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# **LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**

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## **Annual Comprehensive Financial Report**

**Fiscal Year Ended June 30, 2021**



**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**

**BUCKEYE, ARIZONA**

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

Issued by:  
Business Services Department

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## **INTRODUCTORY SECTION**



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December 28, 2021

Citizens and Governing Board  
Liberty Elementary School District No. 25  
19871 West Fremont Road  
Buckeye, Arizona 85326

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 Liberty Elementary School District No. 25 (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 audited 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 58 public school districts located in Maricopa County, Arizona. It provides a program of public education from preschool through grade eight, with an estimated current enrollment of 3,898 students.

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

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

The financial reporting entity consists of a primary government and its component units. A component unit is a legally separate entity that must be included in the reporting entity in conformity with generally accepted accounting principles. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Furthermore, there are no component units combined with the District for financial statement presentation purposes, and the District is 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, and food services.

The District was organized in the late 1800's and encompasses 260 square miles in the west-central section of Maricopa County. Liberty Elementary School District No. 25 is comprised of seven schools: Liberty Elementary School with a student enrollment of 690 students, Estrella Mountain Elementary School with a student enrollment of 555 students; Rainbow Valley School with a student enrollment of 645 students; Westar Elementary School with a student enrollment of 780 students; Freedom Elementary School with a student enrollment of 683 students; Las Brisas Academy, with a student enrollment of 546 students; and Liberty Online School, with a student enrollment of 240. The District is located 25 miles west of downtown Phoenix, Arizona and includes portions of the City of Goodyear, the City of Buckeye, the City of Avondale and specific Maricopa County unorganized areas.

Currently, the District has four National Board Certified (NBC) teachers. The National Board certification process is a multi-year endeavor that requires teachers to take several courses, submit numerous teaching videos which they have analyzed and reflected upon, and pass rigorous tests. NBC teachers provide excellence in teaching and leading. We continue to encourage our teachers to engage in the National Board Certification process and provide support for this.

Each of our schools has a specific signature program. Estrella Mountain Elementary School is an International Baccalaureate World School authorized to provide the Primary Years Program (PYP) and the Middle Years Program (MYP). The International Baccalaureate (IB) aims to develop inquiring, knowledgeable, and caring young people who help to create a better and more peaceful world through intercultural understanding and respect. Additionally, Estrella Mountain offers Spanish as a second language for all students.

Leadership skill building is a focus on the campus. Since its induction, students and staff have been invited to speak at several major events in support of building future leaders including a visit to the Arizona Department of Education and the Arizona School Boards Association where they presented about the leadership program. Student activism and involvement in the community has grown since the inception of the program.

Freedom Elementary recently updated their signature program to Communication Arts. The program focus will supplement the district curriculum with opportunities to further integrate communications-focused authentic learning tasks or experiences. Students will communicate their thoughts and ideas via various platforms used to publish and broadcast their work. Their projects would have public performance components. Students will engage in social discourse; base claims on credible evidence; listen and respond; communicate ideas clearly and articulately; publish writing in various formats with real life purposes; utilize social media appropriately and effectively; and present publicly.

Las Brisas Academy provides performing arts and dual-language immersion programs. The program integrates core content standards with performing and visual arts standards to engage students both artistically and cognitively, and to develop a lifelong appreciation of the arts. Additionally, the dual-language program immerses K-4 students in English and Spanish to develop bilingual fluency.

Liberty Elementary School provides an Agriculture Science experience for students. The school has developed a curriculum around agriculture science with a community garden and small animal sciences. Partnerships with Arizona Farm Bureau and University of Arizona support the development of unique integrated project-based curriculum focused on agriculture sciences. A partnership with Buckeye Union High School provides support in bridging elementary and high school.

Rainbow Valley provides a leadership and character program. Leadership skill building is a focus on the campus. Since its induction, students and staff have been invited to speak at several major events in support of building future leaders including a visit to the Arizona Department of Education and the Arizona School Boards Association where they presented about the leadership program. Student activism and involvement in the community has grown since the inception of the program.

Westar Elementary is a Science, Technology, Engineering, and Math (STEM) school. Westar participates in STEM Pro LIVE! sessions which allow students to video call STEM professionals to discuss real live STEM application. They have a one to one technology to student ratio in grades six through eight. Additionally, Westar has science clubs and participates in MakerSpace events, Coding, and Robotics Club.

All schools in the Liberty Elementary School District received a “B”, or “C” letter grade with the overall District rating of a “B”. Additionally, all schools actively participate in Science Olympiad, a competitive Science club where students compete against other schools, Westside Impact Science Fair, Spelling Bee Competitions, and the annual Math Challenge.

The District continues to provide Art, Music and PE for all grade levels on all campuses. The Save the Music program is still used and piano labs are a regular part of Music class. Competitive sports are offered as extra-curricular activities in grades 6<sup>th</sup> through 8<sup>th</sup> and include: boys and girls basketball, baseball, softball, soccer, and volleyball. Each school has an active National Junior Honor Society and Student Council. Most schools have an active Parent Organization and all sites have a Parent Council which provides feedback and support to the principal.

As part of the LEA improvement process, the District assigned an Instructional Coach to each campus to provide curricular and instructional support to all teachers.

The annual expenditure budget serves as the foundation for the District’s financial planning and control. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual expenditure budget approved by the District’s Governing Board.

The expenditure budget is prepared by fund for all Governmental Funds, and includes function and object code detail for the General Fund and some Special Revenue and Capital Projects Funds. The legal level of budgetary control (that is, the level at which expenditures cannot exceed the appropriated amount) is established at the individual fund level for all funds. Funds that are not required to legally adopt a budget may have over-expenditures of budgeted funds. The budget for these funds is simply an estimate and does not prevent the District from exceeding the budget as long as the necessary revenue is earned. The District is not required to prepare an annual budget of revenue, therefore a deficit budgeted fund balance may be presented. However, this does not affect the District’s ability to expend monies.

## FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the District operates.

**Local Economy.** The Phoenix metropolitan area and the rest of Maricopa County were one of the fastest growing regional markets in the United States in the late 1990's and early 2000's. This growth was stimulated by a combination of warm climate, a substantial well educated labor pool, a wide range of support industries, and a governmental climate that is supportive of economic growth and investment. As the economy rebounds, growth is anticipated based on these factors.

A few of the major non-governmental employers represented in the Phoenix metropolitan area include Wal-Mart Stores, Inc., Banner Health Systems, Wells Fargo Company, Intel Corp., and Fry's Food and Drug Stores. Inc. In addition, the metropolitan area provides excellent educational and training opportunities through seven community colleges, four private colleges and graduate schools, and one state university.

Maricopa County is located in the south-central portion of Arizona and encompasses an area of approximately 9,224 square miles. Its boundaries encompass the cities of Phoenix, Scottsdale, Mesa, Tempe, Glendale, Chandler, and such towns as Gilbert, Paradise Valley and Buckeye. Maricopa County is currently the nation's fourth largest county in terms of population size and the 14th in land area. Current population is projected at 4.34 million. Maricopa County has a very wide range of economic sectors supporting its substantial growth. Maricopa County has enjoyed an unemployment rate that was somewhat lower than the Arizona rates, and close to national average.

Service is the largest employment sector in the County, partly fueled by the tourism industry. The 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. Manufacturing consisting primarily of high technology companies is the third largest employer. Other factors providing for 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.

The economy of the District is a mixture of farming, commercial enterprises, light manufacturing and ginning. Agriculture has been the mainstay of the area for many years; however, residential property remains the single largest category of assessed valuation. The net full cash assessed value for the current year is \$374.6 million which is up from the prior year primarily as a result of the economic recovery. The average age of the District's school buildings is 30 years.

**Long-term Financial Planning.** Long term growth projections indicate significant enrollment increases as communities are developed within the District's boundaries. Additionally, annual modification of the District open enrollment policy continues to increase enrollment. The District explores all practical and legal sources of monetary income and guides the expenditure of funds to achieve the greatest education return.

The District strives to maintain, within budget limits, a level of per-student expenditures needed to provide a world class education and fosters high-quality schools. The District utilizes budgetary practices which ensure full allowable budget balance carry forward. Additional conservative fiscal practices of setting aside monies in the form of prepaid items and building capital reserves have been established to strengthen fiscal stability.

## **AWARDS AND ACKNOWLEDGMENTS**

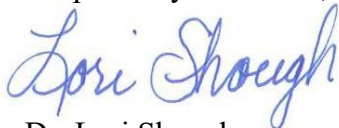
**Awards.** The Association of School Business Officials (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its annual comprehensive financial report for the fiscal year ended June 30, 2020. This was the 26th consecutive year that the District has received this prestigious award. In addition, the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its annual comprehensive financial report for the fiscal year ended June 30, 2020. In order to be awarded these certificates, the District published an easily readable and efficiently organized annual comprehensive financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

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

**Acknowledgments.** The preparation of the annual comprehensive financial report on a timely basis was made possible by the dedicated service of the entire staff of the business services department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

In closing, without the leadership and support of the Governing Board of the District, preparation of this report would not have been possible.

Respectfully submitted,



Dr. Lori Shough  
Superintendent



Kelley Baysinger  
Executive Director of Finance



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

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

## **Liberty Elementary School District 25**

**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 black ink, reading 'W. Edward Chabal'.

W. Edward Chabal  
President

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

David J. Lewis  
Executive Director





Government Finance Officers Association

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

Presented to

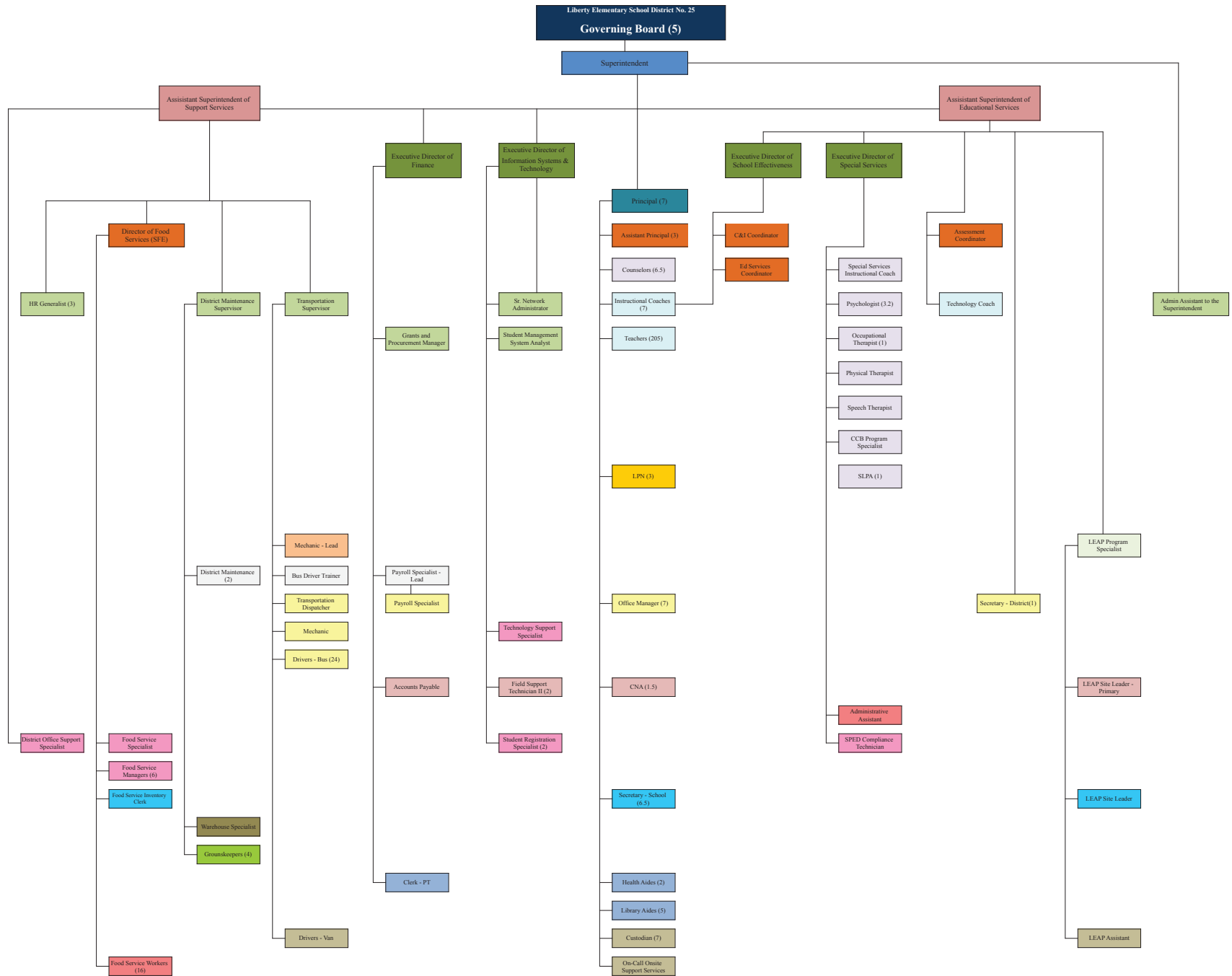
**Liberty Elementary School District No. 25  
Arizona**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morill*

Executive Director/CEO



**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**LIST OF PRINCIPAL OFFICIALS**

**GOVERNING BOARD**

Mark Aguire  
President

Yolanda Lopez-Bearden  
Member

Suzanne McEvoy  
Member

Kathy McNamara  
Member

Jamie Miller  
Member

**ADMINISTRATIVE STAFF**

Dr. Lori Shough, Superintendent

Natasha Camp, Assistant Superintendent of Educational Services

Jason Nuttall, Assistant Superintendent of Support Services

Debra Ryan, Executive Director of Special Services

John Moreno, Executive Director of Information Systems & Technology

Kelley Baysinger, Executive Director of Finance

Jennifer Gray, Principal Liberty Elementary School

Lynzee Booras, Principal Estrella Mountain Elementary School

Samantha Bartlett, Principal Rainbow Valley Elementary School

Dave Bogart, Principal Westar Elementary School

Toni Reynolds, Principal Freedom Elementary School

Sara Schaefer, Principal Las Brisas Academy

## **FINANCIAL SECTION**

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## **Independent Auditor's Report**

Governing Board  
Liberty Elementary School District No. 25

### **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 Liberty Elementary School District No. 25 (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 Liberty Elementary School District No. 25, as of June 30, 2021, and the respective changes in financial position 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 Liberty Elementary School District No. 25 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 28, 2021, on our consideration of Liberty Elementary School District No. 25'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 Liberty Elementary School District No. 25'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 Liberty Elementary School District No. 25's internal control over financial reporting and compliance.

*Heinfeld Meech & Co. PC*

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



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

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**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2021**

As management of the Liberty Elementary School District No. 25 (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 \$10.6 million which represents a 46 percent increase from the prior fiscal year, primarily due to the receipt of \$10.1 million from the state for new school construction.
- General revenues accounted for \$30.9 million in revenue, or 66 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$15.9 million or 34 percent of total current fiscal year revenues.
- The District had approximately \$36.2 million in expenses related to governmental activities, an increase of 10 percent from the prior fiscal year primarily due to an increase in pension expense, and an increase in interest on long-term debt.
- Among major funds, the General Fund had \$24.0 million in current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$23.9 million in expenditures. The General Fund's fund balance increased from \$7.2 million at the prior fiscal year end to \$7.4 million at the end of the current fiscal year.

### **OVERVIEW OF FINANCIAL STATEMENTS**

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

**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.

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**YEAR ENDED JUNE 30, 2021**

**OVERVIEW OF 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 are reported as governmental 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.

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.

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**YEAR ENDED JUNE 30, 2021**

**OVERVIEW OF FINANCIAL STATEMENTS**

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, Debt Service, Bond Building, and New School Facilities 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.

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

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget process and pension plan. The District adopts an annual expenditure budget for all governmental funds. A schedule of revenues, expenditures and changes in fund balances – budget and actual has been provided for the General Fund as required supplementary information. Schedules for the pension plan have 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 and deferred inflows by \$33.9 million at the current fiscal year end.

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

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**YEAR ENDED JUNE 30, 2021**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

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

	As of June 30, 2021	As of June 30, 2020
Current and other assets	\$ 31,993,759	\$ 35,542,502
Capital assets, net	73,291,274	48,290,330
Total assets	<u>105,285,033</u>	<u>83,832,832</u>
Deferred outflows	<u>6,318,117</u>	<u>3,293,742</u>
Current and other liabilities	5,198,544	2,388,202
Long-term liabilities	72,479,096	59,988,538
Total liabilities	<u>77,677,640</u>	<u>62,376,740</u>
Deferred inflows	<u>72,664</u>	<u>1,486,571</u>
Net position:		
Net investment in capital assets	41,777,074	31,262,062
Restricted	3,310,133	2,507,431
Unrestricted	(11,234,361)	(10,506,230)
Total net position	<u>\$ 33,852,846</u>	<u>\$ 23,263,263</u>

At the end of the current fiscal year the District reported positive balances in two categories of net position. Unrestricted net position, which is normally used to meet the District's mission, reported a deficit of \$16.8 million. The deficit is due to the District's proportionate share of the state pension plan's unfunded liability. The same situation held true for the prior fiscal year.

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

- The addition of \$26.9 million in capital assets primarily due to the construction of a new school and renewal of an existing school.
- The principal retirement of \$1.3 million of general obligation bonds.
- The issuance of \$6.9 million in school improvement bonds.
- The increase of \$6.1 million in pension liabilities.
- Accumulated depreciation increased \$1.8 million.

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**YEAR ENDED JUNE 30, 2021**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

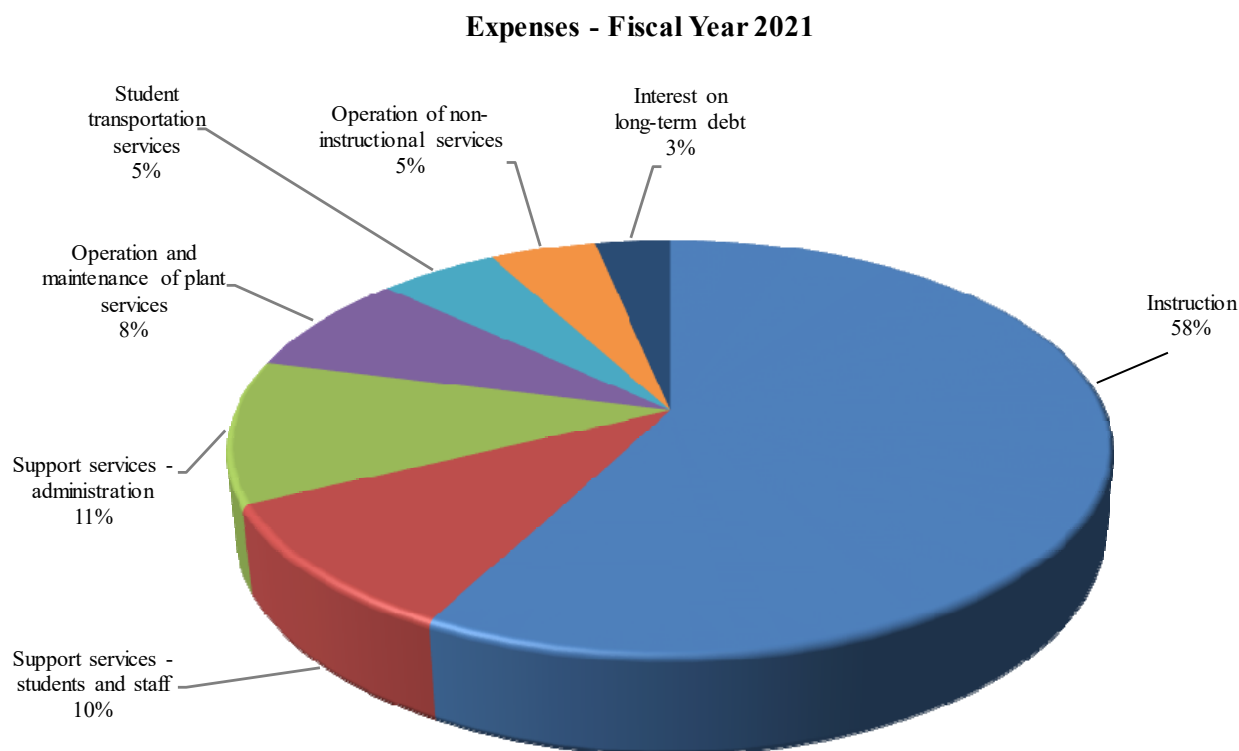
**Changes in net position.** The District's total revenues for the current fiscal year were \$46.8 million. The total cost of all programs and services was \$36.2 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2021 and June 30, 2020.

	Fiscal Year Ended June 30, 2021	Fiscal Year Ended June 30, 2020
<b>Revenues:</b>		
Program revenues:		
Charges for services	\$ 358,671	\$ 840,082
Operating grants and contributions	4,915,019	3,235,916
Capital grants and contributions	10,633,522	436,766
General revenues:		
Property taxes	10,185,107	7,495,871
Investment income	245,689	153,003
Unrestricted county aid	1,635,543	1,557,171
Unrestricted state aid	18,642,571	19,344,125
Unrestricted federal aid	167,532	133,934
<b>Total revenues</b>	<u>46,783,654</u>	<u>33,196,868</u>
<b>Expenses:</b>		
Instruction	20,883,041	19,645,988
Support services - students and staff	3,694,750	3,134,991
Support services - administration	3,994,215	3,493,681
Operation and maintenance of plant services	2,889,326	2,536,672
Student transportation services	1,880,931	1,766,002
Operation of non-instructional services	1,679,458	1,946,430
Interest on long-term debt	1,172,350	495,636
<b>Total expenses</b>	<u>36,194,071</u>	<u>33,019,400</u>
<b>Changes in net position</b>	<u>10,589,583</u>	<u>177,468</u>
<b>Net position, beginning,</b>	<u>23,263,263</u>	<u>23,085,795</u>
<b>Net position, ending</b>	<u><u>\$ 33,852,846</u></u>	<u><u>\$ 23,263,263</u></u>



**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2021**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**



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

- Capital grants and contributions revenue increased by \$10.2 million due to funding received from School Facilities Board for the construction of a new school site.
- Property tax revenue increased by \$2.7 million due to an increase in the secondary tax rate and current year collections.
- Instruction expense increased \$1.2 million primarily due to pension expense and salary increases.

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.

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25  
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 Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
Instruction	\$ 20,883,041	\$ (8,275,319)	\$ 19,645,988	\$ (18,017,468)
Support services - students and staff	3,694,750	(3,295,472)	3,134,991	(2,661,890)
Support services - administration	3,994,215	(3,627,691)	3,493,681	(3,393,092)
Operation and maintenance of plant services	2,889,326	(2,046,382)	2,536,672	(2,207,072)
Student transportation services	1,880,931	(1,842,499)	1,766,002	(1,761,527)
Operation of non-instructional services	1,679,458	(27,146)	1,946,430	30,049
Interest on long-term debt	1,172,350	(1,172,350)	495,636	(495,636)
Total	<u>\$ 36,194,071</u>	<u>\$ (20,286,859)</u>	<u>\$ 33,019,400</u>	<u>\$ (28,506,636)</u>

- The cost of all governmental activities this year was \$36.2 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$15.9 million.
- Net cost of governmental activities of \$20.3 million was financed by general revenues, which are made up of primarily property taxes of \$10.2 million and state and county aid of \$20.3 million. Investment earnings accounted for \$245,689 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 \$14.0 million, a decrease of \$17.5 million due primarily to capital outlay expenditures related to the construction of a new school, as well as the renewal of an existing school.

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2021**

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

The General Fund comprises 53 percent of the total fund balance. Approximately \$5.7 million, or nearly 77 percent of the General Fund's fund balance is unassigned.

The General Fund is the principal operating fund of the District. The fund balance increased \$208,324 in the General Fund to \$7.4 million as of fiscal year end. General Fund revenues decreased \$734,439 primarily due to a decrease in property taxes collected.

The fund balance in the Debt Service Fund increased \$197,044 to \$265,634 at year end as a result of the increase in property tax revenues in the current year.

The fund balance in the Bond Building Fund decreased \$8.1 million to \$13.8 million at year end primarily due to capital outlay expenditures due to the renewal of an existing school.

The fund balance in the New School Facilities Fund decreased \$10.1 million to a deficit fund balance of \$10.1 million at year end primarily due to capital outlay expenditures due to the construction of a new school.

**BUDGETARY HIGHLIGHTS**

Over the course of the year, the District revised the General Fund annual expenditure budget for changes in enrollment. The difference between the original budget and the final amended budget was a \$1.5 million decrease or six percent due to a decrease in average daily membership.

Significant variances for the final 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 variances are summarized as follows:

- The favorable variance of \$882,325 in instruction expenditures was a result of instructional staff being paid out of COVID-19 Education Stabilization Fund federal grant monies.
- The favorable variance of 410,896 in student transportation services expenditures was primarily a result of lower expenditures in transportation due to decreased activities as a result of the COVID-19 pandemic.
- The favorable variance of \$236,127 in support services – administration expenditures was a result of decreased administration expenditures stemming from the District operating remotely for a significant part of the year due to the COVID-19 pandemic.

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**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 \$98.7 million in capital assets, including school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. This amount represents a net increase prior to depreciation of \$26.8 million from the prior fiscal year, primarily due to the construction of a new school and renewal of an existing school. Total depreciation expense for the year was \$1.9 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	\$ 33,477,443	\$ 7,262,647
Capital assets - depreciable, net	39,813,831	41,027,683
Total	<u>\$ 73,291,274</u>	<u>\$ 48,290,330</u>

The estimated cost to complete current construction projects is \$16.0 million.

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

**Debt Administration.** At year-end, the District had \$45.6 million in long-term debt outstanding, \$2.1 million due within one year. Long-term debt increased by \$6.3 million primarily due to the issuance of a school improvement bond.

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 15 percent of the total net full cash assessed valuation) and the statutory debt limit on Class B bonds (the greater of 10 percent of the net full cash assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$63.8 million and the Class B debt limit is \$42.5 million, which are more than the District's total outstanding general obligation and Class B debt including cash on hand to retire bonded indebtedness, respectively.

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

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25  
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 \$1.7 million).
- District student population (estimated 3,600).

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 nine percent to \$27.6 million in fiscal year 2021-22, due to an expected increase in average daily membership. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2021-22 budget.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Business Services Department, Liberty Elementary School District No. 25, 19871 West Fremont Road, Buckeye, Arizona 85326.

## **BASIC FINANCIAL STATEMENTS**

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## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**



**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2021**

	Governmental Activities
<b><u>ASSETS</u></b>	
Current assets:	
Cash and investments	\$ 14,290,299
Property taxes receivable	285,843
Due from governmental entities	15,666,232
Prepaid items	1,711,849
Inventory	39,536
Total current assets	<u>31,993,759</u>
Noncurrent assets:	
Capital assets not being depreciated	33,477,443
Capital assets, net of accumulated depreciation	<u>39,813,831</u>
Total noncurrent assets	<u>73,291,274</u>
<b>Total assets</b>	<u><u>105,285,033</u></u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>	
Deferred charge on refunding	221,234
Pension plan items	<u>6,096,883</u>
<b>Total deferred outflows of resources</b>	<u><u>6,318,117</u></u>
<b><u>LIABILITIES</u></b>	
Current liabilities:	
Accounts payable	475,258
Construction contracts payable	3,055,644
Accrued payroll and employee benefits	950,088
Compensated absences payable	144,576
Accrued interest payable	702,662
Unearned revenues	14,892
Bonds payable	<u>2,095,000</u>
Total current liabilities	<u><u>7,438,120</u></u>
Noncurrent liabilities:	
Non-current portion of long-term obligations	<u>70,239,520</u>
Total noncurrent liabilities	<u>70,239,520</u>
<b>Total liabilities</b>	<u><u>77,677,640</u></u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>	
Pension plan items	<u>72,664</u>
<b><u>NET POSITION</u></b>	
Net investment in capital assets	41,777,074
Restricted for:	
Instruction	1,026,481
Food service	537,235
Non-instructional purposes	490,814
Debt service	293,885
Capital outlay	961,718
Unrestricted	<u>(11,234,361)</u>
<b>Total net position</b>	<u><u>\$ 33,852,846</u></u>

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

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2021**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental activities:</b>					
Instruction	\$ 20,883,041	\$ 230,358	\$ 2,257,264	\$ 10,120,100	\$ (8,275,319)
Support services - students and staff	3,694,750		399,278		(3,295,472)
Support services - administration	3,994,215		366,524		(3,627,691)
Operation and maintenance of plant services	2,889,326	50,912	278,610	513,422	(2,046,382)
Student transportation services	1,880,931		38,432		(1,842,499)
Operation of non-instructional services	1,679,458	77,401	1,574,911		(27,146)
Interest on long-term debt	1,172,350				(1,172,350)
<b>Total governmental activities</b>	<u>\$ 36,194,071</u>	<u>\$ 358,671</u>	<u>\$ 4,915,019</u>	<u>\$ 10,633,522</u>	<u>(20,286,859)</u>

**General revenues:**

Taxes:

Property taxes, levied for general purposes	4,823,775
Property taxes, levied for debt service	3,659,730
Property taxes, levied for capital outlay	1,701,602
Investment income	245,689
Unrestricted county aid	1,635,543
Unrestricted state aid	18,642,571
Unrestricted federal aid	167,532

**Total general revenues** 30,876,442

**Changes in net position** 10,589,583

**Net position, beginning of year** 23,263,263

**Net position, end of year** \$ 33,852,846

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

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## **FUND FINANCIAL STATEMENTS**

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2021**

	<u>General</u>	<u>Debt Service</u>	<u>Bond Building</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 522,435	\$ 3,023,745	\$ 6,752,928
Property taxes receivable	218,041	67,802	
Due from governmental entities	4,446,697		
Due from other funds	895,129		10,120,100
Prepaid items	1,711,849		
Inventory	27,182		
<b>Total assets</b>	<u><u>\$ 7,821,333</u></u>	<u><u>\$ 3,091,547</u></u>	<u><u>\$ 16,873,028</u></u>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES</u></b>			
<b><u>AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 155,063	\$	\$
Construction contracts payable			3,046,452
Due to other funds			
Accrued payroll and employee benefits	101,164		
Unearned revenues			
Bonds payable		2,095,000	
Bond interest payable		702,662	
<b>Total liabilities</b>	<u><u>256,227</u></u>	<u><u>2,797,662</u></u>	<u><u>3,046,452</u></u>
Deferred inflows of resources:			
Unavailable revenues - property taxes	138,404	28,251	
Unavailable revenues - intergovernmental			
<b>Total deferred inflows of resources</b>	<u><u>138,404</u></u>	<u><u>28,251</u></u>	
Fund balances (deficits):			
Nonspendable	1,739,031		
Restricted		265,634	13,826,576
Unassigned	5,687,671		
<b>Total fund balances</b>	<u><u>7,426,702</u></u>	<u><u>265,634</u></u>	<u><u>13,826,576</u></u>
<b>Total liabilities, deferred inflows of resources</b>			
<b>and fund balances</b>	<u><u>\$ 7,821,333</u></u>	<u><u>\$ 3,091,547</u></u>	<u><u>\$ 16,873,028</u></u>

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

New School Facilities	Non-Major Governmental Funds	Total Governmental Funds
\$	\$ 3,991,191	\$ 14,290,299
		285,843
10,120,100	1,099,435	15,666,232
		11,015,229
		1,711,849
	12,354	39,536
<u>\$ 10,120,100</u>	<u>\$ 5,102,980</u>	<u>\$ 43,008,988</u>
\$	\$ 320,195	\$ 475,258
	9,192	3,055,644
10,120,100	895,129	11,015,229
	848,924	950,088
	14,892	14,892
		2,095,000
		702,662
<u>10,120,100</u>	<u>2,088,332</u>	<u>18,308,773</u>
		166,655
10,120,100	427,300	10,547,400
<u>10,120,100</u>	<u>427,300</u>	<u>10,714,055</u>
	12,354	1,751,385
	3,003,894	17,096,104
(10,120,100)	(428,900)	(4,861,329)
<u>(10,120,100)</u>	<u>2,587,348</u>	<u>13,986,160</u>
<u>\$ 10,120,100</u>	<u>\$ 5,102,980</u>	<u>\$ 43,008,988</u>

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**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2021**

<b>Total governmental fund balances</b>	<b>\$</b>	<b>13,986,160</b>
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Amounts reported for *governmental activities* in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Governmental capital assets	\$ 98,704,560	
Less accumulated depreciation	<u>(25,413,286)</u>	73,291,274

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

Property taxes	166,655	
Intergovernmental	<u>10,547,400</u>	10,714,055

Deferred items related to the net cost of issuance of bonds are amortized over the life of the associated bond issue in the government-wide statements but not reported in the funds.		221,234
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Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows of resources related to pensions	6,096,883	
Deferred inflows of resources related to pensions	<u>(72,664)</u>	6,024,219

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

Compensated absences payable	(239,443)	
Unamortized premium on long-term debt	(4,297,010)	
Net pension liability	(26,677,643)	
Bonds payable	<u>(39,170,000)</u>	<u>(70,384,096)</u>

<b>Net position of governmental activities</b>	<b>\$</b>	<b><u>33,852,846</u></b>
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**The notes to the basic financial statements are an integral part of this statement.**



**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2021**

	<u>General</u>	<u>Debt Service</u>	<u>Bond Building</u>
<b>Revenues:</b>			
Other local	\$ 1,850,551	\$ 1,509	\$ 183,249
Property taxes	4,907,306	3,671,443	
State aid and grants	16,713,086		
Federal aid, grants and reimbursements	527,726		
<b>Total revenues</b>	<u>23,998,669</u>	<u>3,672,952</u>	<u>183,249</u>
<b>Expenditures:</b>			
Current -			
Instruction	13,921,309		
Support services - students and staff	2,949,941		
Support services - administration	3,342,467		
Operation and maintenance of plant services	2,433,509		
Student transportation services	1,230,431		
Operation of non-instructional services	32,693		
Capital outlay	30,908		15,839,299
Debt service -			
Principal retirement		2,095,000	
Interest and fiscal charges		1,564,157	
Bond issuance costs			180,992
<b>Total expenditures</b>	<u>23,941,258</u>	<u>3,659,157</u>	<u>16,020,291</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>57,411</u>	<u>13,795</u>	<u>(15,837,042)</u>
<b>Other financing sources (uses):</b>			
Transfer in	130,182	183,249	
Transfer out			(183,249)
Issuance of school improvement bonds			6,890,000
Premium on sale of bonds			1,001,417
Proceeds from sale of capital assets	3,225		
<b>Total other financing sources (uses)</b>	<u>133,407</u>	<u>183,249</u>	<u>7,708,168</u>
<b>Changes in fund balances</b>	<u>190,818</u>	<u>197,044</u>	<u>(8,128,874)</u>
<b>Fund balances, beginning of year</b>	7,218,378	68,590	21,955,450
Increase (decrease) in reserve for prepaid items	(9,676)		
Increase (decrease) in reserve for inventory	27,182		
<b>Fund balances, end of year</b>	<u>\$ 7,426,702</u>	<u>\$ 265,634</u>	<u>\$ 13,826,576</u>

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

New School Facilities	Non-Major Governmental Funds	Total Governmental Funds
\$	\$ 487,682	\$ 2,522,991
	1,701,602	10,280,351
	2,444,181	19,157,267
	4,065,621	4,593,347
	8,699,086	36,553,956
	3,270,439	17,191,748
	495,236	3,445,177
	8,996	3,351,463
	266,360	2,699,869
	27,390	1,257,821
	1,503,173	1,535,866
10,120,100	2,704,064	28,694,371
		2,095,000
		1,564,157
		180,992
10,120,100	8,275,658	62,016,464
(10,120,100)	423,428	(25,462,508)
		313,431
	(130,182)	(313,431)
		6,890,000
		1,001,417
		3,225
	(130,182)	7,894,642
(10,120,100)	293,246	(17,567,866)
	2,281,748	31,524,166
		(9,676)
	12,354	39,536
\$ (10,120,100)	\$ 2,587,348	\$ 13,986,160

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**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** **\$ (17,567,866)**

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	\$ 26,879,620	
Less current year depreciation	<u>(1,878,676)</u>	25,000,944

Issuance of long-term debt provides current financial resources to governmental funds, but the issuance increases long term liabilities in the Statement of Net Position.		(7,891,417)
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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	(95,244)	
Intergovernmental	<u>10,321,717</u>	10,226,473

Repayments of long-term debt principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		2,095,000
--	--	-----------

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	2,030,194	
Pension expense	<u>(3,679,651)</u>	(1,649,457)

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

Prepaid items	(9,676)	
Inventory items	39,536	
Accrued interest	152,448	
Deferred charges on issuance of debt	(27,655)	
Amortization of deferred bond items	267,014	
Compensated absences	<u>(45,761)</u>	<u>375,906</u>

**Changes in net position in governmental activities** **\$ 10,589,583**

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

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

The financial statements of the Liberty Elementary School District No. 25 (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, there are no component units combined with the District for financial statement presentation purposes, and the District is 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.

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**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. 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.

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**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 and county aid, 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 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.

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.

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

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.

New School Facilities - to account for monies received from the School Facilities Board to be used for constructing new school facilities and purchasing land for new school sites.

**D. Cash and Investments**

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

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

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

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

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

**E. Investment Income**

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

**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 noncurrent portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Interfund balances between governmental funds are eliminated on the Statement of Net Position.

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

**G. Property Tax Calendar**

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

All inventories are valued at cost using average cost. Inventories consist of expendable supplies held for consumption. Inventories are recorded 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.



**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

**I. Prepaid items**

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

**J. Capital Assets**

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

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

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

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

Land improvements	5 - 50 years
Buildings and improvements	7 - 50 years
Vehicles, furniture and equipment	5 - 30 years

**K. Deferred Outflows/Inflows of Resources**

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

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

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**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.

**N. Long-term Obligations**

In the government-wide 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.

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

**P. Net Position Flow Assumption**

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

**Q. Estimates**

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

**NOTE 2 – FUND BALANCE CLASSIFICATIONS**

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

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

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

***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. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Governing Board or a management official delegated that authority by the formal Governing Board action. The District does not have a formal policy for the utilization of assigned fund balance, accordingly, no assigned fund balance amounts are reported.

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**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. Voter approved initiatives include monies restricted in the Classroom Site and Instructional Improvement Funds.

	General Fund	Debt Service Fund	Bond Building Fund	New School Facilities Fund	Non-Major Governmental Funds
Fund Balances:					
Nonspendable:					
Inventory	\$ 27,182	\$	\$	\$	\$ 12,354
Prepaid items	1,711,849				
Restricted:					
Debt service		265,634			
Capital projects					961,718
Bond building projects			13,826,576		
Voter approved initiatives					616,305
Federal and state projects					118,428
Auxiliary operations					
Food service					524,881
Civic center					474,139
Community school					15,898
Extracurricular activities					224,597
Student activities					66,392
Other purposes					1,536
Unassigned	5,687,671			(10,120,100)	(428,900)
Total fund balances	<u>\$ 7,426,702</u>	<u>\$ 265,634</u>	<u>\$ 13,826,576</u>	<u>\$ (10,120,100)</u>	<u>\$ 2,587,348</u>

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

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

	<u>Deficit</u>
Major Fund:	
New School Facilities	\$ 10,120,100
Non-Major Governmental Funds:	
Title I Grants Fund	28,643
Professional Development and Technology Grants Fund	19,411
Title IV Grants	466
Limited English and Immigrant Students Fund	9,099
Other Federal Projects	369,681
Building Renewal Grant	1,600

The deficits arose 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 budgets, however this does not constitute a violation of any legal provisions.

**NOTE 4 – CASH AND INVESTMENTS**

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of bank failure the District's deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the District's deposits was \$202,912 and the bank balance was \$206,731.

*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.

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**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	\$ 14,087,387

*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>New School Facilities Fund</u>	<u>Non-Major Governmental Funds</u>
Due from other governmental entities:			
Due from federal government	\$ 15,504	\$	\$ 1,004,222
Due from state government	4,431,193	10,120,100	95,213
Net due from governmental entities	<u>\$ 4,446,697</u>	<u>\$ 10,120,100</u>	<u>\$ 1,099,435</u>

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 6 – CAPITAL ASSETS**

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

Governmental Activities	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 6,100,034	\$	\$	\$ 6,100,034
Construction in progress	1,162,613	26,298,624	83,828	27,377,409
Total capital assets, not being depreciated	7,262,647	26,298,624	83,828	33,477,443
Capital assets, being depreciated:				
Land improvements	4,258,592			4,258,592
Buildings and improvements	53,685,972			53,685,972
Vehicles, furniture and equipment	6,680,343	664,824	62,614	7,282,553
Total capital assets being depreciated	64,624,907	664,824	62,614	65,227,117
Less accumulated depreciation for:				
Land improvements	(2,104,307)	(111,245)		(2,215,552)
Buildings and improvements	(17,193,804)	(1,343,582)		(18,537,386)
Vehicles, furniture and equipment	(4,299,113)	(423,849)	(62,614)	(4,660,348)
Total accumulated depreciation	(23,597,224)	(1,878,676)	(62,614)	(25,413,286)
Total capital assets, being depreciated, net	41,027,683	(1,213,852)		39,813,831
Governmental activities capital assets, net	\$ 48,290,330	\$ 25,084,772	\$ 83,828	\$ 73,291,274

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 1,543,627
Support services – students and staff	3,137
Support services – administration	69,747
Operation and maintenance of plant services	38,201
Student transportation services	193,804
Operation of non-instructional services	30,160
Total depreciation expense – governmental activities	<u>\$ 1,878,676</u>

**Construction Commitments** – At year end, the District had contractual commitments related to the building of Blue Horizons Elementary School, as well as the re-construction of Liberty Elementary School. At year end, the District had spent \$27,377,409 on the projects and had estimated remaining contractual commitments of \$15,958,057. The projects are being funded with bond proceeds from the Bond Building Fund and state funding from the New School Facilities Fund.

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 7 – SHORT TERM DEBT – REVOLVING LINE OF CREDIT**

The District has a \$3.0 million 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 \$3.0 million in unused line of credit. Short-term debt activity for the current fiscal year was as follows:

	Beginning Balance	Issued	Redeemed	Ending Balance
Revolving line of credit	\$ <u>          </u>	\$ <u>389,000</u>	\$ <u>389,000</u>	\$ <u>          </u>

**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, \$19,000,000 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 \$63.8 million and the available margin is \$19.1 million.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2021	Due Within One Year
<b>Governmental activities:</b>					
General obligation bonds:					
School Improvement Bonds, Project of 2013, Series A	\$ 12,525,000	2.0-4.0%	7/1/21-34	\$ 9,525,000	\$ 545,000
School Improvement Bonds, Project of 2013, Series B	2,475,000	3.0%	7/1/21-31	1,500,000	50,000
Refunding Bonds, Series 2016	4,455,000	3.0-4.0%	7/1/21-29	2,885,000	700,000
School Improvement Bonds, Project of 2019, Series A (2020)	20,465,000	5.0%	7/1/21-39	20,465,000	800,000
School Improvement Bonds, Project of 2019, Series A (2021)	6,890,000	3.0-4.0%	7/1/21-40	6,890,000	
Total				<u>\$ 41,265,000</u>	<u>\$ 2,095,000</u>



**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 8 – GENERAL OBLIGATION BONDS PAYABLE**

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

Year ending June 30:	Governmental Activities	
	Principal	Interest
2022	\$ 2,095,000	\$ 1,508,211
2023	2,260,000	1,532,150
2024	2,545,000	1,438,438
2025	1,235,000	1,361,025
2026	1,245,000	1,311,425
2027-31	10,220,000	5,533,300
2032-36	12,510,000	2,906,362
2037-41	9,155,000	740,875
Total	<u>\$ 41,265,000</u>	<u>\$ 16,331,786</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
<b>Governmental activities:</b>					
Bonds payable:					
General obligation bonds	\$ 35,670,000	\$ 6,890,000	\$ 1,295,000	\$ 41,265,000	\$ 2,095,000
Premium	3,562,607	1,001,417	267,014	4,297,010	
Total bonds payable	<u>39,232,607</u>	<u>7,891,417</u>	<u>1,562,014</u>	<u>45,562,010</u>	<u>2,095,000</u>
Net pension liability	20,562,249	6,115,394		26,677,643	
Compensated absences payable	193,682	260,710	214,949	239,443	144,576
Governmental activity long-term liabilities	<u>\$ 59,988,538</u>	<u>\$ 14,267,521</u>	<u>\$ 1,776,963</u>	<u>\$ 72,479,096</u>	<u>\$ 2,239,576</u>

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**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:**

	General Fund	Bond Building Fund	Total Due to Other Funds
New School Facilities Fund	\$	\$ 10,120,100	\$ 10,120,100
Non-Major Governmental Funds	895,129		895,129
Total Due from Other Funds	<u>\$ 895,129</u>	<u>\$ 10,120,100</u>	<u>\$ 11,015,229</u>

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

**Interfund transfers:**

		Transfers in	
		Debt Service	
Transfers out	General Fund	Fund	Total
Bond Building Fund	\$	\$ 183,249	\$ 183,249
Non-Major Governmental Funds	130,182		130,182
Total	<u>\$ 130,182</u>	<u>\$ 183,249</u>	<u>\$ 313,431</u>

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

**NOTE 11 – CONTINGENT LIABILITIES**

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

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 12 – RISK MANAGEMENT**

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

The District's employees have health and accident insurance coverage with the Arizona School Board Association Insurance Trust (ASBAIT). ASBAIT is a public entity risk pool currently operating as a common risk management and insurance program for school districts in the State. The District pays a monthly premium to ASBAIT for employees' health and accident insurance coverage. The agreement provides that ASBAIT will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of specified amounts.

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

The District continues to carry commercial insurance for employee dental and vision insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

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

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**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 \$2,030,194.

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**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, Classroom Site, Special Education Grants, Food Service, Title I Grants, and Other Federal Projects Funds.

**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)
\$ 26,677,643	0.154	0.013

**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 \$3,679,651.

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**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	\$ 241,346	\$
Net difference between projected and actual earnings on pension investments	2,573,090	
Changes in proportion and differences between contributions and proportionate share of contributions	1,252,253	72,664
Contributions subsequent to the measurement date	2,030,194	
Total	<u>\$ 6,096,883</u>	<u>\$ 72,664</u>

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

Year Ending June 30:

2022	\$ 885,287
2023	1,382,181
2024	930,714
2025	795,843

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**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:

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

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**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	\$ 36,481,315	\$ 26,677,643	\$ 18,482,277

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

**NOTE 14 – SUBSEQUENT EVENTS**

On October 6, 2021, the District issued School Improvement Bonds, Series 2021 in the amount of \$5.570 million, maturing on July 1, 2022 through July 1, 2031 with an average interest rate of 4.5 percent. The purpose of the bonds is for school improvements, purchase student transportation vehicles, purchase technology, and pay the costs incurred in connection with the issuance of the Bonds.



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## **REQUIRED SUPPLEMENTARY INFORMATION**

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**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		
<b>Revenues:</b>				
Other local	\$	\$	\$ 1,529,069	\$ 1,529,069
Property taxes			4,907,306	4,907,306
State aid and grants			16,713,086	16,713,086
<b>Total revenues</b>			<u>23,149,461</u>	<u>23,149,461</u>
<b>Expenditures:</b>				
Current -				
Instruction	15,732,480	14,602,229	13,719,904	882,325
Support services - students and staff	3,160,828	3,085,828	2,947,301	138,527
Support services - administration	3,416,587	3,291,587	3,055,460	236,127
Operation and maintenance of plant services	2,682,364	2,682,364	2,438,306	244,058
Student transportation services	1,824,694	1,624,694	1,213,798	410,896
Operation of non-instructional services	42,000	42,000	32,693	9,307
<b>Total expenditures</b>	<u>26,858,953</u>	<u>25,328,702</u>	<u>23,407,462</u>	<u>1,921,240</u>
<b>Changes in fund balances</b>	<u>(26,858,953)</u>	<u>(25,328,702)</u>	<u>(258,001)</u>	<u>25,070,701</u>
<b>Fund balances, beginning of year</b>			4,202,873	4,202,873
Increase (decrease) in reserve for prepaid items			703,140	703,140
Increase (decrease) in reserve for inventory			27,182	27,182
<b>Fund balances (deficits), end of year</b>	<u>\$ (26,858,953)</u>	<u>\$ (25,328,702)</u>	<u>\$ 4,675,194</u>	<u>\$ 30,003,896</u>

See accompanying notes to this schedule.

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**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**ARIZONA STATE RETIREMENT SYSTEM**  
**LAST SEVEN FISCAL YEARS**

	<u><b>2021</b></u>	<u><b>2020</b></u>	<u><b>2019</b></u>	<u><b>2018</b></u>
Measurement date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
District's proportion of the net pension (assets) liability	0.15%	0.14%	0.14%	0.13%
District's proportionate share of the net pension (assets) liability	\$ 26,677,643	\$ 20,562,249	\$ 19,925,337	\$ 20,274,833
District's covered payroll	\$ 16,773,852	\$ 15,495,492	\$ 13,721,037	\$ 12,694,518
District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	159.04%	132.70%	145.22%	159.71%
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><b>2021</b></u>	<u><b>2020</b></u>	<u><b>2019</b></u>	<u><b>2018</b></u>
Actuarially determined contribution	\$ 2,030,194	\$ 1,920,606	\$ 1,732,396	\$ 1,495,593
Contributions in relation to the actuarially determined contribution	<u>2,030,194</u>	<u>1,920,606</u>	<u>1,732,396</u>	<u>1,495,593</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 17,426,558	\$ 16,773,852	\$ 15,495,492	\$ 13,721,037
Contributions as a percentage of covered payroll	11.65%	11.45%	11.18%	10.90%

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

See accompanying notes to this schedule.

<u>2017</u>	<u>2016</u>	<u>2015</u>
June 30, 2016	June 30, 2015	June 30, 2014
0.13%	0.14%	0.15%
\$ 21,772,601	\$ 22,339,640	\$ 21,845,582
\$ 12,689,272	\$ 13,208,871	\$ 13,313,775
171.58%	169.13%	164.08%
67.06%	68.35%	69.49%

<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 1,368,469	\$ 1,376,786	\$ 1,438,446
<u>1,368,469</u>	<u>1,376,786</u>	<u>1,438,446</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 12,694,518	\$ 12,689,272	\$ 13,208,871
10.78%	10.85%	10.89%

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**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.
- Unemployment insurance.

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

	<u>Total Expenditures</u>	<u>Fund Balances End of Year</u>
Statement of Revenues, Expenditures and Changes in		
Fund Balances – Governmental Funds	\$ 23,941,258	\$ 7,426,702
Activity budgeted as special revenue funds	(589,942)	(2,435,674)
Current-year prepaid items	712,816	
Prior-year prepaid items	(712,053)	
Employee insurance account	<u>55,383</u>	<u>(315,834)</u>
Schedule of Revenues, Expenditures and Changes in		
Fund Balances – Budget and Actual – General Fund	<u>\$ 23,407,462</u>	<u>\$ 4,675,194</u>

**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**

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**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>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 2,834,583	\$ 1,156,608	\$ 3,991,191
Due from governmental entities	1,004,222	95,213	1,099,435
Inventory	12,354		12,354
<b>Total assets</b>	<u>\$ 3,851,159</u>	<u>\$ 1,251,821</u>	<u>\$ 5,102,980</u>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 37,684	\$ 282,511	\$ 320,195
Construction contracts payable		9,192	9,192
Due to other funds	895,129		895,129
Accrued payroll and employee benefits	848,924		848,924
Unearned revenues	14,892		14,892
<b>Total liabilities</b>	<u>1,796,629</u>	<u>291,703</u>	<u>2,088,332</u>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental	<u>427,300</u>		<u>427,300</u>
Fund balances (deficits):			
Nonspendable	12,354		12,354
Restricted	2,042,176	961,718	3,003,894
Unassigned	(427,300)	(1,600)	(428,900)
<b>Total fund balances</b>	<u>1,627,230</u>	<u>960,118</u>	<u>2,587,348</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 3,851,159</u>	<u>\$ 1,251,821</u>	<u>\$ 5,102,980</u>

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**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>
<b>Revenues:</b>			
Other local	\$ 361,276	\$ 126,406	\$ 487,682
Property taxes		1,701,602	1,701,602
State aid and grants	1,930,759	513,422	2,444,181
Federal aid, grants and reimbursements	4,065,621		4,065,621
<b>Total revenues</b>	<u>6,357,656</u>	<u>2,341,430</u>	<u>8,699,086</u>
<b>Expenditures:</b>			
Current -			
Instruction	3,270,439		3,270,439
Support services - students and staff	495,236		495,236
Support services - administration	8,996		8,996
Operation and maintenance of plant services	266,360		266,360
Student transportation services	27,390		27,390
Operation of non-instructional services	1,503,173		1,503,173
Capital outlay	1,158,073	1,545,991	2,704,064
<b>Total expenditures</b>	<u>6,729,667</u>	<u>1,545,991</u>	<u>8,275,658</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(372,011)</u>	<u>795,439</u>	<u>423,428</u>
<b>Other financing sources (uses):</b>			
Transfer out	(130,182)		(130,182)
<b>Total other financing sources (uses)</b>	<u>(130,182)</u>		<u>(130,182)</u>
<b>Changes in fund balances</b>	<u>(502,193)</u>	<u>795,439</u>	<u>293,246</u>
<b>Fund balances, beginning of year</b>	2,117,069	164,679	2,281,748
Increase (decrease) in reserve for inventory	12,354		12,354
<b>Fund balances, end of year</b>	<u>\$ 1,627,230</u>	<u>\$ 960,118</u>	<u>\$ 2,587,348</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.

**English Language Learner** - to account for monies received to provide for the incremental cost of instruction to English language learners.

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

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

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

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

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

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

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

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

**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.

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

**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.

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

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2021**

	<u>Classroom Site</u>	<u>Instructional Improvement</u>	<u>Title I Grants</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 1,094,612	\$ 288,422	\$
Due from governmental entities			101,135
Inventory			
<b>Total assets</b>	<u>\$ 1,094,612</u>	<u>\$ 288,422</u>	<u>\$ 101,135</u>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$	\$	\$ 2,833
Due to other funds			89,086
Accrued payroll and employee benefits	766,729		9,216
Unearned revenues			
<b>Total liabilities</b>	<u>766,729</u>		<u>101,135</u>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			<u>28,643</u>
Fund balances (deficits):			
Nonspendable			
Restricted	327,883	288,422	
Unassigned			(28,643)
<b>Total fund balances</b>	<u>327,883</u>	<u>288,422</u>	<u>(28,643)</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 1,094,612</u>	<u>\$ 288,422</u>	<u>\$ 101,135</u>

Professional Development and Technology Grants	Title IV Grants	Limited English and Immigrant Students	Special Education Grants	Other Federal Projects	Results-based Funding
\$ 75,119	\$ 3,439	\$ 9,099	\$ 75,215	\$ 706,576	\$ 118,428
<u>\$ 75,119</u>	<u>\$ 3,439</u>	<u>\$ 9,099</u>	<u>\$ 75,215</u>	<u>\$ 706,576</u>	<u>\$ 118,428</u>
\$ 75,119	\$ 3,439	\$ 5,198 3,901	\$ 75,215	\$ 647,072 59,504	\$
<u>75,119</u>	<u>3,439</u>	<u>9,099</u>	<u>75,215</u>	<u>706,576</u>	
<u>19,411</u>	<u>466</u>	<u>9,099</u>		<u>369,681</u>	
(19,411)	(466)	(9,099)		(369,681)	118,428
<u>(19,411)</u>	<u>(466)</u>	<u>(9,099)</u>		<u>(369,681)</u>	<u>118,428</u>
<u>\$ 75,119</u>	<u>\$ 3,439</u>	<u>\$ 9,099</u>	<u>\$ 75,215</u>	<u>\$ 706,576</u>	<u>\$ 118,428</u>

(Continued)



**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2021**

	<u>Other State Projects</u>	<u>Food Service</u>	<u>Civic Center</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 14,892	\$ 523,669	\$ 481,649
Due from governmental entities		33,639	
Inventory		12,354	
<b>Total assets</b>	<u><u>\$ 14,892</u></u>	<u><u>\$ 569,662</u></u>	<u><u>\$ 481,649</u></u>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$	\$ 27,341	\$ 7,510
Due to other funds			
Accrued payroll and employee benefits		5,086	
Unearned revenues	14,892		
<b>Total liabilities</b>	<u><u>14,892</u></u>	<u><u>32,427</u></u>	<u><u>7,510</u></u>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Fund balances (deficits):			
Nonspendable		12,354	
Restricted		524,881	474,139
Unassigned			
<b>Total fund balances</b>		<u><u>537,235</u></u>	<u><u>474,139</u></u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u><u>\$ 14,892</u></u>	<u><u>\$ 569,662</u></u>	<u><u>\$ 481,649</u></u>

<u>Community School</u>	<u>Extracurricular Activities Fees Tax Credit</u>	<u>Textbooks</u>	<u>Litigation Recovery</u>	<u>Student Activities</u>	<u>Totals</u>
\$ 20,386	\$ 224,597	\$ 759	\$ 777	\$ 66,392	\$ 2,834,583
					1,004,222
					12,354
<u>\$ 20,386</u>	<u>\$ 224,597</u>	<u>\$ 759</u>	<u>\$ 777</u>	<u>\$ 66,392</u>	<u>\$ 3,851,159</u>
\$	\$	\$	\$	\$	\$ 37,684
					895,129
4,488					848,924
<u>4,488</u>	<u></u>	<u></u>	<u></u>	<u></u>	<u>14,892</u>
					<u>1,796,629</u>
					<u>427,300</u>
15,898	224,597	759	777	66,392	12,354
<u>15,898</u>	<u>224,597</u>	<u>759</u>	<u>777</u>	<u>66,392</u>	<u>2,042,176</u>
					<u>(427,300)</u>
					<u>1,627,230</u>
<u>\$ 20,386</u>	<u>\$ 224,597</u>	<u>\$ 759</u>	<u>\$ 777</u>	<u>\$ 66,392</u>	<u>\$ 3,851,159</u>

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**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
<b>Revenues:</b>			
Other local	\$ 9,230	\$ 1,551	\$
State aid and grants	1,774,737	154,748	
Federal aid, grants and reimbursements			497,234
<b>Total revenues</b>	<u>1,783,967</u>	<u>156,299</u>	<u>497,234</u>
<b>Expenditures:</b>			
Current -			
Instruction	1,818,027	111,987	293,198
Support services - students and staff	79,690	35,399	154,771
Support services - administration			1,558
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>1,897,717</u>	<u>147,386</u>	<u>449,527</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(113,750)</u>	<u>8,913</u>	<u>47,707</u>
<b>Other financing sources (uses):</b>			
Transfer out			(15,554)
<b>Total other financing sources (uses)</b>			<u>(15,554)</u>
<b>Changes in fund balances</b>	<u>(113,750)</u>	<u>8,913</u>	<u>32,153</u>
<b>Fund balances (deficits), beginning of year</b>	441,633	279,509	(60,796)
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ 327,883</u>	<u>\$ 288,422</u>	<u>\$ (28,643)</u>

Professional Development and Technology Grants	Title IV Grants	Limited English and Immigrant Students	Special Education Grants	Other Federal Projects	Results-based Funding
\$	\$	\$	\$	\$	\$
					1,274
72,632	27,295	52,766	795,393	1,399,204	
72,632	27,295	52,766	795,393	1,399,204	1,274
46,388		10,473	528,682	437,998	6,307
39,473	26,616	29,564	104,738	18,352	1,734
385		225		6,828	
				94,148	
				26,467	
				66,852	
				1,104,243	
86,246	26,616	40,262	633,420	1,754,888	8,041
(13,614)	679	12,504	161,973	(355,684)	(6,767)
(2,967)	(911)	(1,386)	(20,367)	(13,997)	
(2,967)	(911)	(1,386)	(20,367)	(13,997)	
(16,581)	(232)	11,118	141,606	(369,681)	(6,767)
(2,830)	(234)	(20,217)	(141,606)		125,195
\$ (19,411)	\$ (466)	\$ (9,099)	\$	\$ (369,681)	\$ 118,428

(Continued)

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2021**

	<u>Food Service</u>	<u>Civic Center</u>	<u>Community School</u>
<b>Revenues:</b>			
Other local	\$ 46,528	\$ 54,045	\$ 206,892
State aid and grants			
Federal aid, grants and reimbursements	1,221,097		
<b>Total revenues</b>	<u>1,267,625</u>	<u>54,045</u>	<u>206,892</u>
<b>Expenditures:</b>			
Current -			
Instruction		89	
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services		172,212	
Student transportation services			923
Operation of non-instructional services	1,163,972		272,349
Capital outlay	3,134	49,671	
<b>Total expenditures</b>	<u>1,167,106</u>	<u>221,972</u>	<u>273,272</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>100,519</u>	<u>(167,927)</u>	<u>(66,380)</u>
<b>Other financing sources (uses):</b>			
Transfer out	(75,000)		
<b>Total other financing sources (uses)</b>	<u>(75,000)</u>		
<b>Changes in fund balances</b>	<u>25,519</u>	<u>(167,927)</u>	<u>(66,380)</u>
<b>Fund balances (deficits), beginning of year</b>	499,362	642,066	82,278
Increase (decrease) in reserve for inventory	12,354		
<b>Fund balances, end of year</b>	<u>\$ 537,235</u>	<u>\$ 474,139</u>	<u>\$ 15,898</u>

Extracurricular Activities Fees Tax Credit	Textbooks	Litigation Recovery	Student Activities	Totals
\$ 41,430	\$ 148	\$ 5	\$ 1,447	\$ 361,276
				1,930,759
				4,065,621
<u>41,430</u>	<u>148</u>	<u>5</u>	<u>1,447</u>	<u>6,357,656</u>
12,312	4,899		4,978	3,270,439
				495,236
				8,996
				266,360
				27,390
				1,503,173
<u>1,025</u>	<u></u>	<u></u>	<u></u>	<u>1,158,073</u>
<u>13,337</u>	<u>4,899</u>	<u></u>	<u>4,978</u>	<u>6,729,667</u>
<u>28,093</u>	<u>(4,751)</u>	<u>5</u>	<u>(3,531)</u>	<u>(372,011)</u>
				(130,182)
				<u>(130,182)</u>
<u>28,093</u>	<u>(4,751)</u>	<u>5</u>	<u>(3,531)</u>	<u>(502,193)</u>
196,504	5,510	772	69,923	2,117,069
				12,354
<u>\$ 224,597</u>	<u>\$ 759</u>	<u>\$ 777</u>	<u>\$ 66,392</u>	<u>\$ 1,627,230</u>

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**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	
<b>Revenues:</b>			
Other local	\$	\$ 9,230	\$ 9,230
State aid and grants		1,774,737	1,774,737
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>1,783,967</u>	<u>1,783,967</u>
<b>Expenditures:</b>			
Current -			
Instruction	2,080,181	1,818,027	262,154
Support services - students and staff	55,662	79,690	(24,028)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>2,135,843</u>	<u>1,897,717</u>	<u>238,126</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(2,135,843)</u>	<u>(113,750)</u>	<u>2,022,093</u>
<b>Other financing sources (uses):</b>			
Transfer in			
Transfer out			
Proceeds from sale of capital assets			
<b>Total other financing sources (uses)</b>			
<b>Changes in fund balances</b>	<u>(2,135,843)</u>	<u>(113,750)</u>	<u>2,022,093</u>
<b>Fund balances (deficits), beginning of year</b>		441,633	441,633
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (2,135,843)</u>	<u>\$ 327,883</u>	<u>\$ 2,463,726</u>

Instructional Improvement			English Language Learner		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 1,551 154,748	\$ 1,551 154,748	\$	\$	\$
	156,299	156,299			
175,000	111,987 35,399	63,013 (35,399)	43,807		43,807
175,000	147,386	27,614	43,807		43,807
(175,000)	8,913	183,913	(43,807)		43,807
(175,000)	8,913	183,913	(43,807)		43,807
	279,509	279,509			
\$ (175,000)	\$ 288,422	\$ 463,422	\$ (43,807)	\$	\$ 43,807

(Continued)



**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2021**

	Title I Grants		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		497,234	497,234
<b>Total revenues</b>		<u>497,234</u>	<u>497,234</u>
<b>Expenditures:</b>			
Current -			
Instruction	524,147	293,198	230,949
Support services - students and staff		154,771	(154,771)
Support services - administration		1,558	(1,558)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>524,147</u>	<u>449,527</u>	<u>74,620</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(524,147)</u>	<u>47,707</u>	<u>571,854</u>
<b>Other financing sources (uses):</b>			
Transfer in			
Transfer out		(15,554)	(15,554)
Proceeds from sale of capital assets			
<b>Total other financing sources (uses)</b>		<u>(15,554)</u>	<u>(15,554)</u>
<b>Changes in fund balances</b>	<u>(524,147)</u>	<u>32,153</u>	<u>556,300</u>
<b>Fund balances (deficits), beginning of year</b>		(60,796)	(60,796)
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (524,147)</u>	<u>\$ (28,643)</u>	<u>\$ 495,504</u>

Professional Development and Technology Grants			Title IV Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	72,632	72,632		27,295	27,295
	72,632	72,632		27,295	27,295
100,242	46,388	53,854			
	39,473	(39,473)	27,536	26,616	920
	385	(385)			
100,242	86,246	13,996	27,536	26,616	920
(100,242)	(13,614)	86,628	(27,536)	679	28,215
	(2,967)	(2,967)		(911)	(911)
	(2,967)	(2,967)		(911)	(911)
(100,242)	(16,581)	83,661	(27,536)	(232)	27,304
	(2,830)	(2,830)		(234)	(234)
\$ (100,242)	\$ (19,411)	\$ 80,831	\$ (27,536)	\$ (466)	\$ 27,070

(Continued)

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2021**

	Limited English and Immigrant Students		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		52,766	52,766
<b>Total revenues</b>		<u>52,766</u>	<u>52,766</u>
<b>Expenditures:</b>			
Current -			
Instruction		10,473	(10,473)
Support services - students and staff	52,804	29,564	23,240
Support services - administration		225	(225)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>52,804</u>	<u>40,262</u>	<u>12,542</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(52,804)</u>	<u>12,504</u>	<u>65,308</u>
<b>Other financing sources (uses):</b>			
Transfer in			
Transfer out		(1,386)	(1,386)
Proceeds from sale of capital assets			
<b>Total other financing sources (uses)</b>		<u>(1,386)</u>	<u>(1,386)</u>
<b>Changes in fund balances</b>	<u>(52,804)</u>	<u>11,118</u>	<u>63,922</u>
<b>Fund balances (deficits), beginning of year</b>		(20,217)	(20,217)
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (52,804)</u>	<u>\$ (9,099)</u>	<u>\$ 43,705</u>

Special Education Grants			Medicaid Reimbursement		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$ 11,162	\$ 11,162
	795,393	795,393		167,532	167,532
	795,393	795,393		178,694	178,694
688,920	528,682 104,738	160,238 (104,738)	450,000	156,641	293,359
688,920	633,420	55,500	450,000	156,641	293,359
(688,920)	161,973	850,893	(450,000)	22,053	472,053
	(20,367)	(20,367)			
	(20,367)	(20,367)			
(688,920)	141,606	830,526	(450,000)	22,053	472,053
	(141,606)	(141,606)		605,573	605,573
\$ (688,920)	\$	\$ 688,920	\$ (450,000)	\$ 627,626	\$ 1,077,626

(Continued)

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2021**

	E-Rate		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 5,333	\$ 5,333
State aid and grants			
Federal aid, grants and reimbursements		360,194	360,194
<b>Total revenues</b>		<u>365,527</u>	<u>365,527</u>
<b>Expenditures:</b>			
Current -			
Instruction			
Support services - students and staff			
Support services - administration	500,000	272,519	227,481
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay		4,148	(4,148)
<b>Total expenditures</b>	<u>500,000</u>	<u>276,667</u>	<u>223,333</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(500,000)</u>	<u>88,860</u>	<u>588,860</u>
<b>Other financing sources (uses):</b>			
Transfer in			
Transfer out			
Proceeds from sale of capital assets			
<b>Total other financing sources (uses)</b>			
<b>Changes in fund balances</b>	<u>(500,000)</u>	<u>88,860</u>	<u>588,860</u>
<b>Fund balances (deficits), beginning of year</b>		526,410	526,410
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (500,000)</u>	<u>\$ 615,270</u>	<u>\$ 1,115,270</u>

Other Federal Projects			Results-based Funding		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	1,399,204	1,399,204		1,274	1,274
	1,399,204	1,399,204		1,274	1,274
	437,998	(437,998)	124,410	6,307	118,103
	18,352	(18,352)		1,734	(1,734)
	6,828	(6,828)			
	94,148	(94,148)			
	26,467	(26,467)			
	66,852	(66,852)			
2,891,641	1,104,243	1,787,398			
2,891,641	1,754,888	1,136,753	124,410	8,041	116,369
(2,891,641)	(355,684)	2,535,957	(124,410)	(6,767)	117,643
	(13,997)	(13,997)			
	(13,997)	(13,997)			
(2,891,641)	(369,681)	2,521,960	(124,410)	(6,767)	117,643
				125,195	125,195
\$ (2,891,641)	\$ (369,681)	\$ 2,521,960	\$ (124,410)	\$ 118,428	\$ 242,838

(Continued)

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2021**

	School Plant		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 3,386	\$ 3,386
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>3,386</u>	<u>3,386</u>
<b>Expenditures:</b>			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>			
<b>Excess (deficiency) of revenues over expenditures</b>		<u>3,386</u>	<u>3,386</u>
<b>Other financing sources (uses):</b>			
Transfer in			
Transfer out			
Proceeds from sale of capital assets		<u>3,225</u>	<u>3,225</u>
<b>Total other financing sources (uses)</b>		<u>3,225</u>	<u>3,225</u>
<b>Changes in fund balances</b>		<u>6,611</u>	<u>6,611</u>
<b>Fund balances (deficits), beginning of year</b>		36,636	36,636
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$</u>	<u>\$ 43,247</u>	<u>\$ 43,247</u>

Food Service			Civic Center		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 46,528	\$ 46,528	\$	\$ 54,045	\$ 54,045
	1,221,097	1,221,097			
	1,267,625	1,267,625		54,045	54,045
				89	(89)
			450,000	172,212	277,788
1,710,530	1,163,972	546,558			
	3,134	(3,134)		49,671	(49,671)
1,710,530	1,167,106	543,424	450,000	221,972	228,028
(1,710,530)	100,519	1,811,049	(450,000)	(167,927)	282,073
	(75,000)	(75,000)			
	(75,000)	(75,000)			
(1,710,530)	25,519	1,736,049	(450,000)	(167,927)	282,073
	499,362	499,362		642,066	642,066
	12,354	12,354			
\$ (1,710,530)	\$ 537,235	\$ 2,247,765	\$ (450,000)	\$ 474,139	\$ 924,139

(Continued)



**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2021**

	Community School		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 206,892	\$ 206,892
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>206,892</u>	<u>206,892</u>
<b>Expenditures:</b>			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services		923	(923)
Operation of non-instructional services	482,078	272,349	209,729
Capital outlay			
<b>Total expenditures</b>	<u>482,078</u>	<u>273,272</u>	<u>208,806</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(482,078)</u>	<u>(66,380)</u>	<u>415,698</u>
<b>Other financing sources (uses):</b>			
Transfer in			
Transfer out			
Proceeds from sale of capital assets			
<b>Total other financing sources (uses)</b>			
<b>Changes in fund balances</b>	<u>(482,078)</u>	<u>(66,380)</u>	<u>415,698</u>
<b>Fund balances (deficits), beginning of year</b>		82,278	82,278
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (482,078)</u>	<u>\$ 15,898</u>	<u>\$ 497,976</u>

Auxiliary Operations			Extracurricular Activities Fees Tax Credit		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 37,129	\$ 37,129	\$	\$ 41,430	\$ 41,430
	<u>37,129</u>	<u>37,129</u>		<u>41,430</u>	<u>41,430</u>
425,000	33,753	391,247	130,000	12,312	117,688
	9,538	(9,538)			
<u>425,000</u>	<u>43,291</u>	<u>381,709</u>	<u>130,000</u>	<u>1,025</u>	<u>(1,025)</u>
<u>(425,000)</u>	<u>(6,162)</u>	<u>418,838</u>	<u>(130,000)</u>	<u>13,337</u>	<u>116,663</u>
<u>(425,000)</u>	<u>(6,162)</u>	<u>418,838</u>	<u>(130,000)</u>	<u>28,093</u>	<u>158,093</u>
	152,163	152,163		196,504	196,504
<u>\$ (425,000)</u>	<u>\$ 146,001</u>	<u>\$ 571,001</u>	<u>\$ (130,000)</u>	<u>\$ 224,597</u>	<u>\$ 354,597</u>

(Continued)

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2021**

	Gifts and Donations		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 253,330	\$ 253,330
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>253,330</u>	<u>253,330</u>
<b>Expenditures:</b>			
Current -			
Instruction	125,000	13,412	111,588
Support services - students and staff		2,640	(2,640)
Support services - administration		714	(714)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay		26,760	(26,760)
<b>Total expenditures</b>	<u>125,000</u>	<u>43,526</u>	<u>81,474</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(125,000)</u>	<u>209,804</u>	<u>334,804</u>
<b>Other financing sources (uses):</b>			
Transfer in			
Transfer out			
Proceeds from sale of capital assets			
<b>Total other financing sources (uses)</b>			
<b>Changes in fund balances</b>	<u>(125,000)</u>	<u>209,804</u>	<u>334,804</u>
<b>Fund balances (deficits), beginning of year</b>		459,008	459,008
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (125,000)</u>	<u>\$ 668,812</u>	<u>\$ 793,812</u>

Fingerprint			Insurance Proceeds		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$ 9,859	\$ 9,859
				9,859	9,859
6,000		6,000			
			60,000	9,455	50,545
6,000		6,000	60,000	9,455	50,545
(6,000)		6,000	(60,000)	404	60,404
(6,000)		6,000	(60,000)	404	60,404
				45,961	45,961
\$ (6,000)	\$	\$ 6,000	\$ (60,000)	\$ 46,365	\$ 106,365

(Continued)

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2021**

	Textbooks		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 148	\$ 148
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>148</u>	<u>148</u>
<b>Expenditures:</b>			
Current -			
Instruction			
Support services - students and staff	5,900	4,899	1,001
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>5,900</u>	<u>4,899</u>	<u>1,001</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(5,900)</u>	<u>(4,751)</u>	<u>1,149</u>
<b>Other financing sources (uses):</b>			
Transfer in			
Transfer out			
Proceeds from sale of capital assets			
<b>Total other financing sources (uses)</b>			
<b>Changes in fund balances</b>	<u>(5,900)</u>	<u>(4,751)</u>	<u>1,149</u>
<b>Fund balances (deficits), beginning of year</b>		5,510	5,510
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (5,900)</u>	<u>\$ 759</u>	<u>\$ 6,659</u>

Litigation Recovery			Indirect Costs		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 5	\$ 5	\$	\$ 1,283	\$ 1,283
	5	5		1,283	1,283
25,000		25,000			
			246,594	59,619 743	186,975 (743)
25,000		25,000	246,594	60,362	186,232
(25,000)	5	25,005	(246,594)	(59,079)	187,515
				130,182	130,182
				130,182	130,182
(25,000)	5	25,005	(246,594)	71,103	317,697
	772	772		217,250	217,250
\$ (25,000)	\$ 777	\$ 25,777	\$ (246,594)	\$ 288,353	\$ 534,947

(Continued)

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2021**

	Student Activities		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 1,447	\$ 1,447
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>1,447</u>	<u>1,447</u>
<b>Expenditures:</b>			
Current -			
Instruction	120,000	4,978	115,022
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>120,000</u>	<u>4,978</u>	<u>115,022</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(120,000)</u>	<u>(3,531)</u>	<u>116,469</u>
<b>Other financing sources (uses):</b>			
Transfer in			
Transfer out			
Proceeds from sale of capital assets			
<b>Total other financing sources (uses)</b>			
<b>Changes in fund balances</b>	<u>(120,000)</u>	<u>(3,531)</u>	<u>116,469</u>
<b>Fund balances (deficits), beginning of year</b>		69,923	69,923
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (120,000)</u>	<u>\$ 66,392</u>	<u>\$ 186,392</u>

Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 682,758	\$ 682,758
	1,930,759	1,930,759
	4,593,347	4,593,347
	7,206,864	7,206,864
5,017,707	3,474,245	1,543,462
141,902	497,876	(355,974)
746,594	351,386	395,208
450,000	267,103	182,897
60,000	36,845	23,155
2,192,608	1,503,173	689,435
2,891,641	1,188,981	1,702,660
11,500,452	7,319,609	4,180,843
(11,500,452)	(112,745)	11,387,707
	130,182	130,182
	(130,182)	(130,182)
	3,225	3,225
	3,225	3,225
(11,500,452)	(109,520)	11,390,932
	4,160,070	4,160,070
	12,354	12,354
\$ (11,500,452)	\$ 4,062,904	\$ 15,563,356



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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.

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL DEBT SERVICE FUND**  
**YEAR ENDED JUNE 30, 2021**

	Debt Service		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 1,509	\$ 1,509
Property taxes		3,671,443	3,671,443
<b>Total revenues</b>		<u>3,672,952</u>	<u>3,672,952</u>
<b>Expenditures:</b>			
Debt service -			
Principal retirement	2,095,000	2,095,000	
Interest and fiscal charges	1,562,108	1,564,157	(2,049)
<b>Total expenditures</b>	<u>3,657,108</u>	<u>3,659,157</u>	<u>(2,049)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(3,657,108)</u>	<u>13,795</u>	<u>3,670,903</u>
<b>Other financing sources (uses):</b>			
Transfer in		183,249	183,249
<b>Total other financing sources (uses)</b>		<u>183,249</u>	<u>183,249</u>
<b>Changes in fund balances</b>	<u>(3,657,108)</u>	<u>197,044</u>	<u>3,854,152</u>
<b>Fund balances, beginning of year</b>		68,590	68,590
<b>Fund balances (deficits), end of year</b>	<u>\$ (3,657,108)</u>	<u>\$ 265,634</u>	<u>\$ 3,922,742</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.

**Gifts and Donations - Capital** - to account for gifts and donations to be expended for capital acquisitions.

**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.

**New School Facilities** - to account for monies received from the School Facilities Board to be used for constructing new school facilities and purchasing land for new school sites.

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS**  
**JUNE 30, 2021**

	<u>Unrestricted Capital Outlay</u>	<u>Adjacent Ways</u>	<u>Building Renewal Grant</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 843,500	\$ 310,695	\$ 2,413
Due from governmental entities			95,213
<b>Total assets</b>	<u><u>\$ 843,500</u></u>	<u><u>\$ 310,695</u></u>	<u><u>\$ 97,626</u></u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 183,285	\$ 9,192	\$ 99,226
Construction contracts payable		9,192	
<b>Total liabilities</b>	<u>183,285</u>	<u>9,192</u>	<u>99,226</u>
Fund balances (deficits):			
Restricted	660,215	301,503	
Unassigned			(1,600)
<b>Total fund balances</b>	<u>660,215</u>	<u>301,503</u>	<u>(1,600)</u>
<b>Total liabilities and fund balances</b>	<u><u>\$ 843,500</u></u>	<u><u>\$ 310,695</u></u>	<u><u>\$ 97,626</u></u>

Totals	
\$	1,156,608
	95,213
\$	1,251,821

\$	282,511
	9,192
	291,703

	961,718
	(1,600)
	960,118
\$	1,251,821

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**NON-MAJOR CAPITAL PROJECTS FUNDS**  
**YEAR ENDED JUNE 30, 2021**

	<u>Unrestricted Capital Outlay</u>	<u>Adjacent Ways</u>	<u>Building Renewal Grant</u>
<b>Revenues:</b>			
Other local	\$ 125,533	\$ 873	\$
Property taxes	1,401,599	300,003	
State aid and grants			513,422
<b>Total revenues</b>	<u>1,527,132</u>	<u>300,876</u>	<u>513,422</u>
<b>Expenditures:</b>			
Capital outlay	<u>922,241</u>	<u>108,728</u>	<u>515,022</u>
<b>Total expenditures</b>	<u>922,241</u>	<u>108,728</u>	<u>515,022</u>
<b>Changes in fund balances</b>	<u>604,891</u>	<u>192,148</u>	<u>(1,600)</u>
<b>Fund balances, beginning of year</b>	55,324	109,355	
<b>Fund balances (deficits), end of year</b>	<u><u>\$ 660,215</u></u>	<u><u>\$ 301,503</u></u>	<u><u>\$ (1,600)</u></u>

Totals	
\$	126,406
	1,701,602
	513,422
	<u>2,341,430</u>
	<u>1,545,991</u>
	<u>1,545,991</u>
	<u>795,439</u>
	164,679
\$	<u><u>960,118</u></u>



**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**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)
<b>Revenues:</b>			
Other local	\$	\$ 125,533	\$ 125,533
Property taxes		1,401,599	1,401,599
State aid and grants			
<b>Total revenues</b>		<u>1,527,132</u>	<u>1,527,132</u>
<b>Expenditures:</b>			
Capital outlay	1,456,825	922,241	534,584
Debt service -			
Bond issuance costs			
<b>Total expenditures</b>	<u>1,456,825</u>	<u>922,241</u>	<u>534,584</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(1,456,825)</u>	<u>604,891</u>	<u>2,061,716</u>
<b>Other financing sources (uses):</b>			
Transfer out			
Issuance of school improvement bonds			
Premium on sale of bonds			
<b>Total other financing sources (uses)</b>			
<b>Changes in fund balances</b>	<u>(1,456,825)</u>	<u>604,891</u>	<u>2,061,716</u>
<b>Fund balances, beginning of year</b>		55,324	55,324
<b>Fund balances (deficits), end of year</b>	<u>\$ (1,456,825)</u>	<u>\$ 660,215</u>	<u>\$ 2,117,040</u>

Adjacent Ways			Bond Building		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 873 300,003	\$ 873 300,003	\$	\$ 183,249	\$ 183,249
	<u>300,876</u>	<u>300,876</u>		<u>183,249</u>	<u>183,249</u>
400,000	108,728	291,272	30,476,356	15,839,299	14,637,057
<u>400,000</u>	<u>108,728</u>	<u>291,272</u>	<u>30,476,356</u>	<u>180,992</u> <u>16,020,291</u>	<u>(180,992)</u> <u>14,456,065</u>
<u>(400,000)</u>	<u>192,148</u>	<u>592,148</u>	<u>(30,476,356)</u>	<u>(15,837,042)</u>	<u>14,639,314</u>
				(183,249)	(183,249)
				6,890,000	6,890,000
				1,001,417	1,001,417
				<u>7,708,168</u>	<u>7,708,168</u>
<u>(400,000)</u>	<u>192,148</u>	<u>592,148</u>	<u>(30,476,356)</u>	<u>(8,128,874)</u>	<u>22,347,482</u>
	109,355	109,355		21,955,450	21,955,450
<u>\$ (400,000)</u>	<u>\$ 301,503</u>	<u>\$ 701,503</u>	<u>\$ (30,476,356)</u>	<u>\$ 13,826,576</u>	<u>\$ 44,302,932</u>

(Continued)

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL CAPITAL PROJECTS FUNDS**  
**YEAR ENDED JUNE 30, 2021**

	Gifts and Donations - Capital		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$	\$
Property taxes			
State aid and grants			
<b>Total revenues</b>			
<b>Expenditures:</b>			
Capital outlay	30,000		30,000
Debt service -			
Bond issuance costs			
<b>Total expenditures</b>	30,000		30,000
<b>Excess (deficiency) of revenues over expenditures</b>	(30,000)		30,000
<b>Other financing sources (uses):</b>			
Transfer out			
Issuance of school improvement bonds			
Premium on sale of bonds			
<b>Total other financing sources (uses)</b>			
<b>Changes in fund balances</b>	(30,000)		30,000
<b>Fund balances, beginning of year</b>			
<b>Fund balances (deficits), end of year</b>	\$ (30,000)	\$	\$ 30,000

Building Renewal Grant			New School Facilities		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	513,422	513,422			
	513,422	513,422			
1,046,000	515,022	530,978		10,120,100	(10,120,100)
1,046,000	515,022	530,978		10,120,100	(10,120,100)
(1,046,000)	(1,600)	1,044,400		(10,120,100)	(10,120,100)
(1,046,000)	(1,600)	1,044,400		(10,120,100)	(10,120,100)
\$ (1,046,000)	\$ (1,600)	\$ 1,044,400	\$	\$ (10,120,100)	\$ (10,120,100)

(Continued)

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL CAPITAL PROJECTS FUNDS**  
**YEAR ENDED JUNE 30, 2021**

	Totals		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 309,655	\$ 309,655
Property taxes		1,701,602	1,701,602
State aid and grants		513,422	513,422
<b>Total revenues</b>		<u>2,524,679</u>	<u>2,524,679</u>
<b>Expenditures:</b>			
Capital outlay	33,409,181	27,505,390	5,903,791
Debt service -			
Bond issuance costs		180,992	(180,992)
<b>Total expenditures</b>	<u>33,409,181</u>	<u>27,686,382</u>	<u>5,722,799</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(33,409,181)</u>	<u>(25,161,703)</u>	<u>8,247,478</u>
<b>Other financing sources (uses):</b>			
Transfer out		(183,249)	(183,249)
Issuance of school improvement bonds		6,890,000	6,890,000
Premium on sale of bonds		1,001,417	1,001,417
<b>Total other financing sources (uses)</b>		<u>7,708,168</u>	<u>7,708,168</u>
<b>Changes in fund balances</b>	<u>(33,409,181)</u>	<u>(17,453,535)</u>	<u>15,955,646</u>
<b>Fund balances, beginning of year</b>		22,120,129	22,120,129
<b>Fund balances (deficits), end of year</b>	<u>\$ (33,409,181)</u>	<u>\$ 4,666,594</u>	<u>\$ 38,075,775</u>

## STATISTICAL SECTION

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

### **Financial Trends**

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

### **Revenue Capacity**

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

### **Debt Capacity**

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

### **Demographic and Economic Information**

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

### **Operating Information**

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

**Note:** For locally assessed property (i.e., excluding mines, utilities, etc.) Proposition 117, approved by voters in 2012, amended the Arizona Constitution to require that all property taxes after fiscal year 2014-15 be based upon property values limited to 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.

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**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(Accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
<b>Net Position:</b>					
Net investment in capital assets	\$ 41,777,074	\$ 31,262,062	\$ 31,553,422	\$ 30,083,026	\$ 29,406,670
Restricted	3,310,133	2,507,431	2,246,534	2,158,400	2,459,346
Unrestricted	(11,234,361)	(10,506,230)	(10,895,613)	(13,836,094)	(14,994,467)
Total net position	<u>\$ 33,852,846</u>	<u>\$ 23,263,263</u>	<u>\$ 22,904,343</u>	<u>\$ 18,405,332</u>	<u>\$ 16,871,549</u>
	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
<b>Net Position:</b>					
Net investment in capital assets	\$ 29,153,698	\$ 28,563,571	\$ 28,840,906	\$ 29,250,754	\$ 29,397,312
Restricted	2,673,769	3,259,355	3,433,081	3,188,755	3,772,475
Unrestricted	(17,189,897)	(17,450,800)	3,853,082	4,065,345	4,183,721
Total net position	<u>\$ 14,637,570</u>	<u>\$ 14,372,126</u>	<u>\$ 36,127,069</u>	<u>\$ 36,504,854</u>	<u>\$ 37,353,508</u>

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

**Note:** The District implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 68, as amended by GASB Statement No. 71 in fiscal year 2015.



**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE**  
**LAST TEN FISCAL YEARS**  
**(Accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
<b>Expenses</b>					
Instruction	\$ 20,883,041	\$ 19,645,988	\$ 16,642,530	\$ 14,991,968	\$ 14,078,456
Support services - students and staff	3,694,750	3,134,991	2,850,566	2,442,600	2,338,204
Support services - administration	3,994,215	3,493,681	2,886,701	2,869,447	2,592,285
Operation and maintenance of plant services	2,889,326	2,536,672	2,470,401	2,367,450	2,306,808
Student transportation services	1,880,931	1,766,002	1,981,666	1,999,609	1,585,990
Operation of non-instructional services	1,679,458	1,946,430	1,885,046	1,869,766	1,816,234
Interest on long-term debt	1,172,350	495,636	525,336	564,722	565,558
Total expenses	<u>36,194,071</u>	<u>33,019,400</u>	<u>29,242,246</u>	<u>27,105,562</u>	<u>25,283,535</u>
<b>Program Revenues</b>					
Charges for services:					
Instruction	230,358	117,478	356,656	345,685	166,468
Operation of non-instructional services	77,401	637,112	730,387	698,144	611,757
Other activities	50,912	85,492	68,966	85,655	44,832
Operating grants and contributions	4,915,019	3,235,916	2,844,459	2,321,562	2,738,604
Capital grants and contributions	10,633,522	436,766	1,989,364	1,634,345	816,878
Total program revenues	<u>15,907,212</u>	<u>4,512,764</u>	<u>5,989,832</u>	<u>5,085,391</u>	<u>4,378,539</u>
<b>Net (Expense)/Revenue</b>	<u>\$ (20,286,859)</u>	<u>\$ (28,506,636)</u>	<u>\$ (23,252,414)</u>	<u>\$ (22,020,171)</u>	<u>\$ (20,904,996)</u>

(Continued)

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**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>
<b>Expenses</b>					
Instruction	\$ 13,684,751	\$ 15,459,914	\$ 14,404,498	\$ 13,073,980	\$ 13,596,940
Support services - students and staff	2,340,161	2,629,217	2,611,092	2,446,468	2,307,311
Support services - administration	2,502,584	2,477,730	2,351,699	2,013,750	2,217,880
Operation and maintenance of plant services	2,131,655	2,035,983	2,204,599	1,910,020	1,943,648
Student transportation services	1,617,307	1,609,244	1,448,404	1,319,489	1,355,226
Operation of non-instructional services	1,657,404	1,462,727	1,471,056	1,364,627	1,647,565
Interest on long-term debt	665,594	618,213	361,891	389,262	419,633
Total expenses	<u>24,599,456</u>	<u>26,293,028</u>	<u>24,853,239</u>	<u>22,517,596</u>	<u>23,488,203</u>
<b>Program Revenues</b>					
Charges for services:					
Instruction	211,301	173,938	327,917	150,815	231,121
Operation of non-instructional services	586,253	620,953	595,648	577,067	582,378
Other activities	68,129	63,652	67,416	37,958	75,885
Operating grants and contributions	2,296,530	2,233,679	2,464,646	2,095,230	1,852,494
Capital grants and contributions	264,713	900,000		4,422	11,445
Total program revenues	<u>3,426,926</u>	<u>3,992,222</u>	<u>3,455,627</u>	<u>2,865,492</u>	<u>2,753,323</u>
<b>Net (Expense)/Revenue</b>	<u>\$ (21,172,530)</u>	<u>\$ (22,300,806)</u>	<u>\$ (21,397,612)</u>	<u>\$ (19,652,104)</u>	<u>\$ (20,734,880)</u>

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

**(Concluded)**

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(Accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
<b>Net (Expense)/Revenue</b>	\$ (20,286,859)	\$ (28,506,636)	\$ (23,252,414)	\$ (22,020,171)	\$ (20,904,996)
<b>General Revenues:</b>					
Taxes:					
Property taxes, levied for general purposes	4,823,775	5,745,942	5,447,161	5,157,365	4,568,024
Property taxes, levied for debt service	3,659,730	1,749,808	1,811,520	1,987,564	2,046,136
Property taxes, levied for capital outlay	1,701,602	121	131,177		288,019
Investment income	245,689	153,003	121,198	73,511	47,944
Unrestricted county aid	1,635,543	1,557,171	1,505,412	1,390,933	1,328,983
Unrestricted state aid	18,642,571	19,344,125	17,278,217	14,817,130	14,809,819
Unrestricted federal aid	167,532	133,934	86,238	124,079	50,050
<b>Total general revenues</b>	<b><u>30,876,442</u></b>	<b><u>28,684,104</u></b>	<b><u>26,380,923</u></b>	<b><u>23,550,582</u></b>	<b><u>23,138,975</u></b>
<b>Changes in Net Position</b>	<b><u>\$ 10,589,583</u></b>	<b><u>\$ 177,468</u></b>	<b><u>\$ 3,128,509</u></b>	<b><u>\$ 1,530,411</u></b>	<b><u>\$ 2,233,979</u></b>

(Continued)

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**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>
<b>Net (Expense)/Revenue</b>	\$ (21,172,530)	\$ (22,300,806)	\$ (21,397,612)	\$ (19,652,104)	\$ (20,734,880)
<b>General Revenues:</b>					
Taxes:					
Property taxes, levied for general purposes	5,443,493	5,200,342	3,587,182	4,510,532	4,127,074
Property taxes, levied for debt service	1,832,253	1,809,762	1,139,311	1,117,231	991,448
Property taxes, levied for capital outlay	5,855	556,914	252,695		278,630
Investment income	36,774	54,862	17,409	29,722	43,382
Unrestricted county aid	1,196,593	1,327,338	1,305,396	1,107,370	1,269,037
Unrestricted state aid	12,741,901	14,111,398	14,572,046	11,890,131	12,813,371
Unrestricted federal aid	181,105	190,393	145,788	148,464	150,103
<b>Total general revenues</b>	<u>21,437,974</u>	<u>23,251,009</u>	<u>21,019,827</u>	<u>18,803,450</u>	<u>19,673,045</u>
<b>Changes in Net Position</b>	<u>\$ 265,444</u>	<u>\$ 950,203</u>	<u>\$ (377,785)</u>	<u>\$ (848,654)</u>	<u>\$ (1,061,835)</u>

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

(Concluded)

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
General Fund:					
Nondisposable	\$ 1,739,031	\$ 1,721,525	\$ 1,551,972	\$ 648	\$ 579,228
Unassigned	5,687,671	5,496,853	4,557,234	4,342,425	4,125,298
Total General Fund	<u>\$ 7,426,702</u>	<u>\$ 7,218,378</u>	<u>\$ 6,109,206</u>	<u>\$ 4,343,073</u>	<u>\$ 4,704,526</u>
All Other Governmental Funds:					
Nondisposable	\$	\$	\$	\$	\$ 29,322
Restricted	17,096,104	24,531,471	2,223,533	2,339,340	4,301,266
Unassigned	(10,549,000)	(225,683)	(188,730)	(466,183)	(18,450)
Total all other governmental funds	<u>\$ 6,547,104</u>	<u>\$ 24,305,788</u>	<u>\$ 2,034,803</u>	<u>\$ 1,873,157</u>	<u>\$ 4,312,138</u>

(Continued)

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<u><b>2016</b></u>	<u><b>2015</b></u>	<u><b>2014</b></u>	<u><b>2013</b></u>	<u><b>2012</b></u>
General Fund:					
Nondisposable	\$	\$ 188,411	\$	\$	\$
Unassigned	3,758,292	3,332,181	2,486,099	2,702,598	3,021,786
Total General Fund	<u>\$ 3,758,292</u>	<u>\$ 3,520,592</u>	<u>\$ 2,486,099</u>	<u>\$ 2,702,598</u>	<u>\$ 3,021,786</u>
All Other Governmental Funds:					
Restricted	\$ 2,865,023	\$ 4,337,493	\$ 3,399,302	\$ 3,145,608	\$ 6,086,381
Total all other governmental funds	<u>\$ 2,805,663</u>	<u>\$ 4,336,777</u>	<u>\$ 3,399,302</u>	<u>\$ 3,145,608</u>	<u>\$ 6,086,381</u>

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

**(Concluded)**

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**GOVERNMENTAL FUNDS REVENUES**  
**LAST TEN FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
<b>Federal sources:</b>					
Federal grants	\$ 3,372,250	\$ 1,644,010	\$ 1,435,086	\$ 1,625,803	\$ 1,247,220
National School Lunch Program	1,221,097	1,339,367	1,157,004	1,093,833	1,160,726
Total federal sources	<u>4,593,347</u>	<u>2,983,377</u>	<u>2,592,090</u>	<u>2,719,636</u>	<u>2,407,946</u>
<b>State sources:</b>					
State equalization assistance	16,713,086	17,323,678	15,380,789	13,081,504	13,432,713
State grants	1,274	128,424	6,921	8,781	102,676
School Facilities Board	513,422	85,719	2,303,522	1,020,285	777,926
Other revenues	1,929,485	2,020,447	1,897,428	1,735,626	1,377,106
Total state sources	<u>19,157,267</u>	<u>19,558,268</u>	<u>19,588,660</u>	<u>15,846,196</u>	<u>15,690,421</u>
<b>Local sources:</b>					
Property taxes	10,280,351	7,688,645	7,499,038	7,200,398	6,877,415
County aid	1,635,543	1,557,171	1,505,412	1,390,933	1,328,983
Food service sales	41,892	337,647	422,862	366,048	346,714
Investment income	246,576	153,003	121,198	73,511	47,944
Other revenues	598,980	1,055,259	945,892	845,377	601,235
Total local sources	<u>12,803,342</u>	<u>10,791,725</u>	<u>10,494,402</u>	<u>9,876,267</u>	<u>9,202,291</u>
<b>Total revenues</b>	<u><u>\$ 36,553,956</u></u>	<u><u>\$ 33,333,370</u></u>	<u><u>\$ 32,675,152</u></u>	<u><u>\$ 28,442,099</u></u>	<u><u>\$ 27,300,658</u></u>

(Continued)

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**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>
<b>Federal sources:</b>					
Federal grants	\$ 1,194,039	\$ 1,229,560	\$ 1,143,409	\$ 1,074,355	\$ 1,043,838
State Fiscal Stabilization (ARRA)					
Education Jobs					10,070
National School Lunch Program	1,138,354	1,002,165	1,024,363	906,669	893,875
Total federal sources	<u>2,332,393</u>	<u>2,231,725</u>	<u>2,167,772</u>	<u>1,981,024</u>	<u>1,947,783</u>
<b>State sources:</b>					
State equalization assistance	11,414,115	12,866,392	13,166,249	10,896,498	11,670,279
State grants	94,964	104,753	155,933	186,395	86,453
School Facilities Board	81,170			7,399	162,128
Other revenues	1,327,786	1,245,006	1,405,797	986,234	980,964
Total state sources	<u>12,918,035</u>	<u>14,216,151</u>	<u>14,727,979</u>	<u>12,076,526</u>	<u>12,899,824</u>
<b>Local sources:</b>					
Property taxes	7,511,374	7,529,571	5,022,991	5,575,310	5,586,547
County aid	1,196,593	1,327,338	1,305,396	1,107,370	1,269,037
Food service sales	295,541	300,046	308,722	311,076	293,202
Investment income	36,774	54,862	17,409	29,722	43,382
Other revenues	744,603	646,091	968,988	535,461	601,932
Total local sources	<u>9,784,885</u>	<u>9,857,908</u>	<u>7,623,506</u>	<u>7,558,939</u>	<u>7,794,100</u>
<b>Total revenues</b>	<u>\$ 25,035,313</u>	<u>\$ 26,305,784</u>	<u>\$ 24,519,257</u>	<u>\$ 21,616,489</u>	<u>\$ 22,641,707</u>

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

**(Concluded)**



**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO**  
**LAST TEN FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<u><b>2021</b></u>	<u><b>2020</b></u>	<u><b>2019</b></u>	<u><b>2018</b></u>	<u><b>2017</b></u>
<b>Expenditures:</b>					
Current -					
Instruction	\$ 17,191,748	\$ 17,069,230	\$ 16,868,786	\$ 13,834,842	\$ 12,745,790
Support services - students and staff	3,445,177	3,037,357	3,061,005	2,544,897	2,286,364
Support services - administration	3,351,463	3,238,128	2,951,777	2,737,255	2,599,046
Operation and maintenance of plant services	2,699,869	2,429,113	2,448,127	2,022,768	2,436,514
Student transportation services	1,257,821	1,521,631	1,729,604	1,558,099	1,494,453
Operation of non-instructional services	1,535,866	1,873,654	1,875,798	1,835,670	1,843,259
Capital outlay	28,694,371	2,319,345	2,965,939	3,895,456	2,518,973
Debt service -					
Interest and fiscal charges	1,564,157	532,476	567,725	607,111	607,947
Principal retirement	2,095,000	1,295,000	1,215,000	1,613,694	1,636,116
Bond issuance costs	180,992	400,258			199,578
<b>Total expenditures</b>	<u><u>\$ 62,016,464</u></u>	<u><u>\$ 33,716,192</u></u>	<u><u>\$ 33,683,761</u></u>	<u><u>\$ 30,649,792</u></u>	<u><u>\$ 28,368,040</u></u>
Expenditures for capitalized assets	\$ 26,879,620	\$ 1,654,604	\$ 1,868,777	\$ 2,525,588	\$ 1,704,193
Debt service as a percentage of noncapital expenditures	10%	6%	6%	8%	8%

**(Continued)**

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**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>
<b>Expenditures:</b>					
Current -					
Instruction	\$ 12,443,802	\$ 13,043,241	\$ 13,080,571	\$ 11,950,937	\$ 12,758,132
Support services - students and staff	2,277,933	2,530,307	2,568,727	2,405,877	2,274,461
Support services - administration	2,405,585	2,336,249	2,246,926	1,899,897	2,115,782
Operation and maintenance of plant services	2,091,671	1,966,489	2,169,928	1,885,058	1,916,071
Student transportation services	1,455,681	1,378,478	1,308,717	1,171,444	1,216,462
Operation of non-instructional services	1,639,233	1,421,955	1,457,022	1,348,469	1,463,603
Capital outlay	1,863,911	12,481,139	269,382	3,227,430	808,161
Debt service -					
Interest and fiscal charges	683,858	636,477	361,891	389,262	419,633
Principal retirement	1,278,642	1,371,268	1,018,898	900,458	879,893
Bond issuance costs		246,894			
<b>Total expenditures</b>	<u>\$ 26,140,316</u>	<u>\$ 37,412,497</u>	<u>\$ 24,482,062</u>	<u>\$ 25,178,832</u>	<u>\$ 23,852,198</u>
Expenditures for capitalized assets	\$ 1,577,733	\$ 11,406,220	\$ 52,621	\$ 3,092,507	\$ 700,745
Debt service as a percentage of noncapital expenditures	8%	8%	6%	6%	6%

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

(Concluded)

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**OTHER FINANCING SOURCES AND USES AND NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
<b>Excess (deficiency) of revenues over expenditures</b>	\$ (25,462,508)	\$ (382,822)	\$ (1,008,609)	\$ (2,207,693)	\$ (1,067,382)
<b>Other financing sources (uses):</b>					
General obligation bonds issued	6,890,000	20,465,000			2,475,000
Premium on sale of bonds	1,001,417	2,937,983			722,957
Transfers in	313,431	140,394	64,639	46,036	303,896
Transfers out	(313,431)	(140,394)	(64,639)	(46,036)	(303,896)
Refunding bonds issued					4,455,000
Payment to refunded bond escrow agent					(4,779,509)
Insurance recoveries				15,161	38,093
Proceeds from sale of capital assets	3,225				
Total other financing sources (uses)	<u>7,894,642</u>	<u>23,402,983</u>		<u>15,161</u>	<u>2,911,541</u>
<b>Changes in fund balances</b>	<u>\$ (17,567,866)</u>	<u>\$ 23,020,161</u>	<u>\$ (1,008,609)</u>	<u>\$ (2,192,532)</u>	<u>\$ 1,844,159</u>
	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
<b>Excess (deficiency) of revenues over expenditures</b>	\$ (1,105,003)	\$ (11,106,713)	\$ 37,195	\$ (3,562,343)	\$ (1,210,491)
<b>Other financing sources (uses):</b>					
General obligation bonds issued		12,525,000			
Premium on sale of bonds		365,270			
Capital lease agreements				302,382	
Transfers in	109,685	240,194	67,895	129,779	51,532
Transfers out	(109,685)	(240,194)	(67,895)	(129,779)	(51,532)
Total other financing sources (uses)		<u>12,890,270</u>		<u>302,382</u>	
<b>Changes in fund balances</b>	<u>\$ (1,105,003)</u>	<u>\$ 1,783,557</u>	<u>\$ 37,195</u>	<u>\$ (3,259,961)</u>	<u>\$ (1,210,491)</u>

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

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**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	\$ 33,492,958	\$ 34,768,788	\$ 30,357,815	\$ 28,258,807	\$ 27,174,893
Agricultural and Vacant	37,028,494	37,717,375	33,261,562	35,730,684	32,286,547
Residential (Owner Occupied)	179,606,914	153,620,716	134,062,575	118,844,833	104,946,888
Residential (Rental)	54,314,293	50,078,810	44,395,936	42,770,142	41,647,402
Railroad, Private Cars and Airlines	694,947	707,642	733,029	751,761	683,677
Certain Government Property Improvements	99,910	95,152	90,621	86,306	82,196
Total	<u>\$ 305,237,516</u>	<u>\$ 276,988,483</u>	<u>\$ 242,901,538</u>	<u>\$ 226,442,533</u>	<u>\$ 206,821,603</u>
Gross Full Cash Value	\$ 4,270,014,020	\$ 2,753,303,739	\$ 3,280,137,487	\$ 3,046,163,521	\$ 2,613,599,435
Ratio of Net Limited Assessed Value to Gross Full Cash Value	7%	10%	7%	7%	8%
Total Direct Rate	3.93	3.34	3.54	3.72	3.79

<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	\$ 26,973,496	\$ 25,621,205	\$ 24,778,956	\$ 25,160,981	\$ 25,135,960
Agricultural and Vacant	34,925,496	35,104,120	40,142,791	46,429,446	57,410,628
Residential (Owner Occupied)	94,053,403	86,634,043	79,833,152	93,611,137	100,982,339
Residential (Rental)	40,562,967	34,209,353	25,565,807	12,167,975	11,271,010
Railroad, Private Cars and Airlines	719,103	755,119	644,443	616,341	526,487
Total	<u>\$ 197,234,465</u>	<u>\$ 182,323,840</u>	<u>\$ 170,965,149</u>	<u>\$ 177,985,880</u>	<u>\$ 195,326,424</u>
Gross Full Cash Value	\$ 2,287,258,202	\$ 1,897,740,811	\$ 1,651,731,663	\$ 1,700,703,026	\$ 1,851,483,082
Ratio of Net Limited Assessed Value to Gross Full Cash Value	9%	10%	10%	10%	11%
Total Direct Rate	4.28	4.50	3.46	3.54	3.20

**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, and 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.

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**NET FULL CASH ASSESSED VALUE OF TAXABLE PROPERTY BY CLASS**  
**LAST TEN FISCAL YEARS**

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Commercial, Industrial, Utilities and Mining	\$ 38,215,115	\$ 39,045,942	\$ 34,237,900	\$ 31,441,840	\$ 28,851,789
Agricultural and Vacant	71,191,521	70,198,835	61,173,906	65,225,621	50,379,599
Residential (Owner Occupied)	242,983,049	200,376,236	170,818,944	151,030,248	129,065,870
Residential (Rental)	71,785,871	63,987,832	55,541,788	53,528,126	50,440,099
Railroad, Private Cars and Airlines	874,381	869,212	878,794	871,533	729,776
Certain Government Property Improvements	132,790	124,295	123,503.00	119,442	108,730
Total	<u>\$ 425,182,727</u>	<u>\$ 374,602,352</u>	<u>\$ 322,774,835</u>	<u>\$ 302,216,810</u>	<u>\$ 259,575,863</u>
Gross Full Cash Value	\$ 4,270,014,020	\$ 2,753,303,739	\$ 3,280,137,487	\$ 3,046,163,521	\$ 2,613,599,435
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	10%	14%	10%	10%	10%
Estimated Net Full Cash Value	\$ 3,721,503,860	\$ 2,383,366,714	\$ 2,764,343,740	\$ 2,568,526,897	\$ 2,218,822,904
Total Direct Rate	3.93	3.34	3.54	3.72	3.79

<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	\$ 27,381,765	\$ 25,757,638	\$ 24,818,644	\$ 25,188,844	\$ 25,290,926
Agricultural and Vacant	44,866,664	37,510,025	41,737,178	47,906,892	59,017,604
Residential (Owner Occupied)	114,320,834	94,200,096	80,015,764	93,842,229	101,142,268
Residential (Rental)	48,358,725	37,144,643	25,694,442	12,207,904	11,312,386
Railroad, Private Cars and Airlines	732,164	761,747	650,155	627,233	583,523
Total	<u>\$ 235,660,152</u>	<u>\$ 195,374,149</u>	<u>\$ 172,916,183</u>	<u>\$ 179,773,102</u>	<u>\$ 197,346,707</u>
Gross Full Cash Value	\$ 2,287,258,202	\$ 1,897,740,811	\$ 1,651,731,663	\$ 1,700,703,026	\$ 1,851,483,082
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	10%	10%	10%	11%	11%
Estimated Net Full Cash Value	\$ 1,980,560,737	\$ 1,618,695,731	\$ 1,388,100,174	\$ 1,430,189,455	\$ 1,560,989,289
Total Direct Rate	4.28	4.50	3.46	3.54	3.20

**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.

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**PROPERTY TAX ASSESSMENT RATIOS**  
**LAST TEN FISCAL YEARS**

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

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

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

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

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**LAST TEN FISCAL YEARS**

<b>Fiscal Year Ended June 30</b>	<b>Overlapping Rates</b>									<b>District Direct Rates</b>		
	<b>State</b>		<b>Community</b>	<b>Flood</b>	<b>Central</b>				<b>Buckeye Union</b>			
	<b>Equalization</b>	<b>County</b>	<b>College</b>	<b>Control</b>	<b>Arizona</b>	<b>City of</b>	<b>City of</b>	<b>City of</b>	<b>High School</b>	<b>Primary</b>	<b>Secondary</b>	<b>Total</b>
			<b>District</b>	<b>District</b>	<b>Water</b>	<b>Avondale</b>	<b>Goodyear</b>	<b>Buckeye</b>	<b>District No. 201</b>			
2021	0.44	1.40	1.29	0.18	0.14	1.42	1.73	1.79	3.17	2.00	1.93	3.93
2020	0.46	1.40	1.33	0.18	0.14	1.65	1.73	1.80	3.33	1.98	1.36	3.34
2019	0.47	1.40	1.38	0.18	0.14	1.76	1.74	1.80	3.27	2.01	1.53	3.54
2018	0.49	1.40	1.41	0.18	0.14	1.60	1.73	1.80	3.34	2.07	1.66	3.72
2017	0.50	1.40	1.47	0.18	0.14	1.70	1.86	1.80	3.22	2.00	1.80	3.79
2016	0.51	1.36	1.49	0.16	0.14	1.75	1.87	1.80	3.34	2.55	1.72	4.28
2015	0.51	1.32	1.52	0.14	0.14	1.75	1.87	1.80	3.51	2.80	1.70	4.50
2014	0.51	1.28	1.53	0.14	0.14	1.81	1.90	1.80	3.66	1.91	1.55	3.46
2013	0.47	1.24	1.38	0.18	0.10	1.33	1.78	1.80	3.42	2.07	1.47	3.54
2012	0.43	1.24	1.21	0.18	0.10	1.33	1.60	1.61	3.07	1.87	1.33	3.20

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

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**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
Arizona Public Service Company	\$ 10,865,207	3.56 %	\$ 17,557,905	9.26 %
NNP III EMR 4 LLC	4,257,412	1.39		
NNP III - Estrella Mountain Ranch LLC	4,272,100	1.40		
NNP III EMR 3 LLC	2,265,195	0.74		
Southwest Gas Corporation (T&D)	2,168,469	0.71		
Nevada Holding Co LP	1,372,997	0.45		
Huhtamaki Inc	1,507,632	0.49		
Transwestern Pipeline Company LLC	1,380,761	0.45	1,528,963	0.81
Kinder Morgan	1,283,532	0.42		
HE Capital KR LLC	1,312,777	0.43		
Walmart			7,677,502	4.05
VSTC LLC			5,625,836	2.97
Vestar Sundance Towne Center/Walmart			3,463,449	1.83
Vestar Sundance Towne Center/Lowes			2,376,717	1.25
CMH Manufacturing West Inc			2,111,287	1.11
Smith's Food & Drug Centers Inc			1,740,000	0.92
Qwest Corporation			1,395,312	0.74
Valencia Water Company			1,240,320	0.65
Total	<u>\$ 30,686,082</u>	<u>10.05 %</u>	<u>\$ 44,717,291</u>	<u>23.59 %</u>

**Source:** The source of this information is the 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.



**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**

<b>Fiscal Year Ended June 30</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Fiscal Years</b>	<b>Collected to the End of the Current Fiscal Year</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2021	\$ 11,994,810	\$ 11,365,283	94.75 %	\$	\$ 11,365,283	94.75 %
2020	9,106,441	8,554,732	93.94	447,890	9,002,622	98.86
2019	8,645,533	8,139,963	94.15	501,472	8,641,435	99.95
2018	8,443,843	7,859,966	93.09	580,096	8,440,062	99.96
2017	7,842,047	6,723,526	85.74	1,115,609	7,839,135	99.96
2016	8,391,896	8,178,369	97.46	210,231	8,388,600	99.96
2015	8,397,021	7,987,636	95.12	406,994	8,394,630	99.97
2014	5,921,716	5,499,209	92.87	420,329	5,919,538	99.96
2013	6,328,989	5,909,754	93.38	418,271	6,328,025	99.98
2012	6,234,106	5,814,865	93.28	338,803	6,153,668	98.71

**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.

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	General Obligation Bonds						Total Outstanding Debt				
	Less:										
	Amounts Restricted			Percentage of Estimated Actual Value	Per Capita	Capital Leases	Percentage of Estimated Actual Value			Percentage of Personal Income	
	for Principal	Total					Total	Per Capita			
	General Obligation Bonds										
2021	\$	45,562,010	\$ 293,885	\$ 45,268,125	1.06 %	\$ 1,114	\$	\$ 45,562,010	1.07 %	\$ 1,121	18.59 %
2020		39,232,607	108,554	39,124,053	1.42	1,414		39,232,607	1.42	1,418	17.60
2019		17,261,567	134,650	17,126,917	0.52	634		17,261,567	0.53	639	8.21
2018		18,881,611	84,594	18,797,017	0.62	557		18,881,611	0.62	559	9.62
2017		20,526,655	233,656	20,292,999	0.78	817	63,694	20,590,349	0.79	829	11.12
2016		18,583,742	128,183	18,455,559	0.81	602	124,810	18,708,552	0.82	610	10.12
2015		19,917,006	184,922	19,732,084	1.04	798	183,452	20,100,458	1.06	813	11.93
2014		7,845,000	98,748	7,746,252	0.47	387	239,720	8,084,720	0.49	404	5.22
2013		8,595,000	99,104	8,495,896	0.50	425	458,618	9,053,618	0.53	453	6.14
2012		9,330,000	97,277	9,232,723	0.50	462	306,694	9,636,694	0.52	482	6.75

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

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**JUNE 30, 2021**

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable to School District</b>	<b>Estimated Amount Applicable to School District</b>
Overlapping:			
Maricopa County Community College District	\$ 250,065,000	0.67 %	\$ 1,675,436
Maricopa County Special Health Care District	673,195,000	0.67	4,510,407
Estrella Mountain Ranch Community Facilities District	11,200,000	100.00	11,200,000
Sundance Community Facilities District	20,500,000	19.67	4,032,350
Verrado District No. 1 Community Facilities District	29,605,000	0.14	41,447
City of Goodyear	102,605,000	17.76	18,222,648
Buckeye Valley Fire District	6,165,000	30.63	1,888,340
Buckeye Union High School District No. 201	72,010,000	37.43	26,953,343
Western Maricopa Education Center No. 402	157,075,000	1.81	2,843,058
Subtotal, Overlapping Debt			<u>71,367,029</u>
Direct:			
Liberty Elementary School District No. 25			<u>41,265,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 112,632,029</u></u>

**DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS**

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation	14.83	%
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 2,871	
As a Percentage of Net Limited Assessed Valuation	38.21	%
As a Percentage of Gross Full Cash Value	2.73	%

**Source:** The source of this information is the District's records and the State and County Abstract of the Assessment Roll, Arizona Department of Revenue and the applicable governmental unit.

**Notes:** 1) Estimated percentage of debt outstanding applicable to the District is calculated based on a portion of the District's net limited assessed valuation as a percentage of the net limited assessed valuation of the overlapping jurisdiction.  
2) Outstanding debt as of June 30, 2020 is presented for the overlapping governments as this is the most recent available information.

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN FISCAL YEARS**

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

Net full cash assessed valuation	\$ 425,182,727
Debt limit (10% of assessed value)	42,518,273
Debt applicable to limit	44,710,000
Legal debt margin	<u>\$ (2,191,727)</u>

**Total Legal Debt Margin Calculation for Fiscal Year 2021:**

Net full cash assessed valuation	\$ 425,182,727
Debt limit (15% of assessed value)	63,777,409
Debt applicable to limit	44,710,000
Legal debt margin	<u>\$ 19,067,409</u>

	<b>Fiscal Year Ended June 30</b>				
	<u><b>2021</b></u>	<u><b>2020</b></u>	<u><b>2019</b></u>	<u><b>2018</b></u>	<u><b>2017</b></u>
Debt Limit	\$ 63,777,409	\$ 53,190,353	\$ 48,416,225	\$ 45,332,522	\$ 38,936,379
Total net debt applicable to limit	<u>44,710,000</u>	<u>36,891,410</u>	<u>16,420,000</u>	<u>17,970,000</u>	<u>19,545,000</u>
Legal debt margin	<u>\$ 19,067,409</u>	<u>\$ 16,298,943</u>	<u>\$ 31,996,225</u>	<u>\$ 27,362,522</u>	<u>\$ 19,391,379</u>
Total net debt applicable to the limit as a percentage of debt limit	70%	69%	34%	40%	50%
	<u><b>2016</b></u>	<u><b>2015</b></u>	<u><b>2014</b></u>	<u><b>2013</b></u>	<u><b>2012</b></u>
Debt Limit	\$ 35,349,023	\$ 29,306,122	\$ 25,937,427	\$ 26,965,965	\$ 29,602,006
Total net debt applicable to limit	<u>18,255,000</u>	<u>19,570,000</u>	<u>7,845,000</u>	<u>8,595,000</u>	<u>9,330,000</u>
Legal debt margin	<u>\$ 17,094,023</u>	<u>\$ 9,736,122</u>	<u>\$ 18,092,427</u>	<u>\$ 18,370,965</u>	<u>\$ 20,272,006</u>
Total net debt applicable to the limit as a percentage of debt limit	52%	67%	30%	32%	32%

**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 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.

3) The Class B Bond Legal Limit deficit is offset by cash on hand in the debt service fund of \$3.0 million.

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**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	4,420,568	\$	245,077,753	\$	53,521	6.6 %	40,632
2019	4,367,835		222,943,072		49,704	3.6	27,670
2018	4,294,460		210,370,180		47,694	4.1	27,019
2017	4,307,033		196,286,191		45,573	4.2	33,751
2016	4,137,076		185,111,698		43,628	4.5	24,826
2015	4,076,438		184,784,917		42,092	5.5	30,660
2014	4,087,191		168,483,421		41,222	5.9	24,728
2013	3,944,859		154,926,697		26,888	6.7	20,000
2012	3,824,053		147,374,500		38,539	9.1	20,000
2011	3,843,370		142,864,275		37,352	8.4	20,000

**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. For 2019 the source of the "Population" is the Bureau of Economic Analysis and the "Unemployment Rate" is the Arizona Office of Employment and Population Statistics

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**PRINCIPAL EMPLOYERS**  
**CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR**

Employer	2021			2012		
	Employees	Percentage of Total Employment		Employees	Percentage of Total Employment	
Banner Health	47,000	1.22	%	28,220	1.68	%
State of Arizona	41,847	1.08		49,282	2.94	
Arizona State University	35,730	0.93		12,221	0.73	
Wal-Mart Inc.	33,460	0.87		30,608	1.82	
Fry's Food Stores	21,738	0.56				
Wells Fargo & Co.	17,217	0.45		13,100	0.78	
City of Phoenix	14,858	0.39		15,544	0.93	
Maricopa County	13,933	0.36		12,458	0.74	
Intel Corp	12,190	0.32				
Amazon.com Inc.	9,500	0.25				
Apollo Group Inc.				13,000	0.77	
Raytheon Co.				12,000	0.72	
Bank of America Corp.				12,000	0.72	
	<u>247,473</u>	<u>6.43</u>	%	<u>198,433</u>	<u>11.83</u>	
Total employment	<u>3,859,137</u>			<u>1,677,600</u>		

**Source:** The source of this information is the 2018 Maricopa Association of Governments Employer Database and the 2010 Business Journal Book of Lists.

**Note:** The principal employer data is presented for the Phoenix metropolitan area.

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE**  
**LAST TEN FISCAL YEARS**

	<b>Full-time Equivalent Employees as of June 30</b>				
	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
<b>Supervisory</b>					
Consultants/supervisors of instruction	5	5	4	4	4
Principals	6	6	6	6	6
Assistant principals	2	2			
Total supervisory	<u>13</u>	<u>13</u>	<u>10</u>	<u>10</u>	<u>10</u>
<b>Instruction</b>					
Teachers	216	206	200	195	167
Other professionals (instructional)	34	26	25	24	26
Total instruction	<u>250</u>	<u>232</u>	<u>225</u>	<u>219</u>	<u>193</u>
<b>Student Services</b>					
Librarians	4	4	4	2	2
Total student services	<u>4</u>	<u>4</u>	<u>4</u>	<u>2</u>	<u>2</u>
<b>Support and Administration</b>					
Service workers	42	69	75	66	62
Other classified	34	37	35	37	49
Total support and administration	<u>76</u>	<u>106</u>	<u>110</u>	<u>103</u>	<u>111</u>
<b>Total</b>	<u><u>343</u></u>	<u><u>355</u></u>	<u><u>349</u></u>	<u><u>334</u></u>	<u><u>316</u></u>

(Continued)

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**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>
<b>Supervisory</b>					
Consultants/supervisors of instruction	3	3	3	1	1
Principals	6	5	5	5	5
Assistant principals		1	1	1	1
Total supervisory	<u>9</u>	<u>9</u>	<u>9</u>	<u>7</u>	<u>7</u>
<b>Instruction</b>					
Teachers	170	182	187	187	185
Other professionals (instructional)	29	34	49	44	57
Total instruction	<u>199</u>	<u>216</u>	<u>236</u>	<u>231</u>	<u>242</u>
<b>Student Services</b>					
Librarians	1	3	3	3	
Total student services	<u>1</u>	<u>3</u>	<u>3</u>	<u>3</u>	
<b>Support and Administration</b>					
Service workers	64	56	55	48	51
Other classified	47	45	38	42	64
Total support and administration	<u>111</u>	<u>101</u>	<u>93</u>	<u>90</u>	<u>115</u>
<b>Total</b>	<u><u>320</u></u>	<u><u>329</u></u>	<u><u>341</u></u>	<u><u>331</u></u>	<u><u>364</u></u>

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

**(Concluded)**



**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**OPERATING STATISTICS**  
**LAST TEN FISCAL YEARS**

<b>Fiscal Year Ended June 30</b>	<b>Average Daily Membership</b>	<b>Operating Expenditures</b>	<b>Cost per Pupil</b>	<b>Percentage Change</b>	<b>Expenses</b>	<b>Cost per Pupil</b>	<b>Percentage Change</b>	<b>Teaching Staff</b>	<b>Pupil- Teacher Ratio</b>	<b>Percentage of Free/Reduced Students</b>
2021	3,424	\$ 29,481,944	\$ 8,610	6.30 %	\$ 36,194,071	\$ 10,571	15.28 %	250	13.7	45.0 %
2020	3,601	29,169,113	8,100	(3.61)	33,019,400	9,170	7.96	232	15.5	45.0
2019	3,443	28,935,097	8,404	12.97	29,242,246	8,493	3.34	225	15.3	44.0
2018	3,298	24,533,531	7,439	3.71	27,105,562	8,219	6.07	219	15.1	46.8
2017	3,263	23,405,426	7,173	4.35	25,283,535	7,749	2.25	193	16.9	48.8
2016	3,246	22,313,905	6,874	(4.72)	24,599,456	7,578	(9.41)	199	16.3	50.0
2015	3,143	22,676,719	7,215	(1.94)	26,293,028	8,366	4.45	216	14.6	47.7
2014	3,103	22,831,891	7,358	8.69	24,853,239	8,009	8.56	236	13.1	49.0
2013	3,052	20,661,682	6,770	(2.89)	22,517,596	7,378	(2.03)	231	13.2	48.4
2012	3,119	21,744,511	6,972	5.06	23,488,203	7,531	0.98	242	12.9	53.4

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

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

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25**  
**CAPITAL ASSETS INFORMATION**  
**LAST TEN FISCAL YEARS**

	<b>Fiscal Year Ended June 30</b>									
	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
<b><u>Schools</u></b>										
<b>Elementary</b>										
Buildings	38	38	38	38	38	38	33	33	32	32
Square feet	433,474	433,474	433,474	433,474	433,474	433,474	370,963	370,963	360,304	360,304
Capacity	4,602	4,602	4,602	4,602	4,602	4,602	3,926	3,926	3,851	3,851
Enrollment	33,897	3,899	3,692	3,483	3,486	3,442	3,362	3,357	3,309	3,284
<b><u>Administrative</u></b>										
Buildings	1	1	1	1	1	1	1	1	1	1
Square feet	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
<b><u>Athletics</u></b>										
Football fields										
Soccer fields	5	5	5	5	3	2	1	1	1	1
Running tracks										
Baseball/softball	11	11	11	11	11	11	10	10	10	10
Swimming pools										
Playgrounds	14	14	14	14	14	14	12	12	12	12

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

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