063,864	1,096,616,418	1,315,427,335	1,503,129,200
Residential (Rental)	585,566,607	529,114,336	453,415,210	341,463,097	394,543,924
Railroad, Private Cars and Airlines	681,964	809,962	706,309	820,596	717,724
Historical Property	793,044	834,699	666,553	529,860	433,373
Certain Government Property Improvements	220,981	143,532	152,941	176,940	138,211
Total	\$ 2,585,940,158	\$ 2,509,083,350	\$ 2,413,648,488	\$ 2,653,293,221	\$ 3,059,580,226
Gross Full Cash Value	\$ 31,969,444,367	\$ 26,742,716,271	\$ 24,065,430,955	\$ 25,639,251,617	\$ 29,477,789,828
Ratio of Net Limited Assessed Value to Gross Full Cash Value	8.09%	9.38%	10.03%	10.35%	10.38%
Total Direct Rate	7.36	7.50	7.45	6.87	6.75

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

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

MESA UNIFIED SCHOOL DISTRICT NO. 4
NET FULL CASH ASSESSED VALUE OF TAXABLE PROPERTY BY CLASS
LAST TEN FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Commerical, Industrial, Utilities and Mining	\$ 1,230,596,559	\$ 1,184,215,143	\$ 1,096,283,900	\$ 982,461,297	\$ 891,053,054
Agricultural and Vacant	97,610,503	100,438,479	98,588,104	101,090,386	104,084,580
Residential (Owner Occupied)	2,228,789,613	2,021,228,795	1,868,649,499	1,736,788,901	1,663,900,435
Residential (Rental)	1,272,723,931	1,142,208,232	1,013,508,943	932,064,081	851,419,261
Railroad, Private Cars and Airlines	799,812	808,113	810,198	810,038	686,714
Historical Property	1,495,679	1,290,367	1,127,792	925,172	1,981,033
Certain Government Property Improvements	318,336	357,722	354,850	384,685	341,230
Total	\$ 4,832,334,433	\$ 4,450,546,851	\$ 4,079,323,286	\$ 3,754,524,560	\$ 3,513,466,307
Gross Full Cash Value	\$ 47,852,168,437	\$ 43,639,435,114	\$ 40,390,270,653	\$ 37,544,123,311	\$ 35,490,412,139
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	10.10%	10.20%	10.10%	10.00%	9.90%
Estimated Net Full Cash Value	\$ 4,832,334,433	\$ 4,450,546,851	\$ 4,079,323,286	\$ 3,754,524,560	\$ 3,513,466,307
Total Direct Rate	7.37	6.98	7.22	7.33	7.56

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Commerical, Industrial, Utilities and Mining	\$ 782,325,557	\$ 752,148,911	\$ 789,223,893	\$ 912,405,174	\$ 1,040,860,955
Agricultural and Vacant	90,082,342	80,591,793	78,967,429	86,987,986	132,226,615
Residential (Owner Occupied)	1,554,216,380	1,253,369,620	1,098,064,311	1,317,268,455	1,505,039,879
Residential (Rental)	746,842,114	582,252,234	461,744,518	343,356,470	397,212,338
Railroad, Private Cars and Airlines	694,545	817,315	712,785	835,948	799,785
Historical Property	2,165,591	2,213,943	1,725,109	553,934	433,373
Certain Government Property Improvements	238,461	143,532	152,941	176,940	138,708
Total	\$ 3,176,564,990	\$ 2,671,537,348	\$ 2,430,590,986	\$ 2,661,584,907	\$ 3,076,711,653
Gross Full Cash Value	\$ 31,969,444,367	\$ 26,742,716,271	\$ 24,065,430,955	\$ 25,639,251,617	\$ 29,477,789,828
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	9.94%	9.99%	10.10%	10.38%	10.44%
Estimated Net Full Cash Value	\$ 3,176,564,990	\$ 2,671,537,348	\$ 2,430,590,986	\$ 2,661,584,907	\$ 3,076,711,653
Total Direct Rate	7.36	7.50	7.45	6.87	6.75

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

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

**MESA UNIFIED SCHOOL DISTRICT NO. 4
PROPERTY TAX ASSESSMENT RATIOS
LAST TEN FISCAL YEARS**

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

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

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

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

**MESA UNIFIED SCHOOL DISTRICT NO. 4
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Overlapping Rates							District Direct Rates		
	State Equalization	County	Flood Control District	Junior College District	Central Arizona Water	East Valley Institute of Technology School District	Cities Low-High	Primary	Secondary	Total
	2021	0.45	1.40	0.18	1.29	0.14	0.05	0.99-2.40	4.07	3.30
2020	0.46	1.40	0.18	1.33	0.14	0.05	0.99-2.40	4.20	2.78	6.98
2019	0.47	1.40	0.18	1.38	0.14	0.05	0.99-2.42	4.09	3.13	7.22
2018	0.49	1.40	0.18	1.41	0.14	0.05	1.03-2.49	4.54	2.79	7.33
2017	0.50	1.40	0.18	1.47	0.14	0.05	1.06-2.53	4.78	2.78	7.56
2016	0.51	1.36	0.16	1.49	0.14	0.05	1.06-2.52	4.62	2.74	7.36
2015	0.51	1.32	0.14	1.52	0.14	0.05	1.07-2.44	4.93	2.57	7.50
2014	0.51	1.28	0.14	1.53	0.14	0.05	0-2.49	4.78	2.67	7.45
2013	0.47	1.24	0.18	1.38	1.00	0.05	1.15-2.14	4.35	2.52	6.87
2012	0.43	1.24	0.18	1.21	0.10	0.05	0-1.40	4.34	2.41	6.75

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

Note: The cities included above are Mesa, Chandler, Tempe, Apache Junction and Gilbert.

**MESA UNIFIED SCHOOL DISTRICT NO. 4
PRINCIPAL PROPERTY TAXPAYERS
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR**

Taxpayer	2021		2012	
	Net Limited Assessed Valuation	Percentage of District's Net Limited Assessed Valuation	Net Full Cash Assessed Valuation	Percentage of District's Net Full Cash Assessed Valuation
MPT of Mesa LLC	\$ 25,920,382	0.77 %	\$	%
Sachs Ranch Co. LLC/Hurley Land Co. LLC	24,952,103	0.74		
Qwest	13,149,073	0.39		
Wal-Mart Stores Inc.	11,304,336	0.34		
DTRIC-SGW LLC/DTL-SGW LLC	10,974,184	0.33		
Hughes Helicopters Inc.	10,142,925	0.30		
Mesa Campus LLC	8,889,131	0.26		
Salt River Point LL LLC	8,807,486	0.26		
CCF BKM Broadway LLC	7,434,522	0.22		
East Mesa Mall, LLC	6,992,406	0.21		
Arizona Public Service Company			100,944,054	6.16
CenturyLink			20,114,083	1.23
Metrorising AMS Owner LLC			8,733,600	0.53
PDG America Properties LLC			7,726,327	0.47
VHS of Phoenix Inc.			7,572,506	0.46
Canyon Corporate Plaza Properties LLC			7,275,000	0.44
Arizona Public Service Company (CW			5,979,149	0.36
Bay Pacific Phoenix Coprorate Center			5,850,929	0.36
Karsten Manufacturing Coproration			5,142,325	0.31
The Laramar Group			5,064,030	0.31
Total	<u>\$ 128,566,548</u>	<u>3.82 %</u>	<u>\$ 174,402,003</u>	<u>10.63 %</u>

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

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

**MESA UNIFIED SCHOOL DISTRICT NO. 4
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Fiscal Years	Collected to the End of the Current Fiscal Year	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2021	\$ 248,140,298	\$ 239,668,333	96.59 %	\$	\$ 239,668,333	96.59 %
2020	220,979,610	209,961,170	95.01	10,770,382	220,731,552	99.89
2019	216,861,273	205,792,194	94.90	10,981,574	216,773,768	99.96
2018	207,874,308	197,041,443	94.79	10,749,492	207,790,935	99.96
2017	203,884,538	192,344,798	94.34	11,476,920	203,821,718	99.97
2016	190,586,353	186,834,822	98.03	3,694,287	190,529,109	99.97
2015	192,192,263	182,011,292	94.70	10,098,449	192,109,741	99.96
2014	179,807,566	169,931,602	94.51	9,827,668	179,759,270	99.97
2013	182,652,261	171,975,233	94.15	10,660,795	182,636,028	99.99
2012	206,716,654	194,350,477	94.02	10,365,223	204,715,700	99.03

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

- Notes:**
- 1) Amounts collected are on a cash basis.
 - 2) Unsecured personal property taxes are not included in this schedule because the dates of the monthly rolls vary each year. On the average, 90% of unsecured property taxes are collected within 90 days after the due date.

**MESA UNIFIED SCHOOL DISTRICT NO. 4
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	General Obligation Bonds					Total Outstanding Debt				
	General Obligation Bonds	Less: Amounts Restricted for Principal	Total	Percentage of Estimated Actual Value	Per Capita	Total	Percentage of Estimated Actual Value	Per Capita	Percentage of Personal Income	
2021	\$ 320,500,000	\$ 3,962,848	\$ 316,537,152	0.66 %	\$ 594	\$ 320,500,000	0.67 %	\$ 601	0.13 %	
2020	341,252,495	3,701,683	337,550,812	0.77	644	341,252,495	0.78	651	0.15	
2019	306,831,133	2,911,850	303,919,283	0.75	594	306,831,133	0.76	599	0.15	
2018	283,438,278	2,527,337	280,910,941	0.75	557	283,438,278	0.75	562	0.14	
2017	292,103,362	2,769,263	289,334,099	0.82	619	292,103,362	0.82	625	0.16	
2016	293,066,980	4,153,501	288,913,479	0.90	627	293,066,980	0.92	636	0.16	
2015	289,653,156	5,030,957	284,622,199	1.06	615	289,653,156	1.08	625	0.17	
2014	276,400,000	6,357,777	270,042,223	1.12	590	276,400,000	1.15	604	0.19	
2013	256,315,000	4,855,324	251,459,676	0.98	556	256,315,000	1.00	567	0.17	
2012	244,095,000	4,030,101	240,064,899	0.81	528	244,095,000	0.83	536	0.17	

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

MESA UNIFIED SCHOOL DISTRICT NO. 4
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2021

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Overlapping:			
Maricopa County Community College District	\$ 250,065,000	7.35 %	\$ 18,379,778
Maricopa County Special Health Care District (MIHS)	429,125,000	7.35	31,540,688
City of Chandler	272,100,000	4.67	12,707,070
City of Mesa	350,985,000	77.82	273,136,527
Subtotal, Overlapping Debt			<u>335,764,063</u>
Direct:			
Mesa Unified School District No. 4			<u>320,500,000</u>
Total Direct and Overlapping Governmental Activities Debt			<u>\$ 656,264,063</u>

DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS

Net Direct General Obligation Bonded Debt	
As a Percentage of Net Limited Assessed Valuation	9.54 %
Net Direct and Overlapping General Bonded Debt	
Per Capita	1,231
As a Percentage of Net Limited Assessed Valuation	19.54 %
As a Percentage of Gross Full Cash Value	1.60 %

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: Estimated percentage of debt outstanding applicable to the District is calculated based on a portion of the District's net limited assessed valuation as a percentage of the net limited assessed valuation of the overlapping jurisdiction.

**MESA UNIFIED SCHOOL DISTRICT NO. 4
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

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

Net full cash assessed valuation	\$ 4,832,334,433
Debt limit (20% of assessed value)	966,466,887
Debt applicable to limit	<u>357,287,582</u>
Legal debt margin	<u><u>\$ 609,179,305</u></u>

Total Legal Debt Margin Calculation for Fiscal Year 2021

Net full cash assessed valuation	\$ 4,832,334,433
Debt limit (30% of assessed value)	1,449,700,330
Debt applicable to limit	<u>357,287,582</u>
Legal debt margin	<u><u>\$ 1,092,412,748</u></u>

Fiscal Year Ended June 30

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Debt Limit	\$ 1,449,700,330	\$ 1,335,164,055	\$ 1,223,796,986	\$ 1,126,357,368	\$ 1,054,039,892
Total net debt applicable to limit	<u>357,287,582</u>	<u>342,386,067</u>	<u>305,230,000</u>	<u>270,360,000</u>	<u>285,590,000</u>
Legal debt margin	<u><u>\$ 1,092,412,748</u></u>	<u><u>\$ 992,777,988</u></u>	<u><u>\$ 918,566,986</u></u>	<u><u>\$ 855,997,368</u></u>	<u><u>\$ 768,449,892</u></u>
Total net debt applicable to the limit as a percentage of debt limit	25%	26%	25%	24%	27%

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Debt Limit	\$ 952,969,497	\$ 801,461,204	\$ 729,177,296	\$ 798,475,472	\$ 923,013,496
Total net debt applicable to limit	<u>284,810,000</u>	<u>281,950,000</u>	<u>276,400,000</u>	<u>256,315,000</u>	<u>244,095,000</u>
Legal debt margin	<u><u>\$ 668,159,497</u></u>	<u><u>\$ 519,511,204</u></u>	<u><u>\$ 452,777,296</u></u>	<u><u>\$ 542,160,472</u></u>	<u><u>\$ 678,918,496</u></u>
Total net debt applicable to the limit as a percentage of debt limit	30%	35%	38%	32%	26%

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

Notes: 1) The District's general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds outstanding and the statutory debt limit on Class B bonds outstanding. The calculations of the debt margins are presented in detail for the current fiscal year only.

2) Prior to FY17, net bond premium was restricted by amount and not subject to the statutory debt limit. Beginning with FY17, any additional net premium used for capital projects, bond counsel, printing and preparation of offering documents, a financial advisor, paying agent costs or to pay down debt is counted against both debt limits with the exception of amounts of premium deposited into the Debt Service Fund or a refunding escrow to pay interest payments.

**MESA UNIFIED SCHOOL DISTRICT NO. 4
COUNTY-WIDE DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands)</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>	<u>Estimated District Population</u>
2020	4,439,220	\$ 245,077,753	\$ 53,521	6.6 %	533,228
2019	4,367,835	222,943,072	49,704	3.6	524,362
2018	4,294,460	210,370,180	47,694	4.1	512,019
2017	4,221,684	196,286,191	45,573	4.2	504,403
2016	4,137,076	185,111,698	43,628	4.5	467,532
2015	4,076,439	184,784,917	42,092	5.1	460,950
2014	4,008,651	168,483,421	41,222	5.9	463,163
2013	4,009,412	147,700,000	40,030	6.2	457,587
2012	3,884,705	147,374,500	38,538	7.1	452,000
2011	3,843,370	142,864,275	37,352	8.4	455,000

Sources:

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

**MESA UNIFIED SCHOOL DISTRICT NO. 4
PRINCIPAL EMPLOYERS
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR**

<u>Employer</u>	<u>2021</u>		<u>2012</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Banner Health Systems	8,321	3.31 %	8,287	4.08 %
Mesa Public Schools	7,994	3.18	8,042	3.96
Boeing	4,600	1.83	4,700	2.31
City of Mesa	4,135	1.64	3,491	1.72
Wal-Mart	2,853	1.13	2,537	1.25
Drivetime	1,401	0.56		
24-7 Intouch	1,400	0.56		
Fry's Food Stores	1,359	0.54		
AT&T	1,311	0.52		
Home Depot	1,111	0.44		
Maricopa County			2,644	1.30
Maricopa Community College			1,951	0.96
Gilbert Unified School District			1,230	0.61
The Kroger Company (Fry's)			1,059	0.52
West Direct II Inc.			800	0.39
Total	<u>34,485</u>	<u>13.71 %</u>	<u>34,741</u>	<u>17.10 %</u>
Total employment	<u>251,441</u>		<u>203,164</u>	

Source: The source of this information is City of Mesa Office of Economic Development

MESA UNIFIED SCHOOL DISTRICT NO. 4
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS

	Full-time Equivalent Employees as of June 30				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Supervisory					
Superintendent	1	1	1	1	1
Assistant superintendents	8	6	7	7	7
Consultants/supervisors of instruction	47	50	20	19	45
Principals	79	79	77	75	76
Assistant principals	29	27	27	27	27
Total supervisory	<u>164</u>	<u>163</u>	<u>132</u>	<u>129</u>	<u>156</u>
Instruction					
Teachers	3,319	3,331	3,320	3,307	3,345
Other professionals (instructional)	187	187	189	203	120
Aides	953	1,122	1,072	1,103	1,155
Total instruction	<u>4,459</u>	<u>4,640</u>	<u>4,581</u>	<u>4,613</u>	<u>4,620</u>
Student Services					
Nurses	45	46	44	44	45
Counselors/Advisors	153	127	92	92	91
Other	183	172	153	145	124
Total student services	<u>381</u>	<u>345</u>	<u>289</u>	<u>281</u>	<u>260</u>
Support and Administration					
Clerical workers	325	331	330	325	330
Custodians	343	351	348	344	379
Bus Drivers	330	362	402	394	410
Food Service workers	303	324	328	327	332
Other classified	1,055	1,104	1,135	1,146	1,166
Total support and administration	<u>2,356</u>	<u>2,472</u>	<u>2,543</u>	<u>2,536</u>	<u>2,617</u>
Total	<u><u>7,360</u></u>	<u><u>7,620</u></u>	<u><u>7,545</u></u>	<u><u>7,559</u></u>	<u><u>7,653</u></u>

(Continued)

MESA UNIFIED SCHOOL DISTRICT NO. 4
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Supervisory					
Superintendent	1	1	1	1	1
Assistant superintendents	6	6	6	6	6
Consultants/supervisors of instruction	31	29	30	30	29
Principals	77	78	78	79	80
Assistant principals	27	27	28	26	24
Total supervisory	<u>142</u>	<u>141</u>	<u>143</u>	<u>142</u>	<u>140</u>
Instruction					
Teachers	3,277	3,294	3,307	3,266	3,226
Other professionals (instructional)	116	130	131	129	127
Aides	1,125	1,157	1,114	1,151	1,088
Total instruction	<u>4,518</u>	<u>4,581</u>	<u>4,552</u>	<u>4,546</u>	<u>4,441</u>
Student Services					
Nurses	46	45	45	45	39
Counselors/Advisors	87	89	88	85	85
Other	130	130	131	132	130
Total student services	<u>263</u>	<u>264</u>	<u>264</u>	<u>262</u>	<u>254</u>
Support and Administration					
Clerical workers	316	320	326	302	310
Custodians	377	370	369	376	376
Bus Drivers	448	476	459	458	430
Food Service workers	349	334	343	344	336
Other classified	1,107	1,123	1,079	1,057	1,025
Total support and administration	<u>2,597</u>	<u>2,623</u>	<u>2,576</u>	<u>2,537</u>	<u>2,477</u>
Total	<u><u>7,520</u></u>	<u><u>7,609</u></u>	<u><u>7,535</u></u>	<u><u>7,487</u></u>	<u><u>7,312</u></u>

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

(Concluded)

**MESA UNIFIED SCHOOL DISTRICT NO. 4
OPERATING STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Average Daily Membership	Operating Expenditures	Cost per Pupil	Percentage Change	Expenses	Cost per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Free/Reduced Students
2021	54,930	\$ 572,658,982	\$ 10,425	8.13 %	\$ 667,939,010	\$ 12,160	15.68 %	4,459	12.3	52.65 %
2020	58,812	567,026,020	9,641	5.28	618,205,248	10,512	10.61	4,640	12.7	58.30
2019	59,312	543,174,885	9,158	7.96	563,679,402	9,504	8.31	4,581	12.9	57.60
2018	60,030	509,237,171	8,483	1.92	526,722,550	8,774	(6.08)	4,613	13.0	58.70
2017	60,312	501,983,555	8,323	1.73	563,482,854	9,343	(0.79)	4,620	13.1	60.40
2016	60,637	496,085,431	8,181	0.91	571,023,184	9,417	0.36	4,518	13.4	59.74
2015	59,980	486,297,868	8,108	(0.02)	562,814,738	9,383	(0.03)	4,581	13.1	59.93
2014	60,156	487,835,124	8,110	3.96	564,630,063	9,386	7.91	4,552	13.2	58.99
2013	60,249	469,995,098	7,801	(0.02)	524,057,318	8,698	0.67	4,546	13.3	59.95
2012	60,758	474,071,876	7,803	0.36	524,943,812	8,640	(2.62)	4,441	13.7	58.91

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

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

**MESA UNIFIED SCHOOL DISTRICT NO. 4
CAPITAL ASSETS INFORMATION
LAST TEN FISCAL YEARS**

	Fiscal Year Ended June 30									
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>Schools</u>										
Elementary										
Buildings	623	623	626	626	626	626	627	633	671	687
Square feet	3,450,735	3,445,648	3,452,484	3,452,484	3,423,236	3,423,236	3,425,112	3,436,368	3,505,002	3,583,258
Capacity	43,810	43,861	43,905	56,150	56,150	56,150	56,210	56,343	58,623	59,472
Enrollment	26,697	29,439	30,550	30,421	30,771	31,325	31,216	31,291	31,330	31,693
Middle										
Buildings	181	181	181	185	185	188	195	195	227	227
Square feet	1,392,740	1,393,464	1,393,464	1,813,543	1,813,543	1,819,171	1,875,594	1,875,594	1,962,980	1,962,980
Capacity	16,068	16,073	16,091	22,760	22,760	22,815	22,815	22,815	24,480	24,480
Enrollment	9,066	9,487	9,797	9,461	9,466	9,475	9,355	9,499	9,473	14,198
High										
Buildings	164	164	166	171	171	177	175	176	176	176
Square feet	2,092,962	2,132,349	2,136,121	2,017,395	2,017,395	2,028,609	2,018,409	2,030,401	2,030,401	2,030,401
Capacity	17,166	17,175	17,209	24,249	24,249	24,351	24,025	24,131	24,131	24,131
Enrollment	17,476	18,153	18,628	18,863	18,712	18,530	17,999	17,916	17,710	13,408
Focus Schools										
Buildings	27	27	27	27	27	27	27	32	32	32
Square feet	915,013	203,997	203,997	203,997	203,997	203,997	203,997	213,377	213,377	213,377
Capacity	4,382	4,382	4,382	4,382	4,382	4,382	4,382	4,436	4,436	4,436
Enrollment	1,122	1,175	972	1,066	1,139	1,105	1,150	1,177	1,459	1,489
Other										
Buildings	34	34	34	36	36	36	40	45	45	29
Square feet	450,231	450,231	450,231	453,983	453,983	453,983	384,818	394,198	394,198	315,942
<u>Administrative</u>										
Buildings	14	14	14	14	14	14	14	14	14	14
Square feet	345,260	245,260	245,260	245,260	245,260	245,260	245,260	245,260	245,260	245,260
<u>Transportation</u>										
Garages	3	3	3	3	3	3	3	3	3	3
Buses	579	542	542	542	542	542	539	539	512	514
<u>Athletics</u>										
Football fields	17	17	17	22	22	22	22	22	23	23
Soccer fields	43	43	43	44	44	44	44	44	45	45
Running tracks	17	17	17	18	18	18	18	18	19	19
Baseball/softball	149	149	149	151	151	151	151	151	153	153
Swimming pools	10	10	10	10	10	10	10	10	10	10
Playgrounds	113	113	113	113	113	113	113	113	113	113

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

**MESA UNIFIED SCHOOL DISTRICT NO. 4
 SCHEDULE OF AVERAGE DAILY MEMBERSHIP (ADM),
 AVERAGE DAILY ATTENDANCE (ADA) AND RATIO OF ADA TO ADM
 LAST 10 FISCAL YEARS**

School Year	<u>ADM</u>	<u>ADA</u>	Ratio <u>ADA to ADM</u>
2020-21	54,930	49,372	89.88 %
2019-20	58,812	54,515	92.69
2018-19	59,312	55,295	93.23
2017-18	60,030	56,163	93.56
2016-17	60,312	56,568	93.79
2015-16	60,637	57,711	95.17
2014-15	59,980	56,476	94.16
2013-14	60,156	56,908	94.60
2012-13	60,249	57,614	95.63
2011-12	60,758	57,591	94.79

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

**MESA UNIFIED SCHOOL DISTRICT NO. 4
HISTORY OF HIGH SCHOOL GRADUATES
LAST 10 FISCAL YEARS**

School Year	Red Mountain	Dobson	Mesa High	Mountain View	Westwood	Skyline	Total
2020-21	776	404	547	659	534	461	3,381
2019-20	763	442	611	648	559	486	3,509
2018-19	743	489	593	712	566	519	3,622
2017-18	771	469	621	682	565	514	3,622
2016-17	661	468	646	649	522	455	3,401
2015-16	697	470	636	688	553	467	3,511
2014-15	696	550	657	618	582	500	3,603
2013-14	722	587	621	754	550	499	3,733
2012-13	701	598	677	649	533	461	3,619
2011-12	676	550	638	690	533	467	3,554

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

MESA UNIFIED SCHOOL DISTRICT NO. 4
SCHOOL FOOD SERVICE FACTS AND FIGURES
LAST 10 FISCAL YEARS

	<u>2020-2021</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>
Number of operating cafeterias	80	80	80	80	80	80	86	84	82	85
Number of schools participating in Federal lunch program	79	79	78	78	78	78	78	82	80	83
Student lunches served:										
Free	4,356,239	3,424,572	4,291,670	4,491,424	4,814,664	4,937,201	4,893,531	4,935,444	4,800,009	4,888,571
Reduced	5,953	496,296	662,883	582,026	616,014	594,289	584,316	555,726	557,667	585,647
Paid	4,688	1,070,855	1,466,673	1,353,637	1,355,946	1,309,154	1,336,570	1,292,199	1,391,324	1,615,812
Total student lunches	<u>4,366,880</u>	<u>4,991,723</u>	<u>6,421,226</u>	<u>6,427,087</u>	<u>6,786,624</u>	<u>6,840,644</u>	<u>6,814,417</u>	<u>6,783,369</u>	<u>6,749,000</u>	<u>7,090,030</u>
Adult lunches served	92,049	128,617	178,437	182,425	204,884	204,450	216,167	206,991	213,589	229,916
A La Carte lunches - daily	480	2,248	2,127	2,138	2,354	2,647	2,856	4,044 *	4,437 *	4,639
Average number lunches served daily:										
Student lunches	18,662 **	37,532	35,673	36,937	37,703	38,004	37,858	37,685	37,494	39,839
Adult lunches	393 **	967	991	1,048	1,138	1,136	1,201	1,150	1,187	1,277
Average Daily Membership (ADM)	54,930	58,812	59,312	60,030	60,312	60,637	59,980	60,156	60,249	60,758
Percent of student lunches served to ADM	33.0%	64.0%	60.1%	61.5%	62.5%	62.7%	63.0%	63.0%	62.8%	65.6%
Percent of student lunches served to ADM (including A La Carte)	34.0%	68.0%	64.0%	65.1%	66.4%	67.0%	68.0%	69.7%	70.2%	73.2%

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

Note: Fiscal year marked with a * reflects the number of meals rather than a dollar amount.

Note: Amounts marked with a ** reflects a decrease due to the COVID-19 pandemic, which caused the District to provide meals over a greater number of school days (234 days).

MESA UNIFIED SCHOOL DISTRICT NO. 4
MISCELLANEOUS STATISTICS
JUNE 30, 2021

When the Constitution of Arizona was formulated, the framers provided for the establishment and maintenance of a public school system. To comply with this constitutional mandate, the Legislature has established a body of law governing education in Arizona. Local governing boards are responsible for operating school districts within the legal parameters developed by the Legislature. The governing board of the Mesa Unified School District, consisting of five members, is given responsibility by Arizona law for educating all persons within its boundaries, kindergarten through grade twelve.

During the 2020-21 fiscal year, the school district operated:

50 elementary schools
9 junior high schools
6 senior high schools
17 choice/focus schools

The Staffing summary for 2020-21 was as follows:

Certified:

161 Administrators and Directors
3,767 Teachers
128 Support Staff
4,056

119 part time teachers
3,648 full time teachers
3,767

1,006 Substitute Teachers
69 Certified Hourly
530 Coaches
1,605

Classified:

101 Managers, Directors and Supervisors
2,140 Contract Employees
1,758 Noncontract Employees
401 Other Staff
4,400

13,828 TOTAL

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

Note: Mesa Unified School District No. 4 covers an area of approximately 200 square miles.

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