



ANNUAL COMPREHENSIVE FINANCIAL REPORT  
OF THE  
J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44  
SAN TAN VALLEY, ARIZONA  
FOR THE  
YEAR ENDED JUNE 30, 2021

Issued By  
Business Services Department

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**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**OF THE**  
**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44**  
**SAN TAN VALLEY, ARIZONA**  
**FOR THE**  
**YEAR ENDED JUNE 30, 2021**

**PREPARED BY**  
  
**JULIE A. COOK**  
**DIRECTOR OF BUSINESS SERVICES**

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## **INTRODUCTORY SECTION**

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December 21, 2021

Governing Board and Citizens  
J.O. Combs Unified School District No. 44  
43371 N. Kenworthy Road  
San Tan Valley, Arizona 85140

State law requires the J.O. Combs Unified School District No. 44 to undergo an annual audit and 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 of America by a certified public accounting firm licensed in the state of Arizona. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the J.O. Combs Unified School District No. 44 for the fiscal year ended June 30, 2021.

The 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 CliftonLarsonAllen LLP, 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 auditor 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 Uniform Guidance designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the District's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in a separately issued Single Audit Reporting Package.

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

## **PROFILE OF THE DISTRICT**

The District is one of 19 public school districts located in Pinal County, Arizona. It provides a program of public education from preschool through grade twelve. The 2020-2021 average daily membership was 4,015 students, which are served by 5 elementary schools, 1 middle school, and 1 high school. The average age of the school buildings is 15 years.

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/expense.

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 statements 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 the District facilities, food services, bookstore, and athletic functions.

The District is located in the northwest portion of Pinal County in an unincorporated area identified as San Tan Valley. The District is bordered to the west by Queen Creek, north by Apache Junction and to the south is the town of Florence. The District encompasses 68 square miles, but schools are located in a 16-mile square area, and are located approximately 45 miles southeast of the city of Phoenix. The District includes both urban and rural populations.

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

The expenditure budget is prepared by fund for all Governmental Funds, and includes function and object code details for the General Fund and some Special Revenue and Capital Projects Funds. The legal level of budgetary control (that is, the level at which expenditures cannot exceed the appropriated amount) is established at the individual fund level for all funds. Funds that are not required to legally adopt a budget may have over expenditures of budgeted funds. The budget for these funds is simply an estimate and does not prevent the District from exceeding the budget as long as the necessary revenue is earned. The District is not required to prepare an annual budget of revenue; 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**

Pinal County is located in the southeast portion of Arizona and encompasses an area of approximately 5,374 square miles. Founded in 1875, it is the third most populous county in the state and the county seat is located in Florence. Pinal County is located between Arizona's two largest metropolitan cities, Phoenix and Tucson, and growth has continued to move into the northern parts of the county.

The growth in the unincorporated area of San Tan Valley has included the opening of Banner Ironwood Medical Center, which is the second largest employer, only after J.O. Combs Unified School District. According to Banner, over 650 babies have been born annually since 2013, indicating future growth for both the school district and the community. J.O. Combs Unified School District has an active partnership with Banner Ironwood through a student of the month program as well as support for Combs High School's Medical Professions program.

Additionally, Central Arizona College opened the San Tan Valley Campus during the 2013-2014 school year. The San Tan Campus is a full-service campus, offering an array of academic degrees and certificates, career training, and personal enrichment classes in an environment that is both accessible and economical. Partnership programs for the Combs students and community include: Promise for the Future scholarship, dual-enrollment classes, and early college programs for high school students.

The Town of Queen Creek has requested annexation of land within the J.O. Combs boundaries this year. The extension of State Route 24 into Pinal County will create development opportunities for the area in the next 5-10 years. Developers are starting to plan for several developments within the district boundaries. It is anticipated the District will see student growth in the next 3-5 years.

## **Long-Term Financial Planning**

The District's financial performance has been pressured in recent years as a result of state funding and a decline in K-8 student enrollment. Due to a number of charter schools in the area and the COVID-19 pandemic, the District's ADM for 2020-2021 was lower than the previous year. The District is planning to include an alternative school setting and an online education program for the next school year.

In a past legislative session, the state appropriated additional funds for teacher salaries and reduced the yearly cuts of district additional assistance. During 2020-2021 the U.S. Department of Education disbursed Elementary and Secondary School Emergency Relief Funds (ESSER) to schools. Because of this, the District was able to give 5% raises to all staff this year. This reflects a 20% increase in three years for our certified staff and has helped with recruitment and retention of qualified staff. The District will continue to infuse available funds into staff compensation in order to remain competitive in future years.

Due to the COVID-19 pandemic, the District closed site buildings during the first half of August 2021 but provided distance learning through a plan submitted to the Arizona Department of Education. The District continued with normal expenses such as payroll along with additional cost for sanitation of the District sites. The District did see reduction of revenues in community education programs, food service and civic center funds. The District continued to prepare for the following school year with remote learning and additional cost caused by the pandemic.

The District has developed a comprehensive Capital Master Plan to identify capital-spending requirements over the next 10 years. This long-term capital planning allows the District to identify projects necessary to keep schools and facilities operating at high functioning levels.

In November of 2016, the voters of the District approved a \$36.8 million bond program to renovate facilities, update technology throughout the district and for new construction. The Performing Arts Center at the high school opened in January of 2019. Construction of the Maintenance/Transportation facility along with the District office opened in October 2019 and January of 2020 respectively.

The District has a balanced budget, maintains cost and budget controls, forecasts future enrollment trends, and aligns spending programs to long-term strategic initiatives. The District currently maintains a bond rating of "AA" from Standard and Poor's.

## **Certificates of Excellence**

The Association of School Business Officials (ASBO) offers a Certificate of Excellence in Financial Reporting by School Districts. This award certifies that the annual financial report substantially conforms to the principles and standards of financial reporting as recommended and adopted by the ASBO.

J.O. Combs Unified School District was recognized for its high-quality Comprehensive Annual Financial Report for the fiscal year ending 2020. The award confirms the school business office's commitment to financial accountability and transparency. Recognition through the Certificate of Excellence can help strengthen their presentation for bond issuance statements and promotes a high level of financial reporting. This is the tenth straight year the District has received this award. In addition, it is the seventh time, the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District, for its comprehensive annual financial report for the fiscal year ended June 30, 2020. In order to be awarded these certificates, the District published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements. These certificates are valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the programs' requirements and we are submitting it to ASBO and GFOA to determine its eligibility for the fiscal year 2020-21 certificates.

### **Acknowledgements**

The preparation of this report could not have been accomplished without the entire Business Services staff. We would like to express our appreciation of all members of the Business Services Department for their continued dedication and hard work. Special thanks to CliftonLarsonAllen LLP, for their assistance and the professional manner in which they have accomplished the audit.

Moreover, we wish to thank and express our appreciation to all the members of the governing board for their interest and support in conducting the financial affairs of the District in a responsible and progressive manner.

Sincerely,

A handwritten signature in blue ink, appearing to read "Gregory A. Wyman".

Gregory A. Wyman, Ed.D  
Superintendent

A handwritten signature in blue ink, appearing to read "Julie A. Cook".

Julie A. Cook  
Director of Business Services

**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44**  
**LIST OF PRINCIPAL OFFICIALS**  
**JUNE 30, 2021**

**GOVERNING BOARD**

Shelly Hargis  
President

Chad McLeod  
Member

Steven Ray  
Member

Bob D'Elena  
Clerk

Lisa Carr  
Member

**ADMINISTRATIVE STAFF**

Gregory A. Wyman, Superintendent

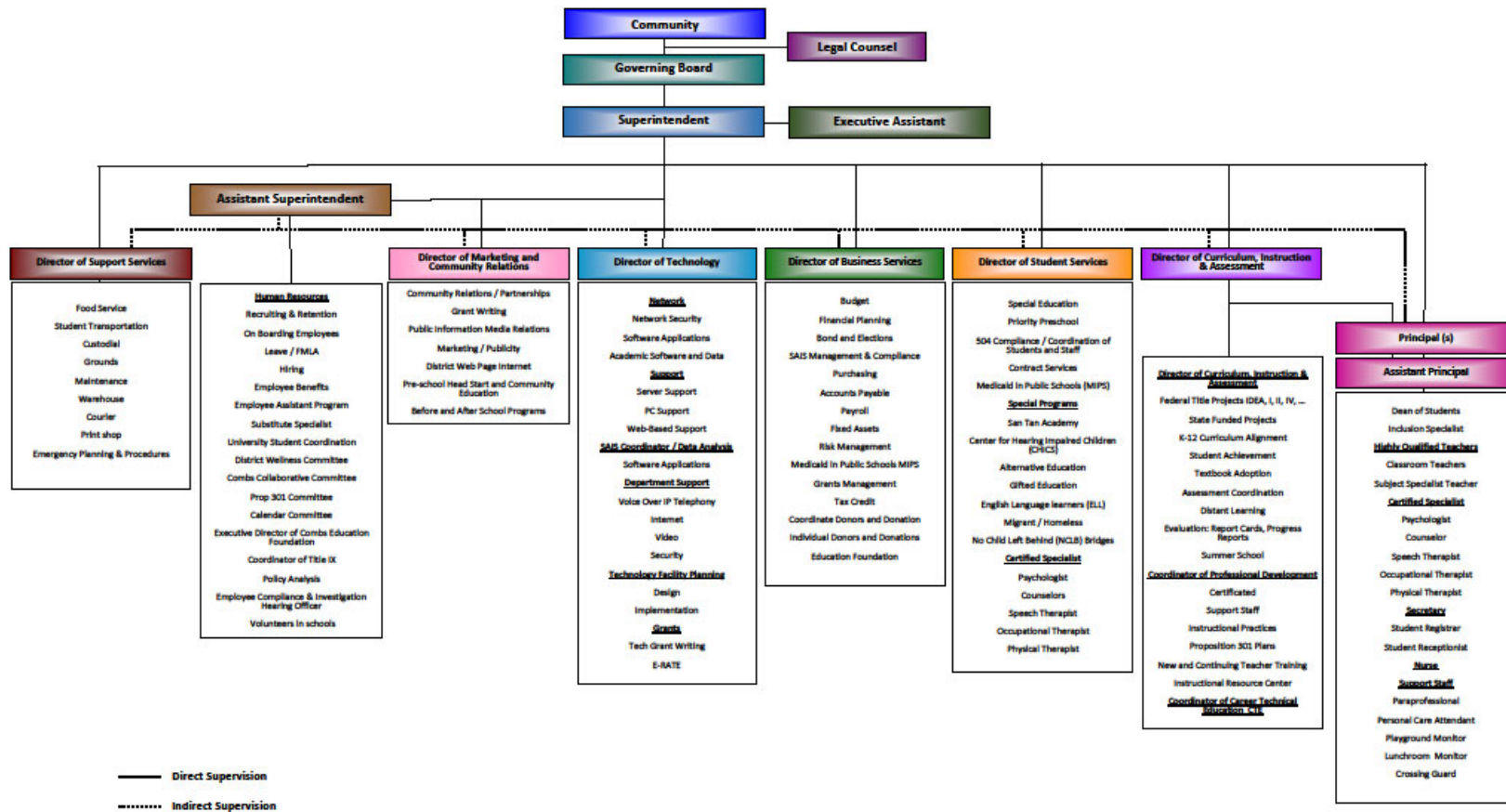
Julie A. Cook, Director of Business Services



**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44**  
**ORGANIZATIONAL CHART**  
**JUNE 30, 2021**



**ORGANIZATIONAL CHART**





The Certificate of Excellence in Financial Reporting  
is presented to

**J.O. Combs Unified School District No. 44**

**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 cursive script, reading 'W. Edward Chabal'.

W. Edward Chabal  
President

A handwritten signature in cursive script, reading 'David J. Lewis'.

David J. Lewis  
Executive Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**J.O. Combs Unified School District No. 44  
Arizona**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morill*

Executive Director/CEO

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## **FINANCIAL SECTION**

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## INDEPENDENT AUDITORS' REPORT

Governing Board  
J.O. Combs Unified School District No. 44  
San Tan Valley, Arizona

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of J.O. Combs Unified School District No. 44 (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.

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

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the J.O. Combs Unified School District No. 44 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.

### ***Emphasis of a Matter***

During the fiscal year ended June 30, 2021, the District adopted the provisions of Governmental Accounting Standards Board Statement (GASBS) No. 84, *Fiduciary Activities*. As a result of the implementation of GASBS No. 84, the District reported a restatement for the change in accounting principle. In addition, the District restated beginning balances of its financial statements for the year ended June 30, 2020 to correct misstatements in its previously issued financial statements (See Note 4.C). Our auditors' opinion was not modified with respect to the restatements.

### ***Other Matters***

#### ***Required Supplementary Information***

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

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the J.O. Combs Unified School District No. 44's basic financial statements. The combining and individual fund statements and schedules and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

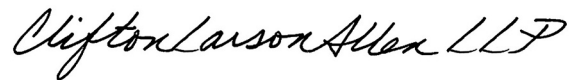
The combining and individual fund statements and schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied 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 statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2021, on our consideration of J.O. Combs Unified School District No. 44'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 result of that testing, and not to provide an opinion on the effectiveness of J.O. Combs Unified School District No. 44'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 J.O. Combs Unified School District No. 44's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Phoenix, Arizona  
December 21, 2021

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## **REQUIRED SUPPLEMENTARY INFORMATION**

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**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2021**

As management of the J.O. Combs Unified School District No. 44 (District), we offer the 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.

**FINANCIAL HIGHLIGHTS**

- ◆ The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$59,629,494 (net position).
- ◆ The District's total net position decreased by \$143,490.
- ◆ As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$20,717,433, a decrease of \$10,927,619 in comparison with the prior year.
- ◆ At the end of the current fiscal year, unassigned fund balance for the General Fund was \$10,651,287, or 28.5% of total General Fund expenditures.
- ◆ The District's total bonded debt decreased by \$2,115,000 (5.0%) during the current fiscal year. This decrease was due to scheduled principal payments made during fiscal year 2021.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to basic financial statements.

**Government-Wide Financial Statements**

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

The statement of net position presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference being reported as net position. Over time, increases or decreases in net position may serve as useful indicators 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 the future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements present functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the District are for public education.

The government-wide financial statements can be found immediately following this MD&A.

**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**YEAR ENDED JUNE 30, 2021**

**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, like other state and local governments, 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 focus on near-term inflows and outflows 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 a government'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 government'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.

The District maintains eleven individual governmental funds. 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 Fund, Special Projects Fund, Other Special Revenue Fund, Debt Service Fund, and Bond Building Fund all of which are considered to be major funds. Data from the other six governmental funds are combined into a single, aggregated presentation.

An operating budget for expenditures is prepared and adopted by the District each fiscal year for the General, Special Revenue, Debt Service, and Capital Projects Funds. Budgetary control is ultimately exercised at the fund level. Budgetary control is maintained through the use of periodic reports that compare actual expenditures against budgeted amounts. The expenditure budget can be revised annually, per Arizona Revised Statutes. The District also maintains an encumbrance accounting system as one technique of maintaining budgetary control. Encumbered amounts lapse at year-end. An annual budget of revenue from all sources is not prepared.

As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

The basic governmental fund financial statements can be found on pages 24 - 29 of this report.

**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2021**

**Notes to Basic Financial Statements**

The notes to basic financial statements 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 basic financial statements can be found on pages 30 – 51 of this report.

**Required Supplementary Information Other Than MD&A**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's pension and the budgetary schedules of the General, Special Projects, and Other Special Revenue Funds. Required supplementary information may be found on pages 52 - 56 of this report.

Governments have the option of presenting budgetary comparison schedules for the General Fund and major Special Revenue Funds as part of the basic financial statements or as required supplementary information other than MD&A. The District has presented the General Fund budgetary comparison schedule and major special revenue funds as required supplementary information.

**Other Information**

The combining and individual fund statements and schedules are presented immediately following the notes to basic financial statements. Combining and individual fund statements and schedules can be found on pages 57 - 68 of this report.

The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The statistical section can be found on pages 69 - 89 of this report.

**Government-Wide Financial Analysis**

**Net Position**

As noted earlier, net position may serve over time as useful indicators of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$59,629,494 at the close of the most recent fiscal year.

**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2021**

A summary of the District's Statement of Net Position is as follows:

**Table A-1  
Condensed Statement of Net Position  
June 30, 2021 and 2020**

	Governmental Activities		
	2021	2020 Restated	% Change
Assets:			
Current and Other Assets	\$ 30,870,144	\$ 42,562,273	(27.5) %
Capital Assets	115,665,555	106,444,728	8.7
Total Assets	146,535,699	149,007,001	(1.7)
Deferred Outflows of Resources	7,252,954	4,520,347	60.5
Liabilities:			
Current and Other Liabilities	3,827,157	4,487,136	(14.7)
Noncurrent Liabilities Outstanding	89,510,390	87,368,760	2.5
Total Liabilities	93,337,547	91,855,896	1.6
Deferred Inflows of Resources	821,612	1,898,468	(56.7)
Net Position:			
Net Investment in Capital Assets	62,844,252	62,103,148	1.2
Restricted	7,856,634	8,248,679	(4.8)
Unrestricted	(11,071,392)	(10,578,843)	4.7
Total Net Position	\$ 59,629,494	\$ 59,772,984	(0.2)

By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land, land improvements, buildings and improvements, furniture, equipment and vehicles), less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the District's ongoing obligations to citizens and creditors.



**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2021**

**Changes in Net Position**

Overall, net position decreased \$143,490 or 0.2%. Key elements of this decrease are as follows:

**Table A-2  
Changes in Net Position  
Years Ended June 30, 2021 and 2020**

	Governmental Activities		
	2021	2020 Restated	% Change
<b>REVENUES</b>			
Program Revenues:			
Charges for Services	\$ 225,601	\$ 663,934	(66.0) %
Operating Grants and Contributions	12,053,463	7,134,117	69.0
Capital Grants and Contributions	2,754,688	72,849	3,681.4
General Revenues:			
Property Taxes	10,644,481	10,142,023	5.0
Grants and Contributions Not Restricted to Specific Programs			
State Equalization and Additional State Aid	19,683,164	20,827,888	(5.5)
County Equalization	1,196,924	1,121,221	6.8
Federal Aid Not Restricted	341,227	407,832	(16.3)
Investment Earnings	119,257	424,707	(71.9)
Other	726,267	794,500	(8.6)
Total Revenues	47,745,072	41,589,071	14.8
<b>EXPENSES</b>			
Instruction	23,394,232	21,717,714	7.7
Support Services:			
Students	4,480,892	4,101,049	9.3
Instructional Staff	2,169,349	1,701,836	27.5
General Administration	566,515	581,680	(2.6)
School Administration	1,802,060	1,500,035	20.1
Business and Other Support Services	2,740,899	2,619,182	4.6
Operation and Maintenance of Plant	6,608,685	5,359,621	23.3
Student Transportation	2,112,629	2,133,224	(1.0)
Operation of Noninstructional Services	2,142,357	2,253,562	(4.9)
Interest on Long-Term Debt	1,870,944	1,547,042	20.9
Total Expenses	47,888,562	43,514,945	10.1
<b>CHANGE IN NET POSITION</b>	(143,490)	(1,925,874)	92.5
Net Position - Beginning of Year, as Restated	59,772,984	61,698,858	(3.1)
<b>NET POSITION - END OF YEAR</b>	<u>\$ 59,629,494</u>	<u>\$ 59,772,984</u>	(0.2) %

Program revenues made up of charges for services, operating grants and contributions and capital grants and contributions increased from the prior year by \$7,601,185. This increase was mainly due to the District receiving Enrollment Stabilization and Elementary and Secondary School Emergency Relief Fund grants. In addition, the District had several large Building Renewal projects during the year.

**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2021**

General revenues made up of property taxes, equalization, interest, and other revenue decreased from the prior year by \$1,006,851 due to a decrease in state funding offset by an increase in property taxes.

Expenses of the District increased by \$4,373,617 during the fiscal year mainly due to increased personnel costs.

**FINANCIAL ANALYSIS OF THE GOVERNMENT'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 a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$20,717,433, a decrease of \$10,927,619 in comparison with the prior year. Of this amount \$10,645,256 constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is restricted to indicate that is not available for new spending.

At June 30, 2021, fund balances were as follows:

**Table A-3  
Fund Balances**

Fund	Balance	Increase (Decrease) From 2019-20
General Fund	\$ 10,651,287	\$ (8,274,142)
Special Projects Fund	(6,031)	(107,266)
Other Special Revenue Fund	2,681,568	(198,156)
Debt Service Fund	777,792	24,708
Bond Building	2,381,449	(2,181,992)
Nonmajor Governmental Funds	4,231,368	(190,771)

The General Fund decrease of \$8,274,142 was due to the District expending lease proceeds during the year.

The Special Projects Fund decrease of \$107,266 was due to the District spending carryover grant funds from prior year.

The Other Special Revenue Fund decrease of \$198,156 was due to the District spending carryover civic center funds.

The Debt Service Fund increase of \$24,708 was due to an increase in property taxes.

**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2021**

The Bond Building Fund decrease of \$2,181,992 was due to the District spending bonds proceeds received in the prior year.

The Nonmajor Governmental Funds decrease of \$190,771 was mainly due to the District expending carryover funds from Adjacent Ways Fund.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Differences between the original budget and the final amended budget totaled \$1,742,088. In Arizona, school districts build their original "adopted" budget based on the previous year's 100th day average daily attendance. The District is allowed to increase or decrease its budget. The District also moved budget capacity between line items due to changes in operations during the year. Actual General Fund expenditures were \$1,846,009 less than budget during the fiscal year.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

The District's investment in capital assets for its governmental activities as of June 30, 2021, amounts to \$115,665,555 (net of accumulated depreciation). This investment in capital assets includes construction in progress, land, land improvements, buildings and improvements, and furniture, equipment and vehicles. The net increase in the District's investment in capital assets for the current fiscal year was 8.7%.

Major capital asset events during the fiscal year included completing the energy savings project, various roofing and weatherization projects, classroom renovations, fencing project, purchases of two buses and purchases of various furniture and equipment items.

**Table A-4  
Capital Assets (Net)  
June 30, 2021 and 2020**

	Governmental Activities	
	2021	2020 Restated
Land	\$ 1,956,112	\$ 1,956,112
Construction in Progress	-	3,888,302
Land Improvements	2,813,388	2,209,237
Buildings and Improvements	107,448,498	94,559,841
Furniture, Equipment, and Vehicles	3,447,557	3,831,236
Total Capital Assets, Net	<u>\$ 115,665,555</u>	<u>\$ 106,444,728</u>

Additional information on the District's capital assets can be found in Note 3.A.5. of this report.

**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2021**

**Long-Term Debt**

At the end of the current fiscal year, the District had total bonded debt outstanding of \$40,500,000. This debt is backed by the full faith and credit of the District.

**Table A-5  
Outstanding Bonded Debt  
June 30, 2021 and 2020**

	Governmental Activities	
	2021	2020
General Obligation Bonds	<u>\$ 40,500,000</u>	<u>\$ 42,615,000</u>

The District's bonded debt decreased by \$2,115,000 (5.0%) during the current fiscal year. This decrease was due to the scheduled bond principal payments in fiscal year 2021.

State statutes limit the amount of total bonded debt a unified school district may issue to 30% of its net full cash assessed value and Class B bonded debt (bonds authorized subsequent to December 31, 1999) to the greater of 20% of the net full cash assessed value or \$1,500 per student. The legal debt margin and Class B legal debt margin for the District are \$54,179,861 and \$21,878,538, respectively. Net bonded debt outstanding (par value of bonds outstanding less funds available in the Debt Service Fund) at June 30, 2021 is \$42,724,107.

Additional information on the District's long-term debt can be found in Notes 3.C. and 3.D. of this report.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

- ◆ The Town of Queen Creek's annexation of 4,136 acres of state land has allowed State Route 24 construction to advance and is projected to be completed by the end of 2022.
- ◆ Several housing developments continue construction and additional new construction sites are scheduled for the next several years within the school district's boundaries. Construction to include single-family residential homes and multi-family apartments.
- ◆ The District anticipates some growth over the next 3 to 10 years due to increased business and residential construction currently in progress and projected in the area.
- ◆ School district enrollment declined during the COVID-19 pandemic and was consistent with declines across the State. Enrollment for the upcoming school year is projected to show student population similar to pre-COVID average daily membership.

All of these factors were considered in preparing the District's budget for the 2022 fiscal year.

**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2021**

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the J.O. Combs Unified School District No. 44 District Office, Director of Business Services, 43371 N. Kenworthy Road, San Tan Valley, Arizona, 85140.

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## **BASIC FINANCIAL STATEMENTS**

**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2021**

	Governmental Activities
<b>ASSETS</b>	
Cash and Investments	\$ 12,431,041
Cash with Paying Agent	2,930,084
Restricted Assets	2,456,458
Receivables:	
Property Taxes	156,107
Intergovernmental	6,607,796
Prepays	6,158,896
Net OPEB Asset	129,762
Capital Assets:	
Nondepreciable	1,956,112
Depreciable, Net	113,709,443
Total Assets	<u>146,535,699</u>
Deferred Outflows of Resources	
Related to OPEB	376,985
Related to Pensions	6,257,642
Debt Refunding	618,327
Total Deferred Outflows of Resources	<u>7,252,954</u>
<b>LIABILITIES AND NET POSITION</b>	
<b>LIABILITIES</b>	
Accounts Payable	750,751
Accrued Wages and Benefits	79,744
Accrued Interest	881,662
Matured Debt Principal Payable	2,115,000
Long-Term Liabilities:	
Due Within One Year	3,528,212
Due in More Than One Year	53,196,878
Net Pension Liability	32,644,896
Net OPEB Liability	140,404
Total Liabilities	<u>93,337,547</u>
Deferred Inflows of Resources	
Related to OPEB	262,351
Related to Pensions	559,261
Total Deferred Inflows of Resources	<u>821,612</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	62,844,252
Restricted	
Instructional Improvement	653,908
Teacher Compensation Programs	1,802,163
OPEB Benefits	129,762
Food Service	1,094,211
Debt Service	813,936
Capital Projects	561,779
Community Programs	653,555
Instructional Aides	20,339
Vocational Education Programs	1,776,443
Noninstructional Programs	350,538
Unrestricted	(11,071,392)
Total Net Position	<u><u>\$ 59,629,494</u></u>

See accompanying Notes to Financial Statements.



**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2021**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Primary Government:</b>					
Governmental Activities:					
Instruction	\$ 23,394,232	\$ -	\$ 5,656,106	\$ 2,754,688	\$ (14,983,438)
Support Services:					
Students	4,480,892	-	696,536	-	(3,784,356)
Instructional Staff	2,169,349	-	673,343	-	(1,496,006)
General Administration	566,515	-	-	-	(566,515)
School Administration	1,802,060	-	4,884	-	(1,797,176)
Business and Other Support Services	2,740,899	-	566,481	-	(2,174,418)
Operation and Maintenance of Plant	6,608,685	-	2,177,782	-	(4,430,903)
Student Transportation	2,112,629	-	446,454	-	(1,666,175)
Operation of Noninstructional Services	2,142,357	225,601	1,831,877	-	(84,879)
Interest on Long-Term Debt	1,870,944	-	-	-	(1,870,944)
Total	<u>\$ 47,888,562</u>	<u>\$ 225,601</u>	<u>\$ 12,053,463</u>	<u>\$ 2,754,688</u>	<u>(32,854,810)</u>
<b>GENERAL REVENUES</b>					
Property Taxes					10,644,481
Grants and Contributions Not Restricted to Specific Programs					
State Equalization and Additional State Aid					19,683,164
County Equalization					1,196,924
Federal Aid not Restricted					341,227
Investment Earnings					119,257
Other					726,267
Total General Revenues					<u>32,711,320</u>
<b>CHANGE IN NET POSITION</b>					
					(143,490)
Net Position - Beginning of Year, as Restated					<u>59,772,984</u>
<b>NET POSITION - END OF YEAR</b>					<u><u>\$ 59,629,494</u></u>

See accompanying Notes to Financial Statements.

**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2021**

	General	Special Projects	Other Special Revenue
<b>ASSETS</b>			
Cash and Investments	\$ 4,886,035	\$ -	\$ 2,547,294
Cash with Paying Agent	-	-	-
Restricted Assets	-	-	-
Receivables:			
Property Taxes	101,548	-	-
Intergovernmental	5,374,765	850,828	141,697
Due from Other Funds	813,624	-	-
Total Assets	<u>\$ 11,175,972</u>	<u>\$ 850,828</u>	<u>\$ 2,688,991</u>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ 377,611	\$ 43,235	\$ 7,423
Accrued Wages and Benefits	79,744	-	-
Accrued Interest	-	-	-
Due to Other Funds	-	813,624	-
Matured Debt Principal Payable	-	-	-
Total Liabilities	<u>457,355</u>	<u>856,859</u>	<u>7,423</u>
Deferred Inflows of Resources			
Unavailable Revenue	67,330	-	-
<b>FUND BALANCES</b>			
Restricted	-	-	2,681,568
Unassigned	10,651,287	(6,031)	-
Total Fund Balance	<u>10,651,287</u>	<u>(6,031)</u>	<u>2,681,568</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 11,175,972</u>	<u>\$ 850,828</u>	<u>\$ 2,688,991</u>

See accompanying Notes to Financial Statements.

Debt Service	Bond Building	Nonmajor Governmental Funds	Totals
\$ 759,377	\$ -	\$ 4,238,335	\$ 12,431,041
2,930,084	-	-	2,930,084
-	2,456,458	-	2,456,458
54,559	-	-	156,107
-	-	240,506	6,607,796
-	-	-	813,624
<u>\$ 3,744,020</u>	<u>\$ 2,456,458</u>	<u>\$ 4,478,841</u>	<u>\$ 25,395,110</u>

\$ -	\$ 75,009	\$ 247,473	\$ 750,751
-	-	-	79,744
815,084	-	-	815,084
-	-	-	813,624
2,115,000	-	-	2,115,000
<u>2,930,084</u>	<u>75,009</u>	<u>247,473</u>	<u>4,574,203</u>

36,144	-	-	103,474
777,792	2,381,449	4,231,368	10,072,177
-	-	-	10,645,256
<u>777,792</u>	<u>2,381,449</u>	<u>4,231,368</u>	<u>20,717,433</u>
<u>\$ 3,744,020</u>	<u>\$ 2,456,458</u>	<u>\$ 4,478,841</u>	<u>\$ 25,395,110</u>

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**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL  
FUNDS TO THE STATEMENT OF NET POSITION  
JUNE 30, 2021**

**Total Fund Balances for Governmental Funds** \$ 20,717,433

Amounts reported for governmental activities in the statement of net position are different because:

Property taxes not collected within 60 days subsequent to fiscal year-end are unavailable in the governmental funds. 103,474

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

Governmental Capital Assets	151,598,486
Less Accumulated Depreciation	(35,932,931)
Capital Assets Used in Governmental Activities	115,665,555

Prepaid rent is not a financial resource and therefore is not reported in the governmental funds. 6,158,896

Net OPEB assets are not current resources and therefore are not reported in the governmental funds. 129,762

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

Deferred Outflows of Resources Related to Pensions and OPEB	6,634,627
Deferred Inflows of Resources Related to Pensions and OPEB	(821,612)

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

General Obligation Bonds	(40,500,000)
Premium on Bonds	(3,001,899)
Deferred Amount on Refunding	618,327
Capital Leases	(12,319,180)
Accrued Interest	(66,578)
Net Pension Liability	(32,644,896)
Net OPEB Liability	(140,404)
Compensated Absences	(904,011)

**Total Net Position of Governmental Activities** \$ 59,629,494

**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2021**

	General	Special Projects	Other Special Revenue
<b>REVENUES</b>			
Property Taxes	\$ 6,929,031	\$ -	\$ -
Intergovernmental	21,448,580	6,803,008	562,865
Food Service Sales	-	-	-
Auxiliary Operations	159,783	-	-
Contributions and Donations	121,805	-	74,508
Investment Earnings	49,273	1,923	4,450
Other	103,102	-	623,921
Total Revenues	<u>28,811,574</u>	<u>6,804,931</u>	<u>1,265,744</u>
<b>EXPENDITURES</b>			
Current:			
Instruction	14,864,664	2,444,345	604,933
Support Services:			
Students	3,699,137	700,431	10,686
Instructional Staff	873,113	454,932	185,863
General Administration	555,791	-	-
School Administration	1,763,431	4,911	-
Business and Other Support Services	2,027,139	569,648	72,672
Operations and Maintenance of Plant	3,034,027	2,189,959	11,503
Student Transportation	1,289,495	448,950	15,968
Operation of Noninstructional Services	130,306	27,870	550,600
Debt Service:			
Principal Retirement	-	-	-
Interest on Long-Term Debt	296,098	-	-
Capital Outlay:			
Facilities Acquisition	8,783,183	-	11,675
Total Expenditures	<u>37,316,384</u>	<u>6,841,046</u>	<u>1,463,900</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(8,504,810)	(36,115)	(198,156)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	230,668	-	-
Transfers Out	-	(71,151)	-
Total Other Financing Sources (Uses)	<u>230,668</u>	<u>(71,151)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	(8,274,142)	(107,266)	(198,156)
Fund Balances - Beginning of Year, as Restated	18,925,429	101,235	2,879,724
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 10,651,287</u>	<u>\$ (6,031)</u>	<u>\$ 2,681,568</u>

See accompanying Notes to Financial Statements.

Debt Service	Bond Building	Nonmajor Governmental Funds	Totals
\$ 3,729,474	\$ -	\$ 3	\$ 10,658,508
-	-	6,960,437	35,774,890
-	-	65,818	65,818
-	-	-	159,783
-	-	58,263	254,576
41,379	-	21,054	118,079
-	-	422	727,445
<u>3,770,853</u>	<u>-</u>	<u>7,105,997</u>	<u>47,759,099</u>
-	339,624	2,195,980	20,449,546
-	-	-	4,410,254
-	372,794	220,357	2,107,059
-	-	-	555,791
-	20,502	-	1,788,844
-	29,500	35,475	2,734,434
-	78,475	485,661	5,799,625
-	155,666	-	1,910,079
-	-	1,407,237	2,116,013
2,115,000	-	-	2,115,000
1,631,145	-	-	1,927,243
-	1,185,431	2,792,541	12,772,830
<u>3,746,145</u>	<u>2,181,992</u>	<u>7,137,251</u>	<u>58,686,718</u>
24,708	(2,181,992)	(31,254)	(10,927,619)
-	-	-	230,668
-	-	(159,517)	(230,668)
-	-	(159,517)	-
24,708	(2,181,992)	(190,771)	(10,927,619)
753,084	4,563,441	4,422,139	31,645,052
<u>\$ 777,792</u>	<u>\$ 2,381,449</u>	<u>\$ 4,231,368</u>	<u>\$ 20,717,433</u>

**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGE IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2021**

**Net Change in Fund Balances-Total Governmental Funds** \$ (10,927,619)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Expenditures for Capital Assets	12,560,040
Less Current Year Depreciation	(3,339,213)
Excess Capital Expenditures over Depreciation	9,220,827

Prepayment of rent was recorded as expenditure in the fiscal year it was prepaid in the governmental funds, however, the prepayment is deferred and allocated over the term of the lease as rental expense in the statement of activities. (100,965)

Some revenues reported in the governmental funds that did not provide current financial resources in prior years have been recognized previously in the statement of activities and, therefore, are not reported as revenues in the statement of activities.

Property Taxes	(14,027)
----------------	----------

Governmental funds report District pension and OPEB contributions as expenditures when made. However, in the Statement of Activities, pension and OPEB expense is the cost of benefits earned, adjusted for member contributions, the recognition of changes in deferred outflows and inflows of resources related to pension and OPEB, and the investment experience.

Pension Contributions	2,604,748
Pension Expense	(3,096,269)
OPEB Contributions	127,443
OPEB Expense	(90,853)

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The issuance of long-term debt increases long-term liabilities on the statement of net position and the repayment of principal on long-term debt reduces long-term debt on the statement of net position. Also, governmental funds report the effect of premiums, discounts, and similar items when the debt is first issued, whereas these items are amortized over the term of the long-term debt in the statement of activities.

Principal Payments on Bonds	2,115,000
Amortization of Deferred Amount on Refunding	(88,332)
Interest Accrual	(66,578)
Amortization of Premium on Bonds	211,209

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 the governmental funds.

Net Increase in Compensated Absences	(38,074)
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<b>Change in Net Position of Governmental Activities</b>	<b>\$ (143,490)</b>
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See accompanying Notes to Financial Statements.



## **NOTES TO BASIC FINANCIAL STATEMENTS**

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**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements of the J.O. Combs Unified School District No. 44 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America applicable to governmental units adopted by the Governmental Accounting Standards Board (GASB). A summary of the District's more significant accounting policies follows.

For the year ended June 30, 2021, the District implemented the provisions of GASB Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying fiduciary activities for accounting and financial reporting purposes. As a result, the District's financial statements have been modified to reflect the implementation of this new guidance, including reclassifying activities previously reported in agency funds to governmental funds.

**A. Reporting Entity**

The District is a special purpose government that is governed by a separately elected governing body. It is legally separate from and fiscally independent of other state and local governments. Furthermore, there are no component units combined with the District for financial statement presentation purposes, and it is not included in any other governmental reporting entity. Consequently, the District's financial statements present only the funds of those organizational entities for which its elected governing board is financially accountable.

**B. Government-Wide and Fund Financial Statements**

The government wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. The effect of interfund activity has been removed from these statements. *Governmental activities*, which are normally supported by taxes and intergovernmental revenues are reported separately from *business type activities*, which rely to a significant extent on fees and charges for support. The District had no business type activities during the fiscal year.

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 and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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 provider have been met.

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, except expenditures related to compensated absences and claims and judgments, which are recorded only when payment is due.

Property taxes, intergovernmental grants and aid, tuition, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The District reports the following major governmental funds:

**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. For budget purposes, it is described as the Maintenance and Operation Fund by Arizona Revised Statutes (A.R.S.) and is budgeted within four subsections titled regular education programs, special education programs, pupil transportation and K-3 reading program.

**Special Projects Fund**

The Special Projects Fund is a special revenue fund which accounts for the revenues and expenditures of state and federally funded educational grants.

**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation  
(Continued)**

**Major Governmental Funds (Continued)**

**Other Special Revenue Fund**

The Other Special Revenue Fund is a special revenue fund which accounts for the revenues and expenditures of the following activities or objectives: civic center, community school, extracurricular fee tax credit, fingerprinting, and textbooks.

**Debt Service Fund**

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

**Bond Building Fund**

The Bond Building Fund is a capital projects fund which accounts for monies received from District bond issues that are used to acquire sites, construct school buildings, supply school buildings with furniture and apparatus, improve school grounds, and purchase pupil transportation vehicles.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Interfund services provided and used are not eliminated in the process of consolidation.

Amounts reported as program revenues include 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use for governmental activities, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity**

**1. Deposits and Investments**

A.R.S. requires the District to deposit certain cash with the County Treasurer. That cash is pooled for investment purposes, except for cash in the Bond Building Fund and Debt Service Fund, which is invested separately. As required by statute, interest earned by the Bond Building Fund and Debt Service Fund is recorded in the Debt Service Fund.

A.R.S. authorize the District to invest public monies in the State and County Treasurer's investment pools; U.S. Treasury obligations; specified state and local government bonds; and interest-earning investment contracts such as savings accounts, certificates of deposit, and repurchase agreements in eligible depositories.

Statute authorizes the District to deposit monies of Auxiliary Operations and Student Activities 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, employee insurance programs, and federal savings bonds. 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. Statute requires collateral for deposits of Bond Building and Debt Service Funds monies in interest bearing savings accounts and certificates of deposit at 101% of all deposits not covered by federal depository insurance.

The State Board of Deposit provides oversight for the State Treasurer's pools, and the Local Government Investment Pool Advisory Committee provides consultation and advice to the Treasurer. The fair value of a participant's position in the pool approximates the value of that participant's pool shares. No comparable oversight is provided for the County Treasurer's investment pool, and that pool's structure does not provide for shares.

**2. Receivables**

Pinal County levies real property taxes on or before the third Monday in August that become due and payable in two equal installments. The first installment is due on the first day of October and becomes delinquent after the first business day of November. The second installment is due on the first day of March of the next year and becomes delinquent after the first business day of May. However, a lien against real and personal property assessed attaches on the first day of January preceding assessment and levy thereof.

**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity (Continued)**

**3. Short-Term Interfund Receivables/Payables**

During the course of operations, individual funds within the District's pooled cash accounts may borrow money from the other funds within the pool on a short-term basis. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet of the fund financial statements and are eliminated in the preparation of the government-wide financial statements.

**4. Inventories and Prepaid Rent**

Inventories are recorded as expenditures at the time of purchase, and because the amounts on hand at June 30, 2021, were immaterial, they are not included in the balance sheet.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide financial statements. In the fund financial statements, these expenditures are recognized using the purchase method in the year the expenditures are made.

**5. Restricted Assets**

Proceeds from the District's bonds are classified as restricted assets on the statement of net position because their use is limited by the applicable bond covenant.

**6. Capital Assets**

Capital assets, which include land, construction in progress, land improvements, buildings and improvements, furniture, equipment and vehicles are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on all assets is provided on a straight-line basis over the following estimated useful lives:

Land Improvements	10 to 20 Years
Buildings and Improvements	10 to 50 Years
Furniture, Equipment and Vehicles	5 to 20 Years

**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity (Continued)**

**7. Deferred Outflows of Resources**

The District recognizes the consumption of net position that is applicable to a future reporting period as deferred outflows of resources. Reported amounts are related to the requirements of accounting and financial reporting for pensions, OPEB and debt refundings.

**8. Compensated Absences**

The liability for compensated absences reported in the government-wide statements consists of unpaid, accumulated leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. For the governmental funds, the liability related to compensated absences is recorded only when payment is due.

**9. Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are amortized over the term of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

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.

**10. Deferred Inflows of Resources**

The District recognizes the acquisition of net position that is applicable to a future reporting period as deferred inflows of resources. Reported amounts are related to the requirements of accounting and financial reporting for pensions and OPEB and in connection with receivables for revenues that are not considered to be measurable and available to liquidate liabilities of the current period.



**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity (Continued)**

**11. Net Position**

In the government-wide financial statements, net position is reported in three categories: net investment in capital assets; restricted net position; and unrestricted net position. Net investment in capital assets is separately reported because capital assets make up a significant portion of total net position. Restricted net position account for the portion of net position restricted by parties outside the District. Unrestricted net position is the remaining net position not included in the previous two categories.

**12. Fund Equity**

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, committed, assigned, and unassigned fund balance classifications.

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

Restricted fund balances are those that have externally imposed restrictions on their usage by creditors (such as through debt covenants), grantors, contributors, or laws and regulations.

The committed fund balances are self-imposed limitations approved by the District's governing board, which is the highest level of decision-making authority within the District. Only the District governing board can remove or change the constraints placed on committed fund balances through formal board action.

Assigned fund balances are resources constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The governing board has authorized the Director of Business Services to make assignments of resources for a specific purpose.

The unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not reported in the other classifications. Also, deficits in fund balances of the other governmental funds are reported as unassigned.

When an expenditure is incurred that can be paid from either restricted or unrestricted fund balances, it is the District's policy to use restricted fund balance first. For the disbursement of unrestricted fund balances, it is the District's policy to use committed amounts first, followed by assigned amounts, and lastly unassigned amounts.

**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budgetary Information**

The District adopts an annual operating budget for expenditures for all governmental fund types on essentially the same modified accrual basis of accounting used to record actual expenditures. (See Notes to the Required Supplementary Information for exceptions) The governing board presents a proposed budget to the Superintendent of Public Instruction and County School Superintendent on or by July 5. The governing board legally adopts the final budget by July 15, after a public hearing has been held. Once adopted the budget can be increased or decreased only for specific reasons set forth in the A.R.S. All appropriations lapse at year-end.

Budgetary control over expenditures is exercised at the fund level. However, the General Fund is budgeted within three subsections (see preceding description of General Fund), any of which may be overexpended with the prior approval of the governing board at a public meeting, providing the expenditures for all subsections do not exceed the General Fund's total budget.

A budget of revenue from all sources for the fiscal year is not prepared by the District.

No supplementary budgetary appropriations were necessary during the year.

**B. Excess of Expenditures Over Appropriations**

Expenditures exceeded appropriations in the Debt Service Fund by \$976 and in the Adjacent Ways Fund by \$59,343.

Cash or receivables were available to cover the overexpenditures.

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Assets**

**1. Deposits and Investments**

Deposits and investments at June 30, 2021 consist of the following:

Deposits:	
Cash in Bank	\$ 654,648
Cash with Paying Agent	2,930,084
Investments:	
Cash on Deposit with County Treasurer	14,232,851
Total Deposits and Investments	<u>17,817,583</u>
Less: Cash with Paying Agent	(2,930,084)
Less: Restricted Assets	(2,456,458)
Total Cash and Investments	<u><u>\$ 12,431,041</u></u>

**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Assets (Continued)**

**1. Deposits and Investments (Continued)**

**Deposits**

*Custodial Credit Risk* – This is the risk that, in the event of a failure by a counterparty, the District will not be able to recover its deposits or collateralized securities that are in the possession of an outside party. The District does not have a formal policy regarding custodial credit risk. However, at June 30, 2021, the District's bank balance was \$658,222. Of the bank balance, \$500,000 was covered by federal depository insurance and the remaining \$158,222 was insured by the statewide pooled collateral program.

**Investments**

At June 30, 2021, the District's investments were reported at amortized cost. The District's investments consisted of cash on deposit with the County Treasurer.

*Interest Rate Risk* – The District does not have a formal investment policy regarding interest rate risk, however, the District manages its exposure to declines in fair value by limiting the average maturity of its investment portfolio to one year or less.

*Custodial Credit Risk* – For an investment, custodial credit risk is the risk that, in the event of the counterparty's failure, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District does not have an investment policy with respect to custodial credit risk. The District's investment in the County Treasurer's investment pools represents a proportionate interest in those pools' portfolios; however, the District's portion is not identified with a specific investment and is not subject to custodial credit risk.

*Credit Risk* – The District does not have a formal investment policy regarding credit risk. However, the District is prohibited by state law from investing in investments other than State and County Treasurer's investment pools, U.S. Treasury obligations, specified state and local government bonds and interest-earning investment contracts such as savings accounts, certificates of deposit, and repurchase agreements. The District's investment in the County Treasurer's investment pool did not receive a credit quality rating from a national rating agency.

*Concentration of Credit Risk* – The District does not have an investment policy with respect to concentration credit risk.

**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Assets (Continued)**

**2. Restricted Assets**

The restricted assets at June 30, 2021, consisted of the following:

	Bond Building Fund
General Obligation Bond Proceeds	\$ 2,456,458

**3. Receivables**

The Pinal County Treasurer is responsible for collecting property taxes for all governmental entities within the County. The County levies the property taxes due to the District in August. Two equal installments, payable in October and March, become delinquent after the first business days in November and May. During the year, the County also levies various personal property taxes that are due the second Monday of the month following receipt of the tax notice and become delinquent 30 days later. A lien assessed against real and personal property attaches on the first day of January preceding the assessment levy.

Property taxes are recognized as revenues in the fiscal year they are levied in the government-wide financial statements and represent a reconciling item between the government-wide and fund financial statements. In the fund financial statements, property taxes are recognized as revenues in the fiscal year they are levied and collected or if they are collected within 60 days subsequent to fiscal year-end. Property taxes not collected within 60 days subsequent to fiscal year-end or collected in advance of the fiscal year for which they are levied are reported as unavailable revenues.

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unavailable revenue reported in the governmental funds were as follows:

	Unavailable
Delinquent Property Taxes Receivable:	
General Fund	\$ 67,330
Debt Service Fund	36,144
Total	\$ 103,474

**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Assets (Continued)**

**4. Capital Assets**

Capital asset activity for the year ended June 30, 2021 was as follows:

	Beginning Balance, As Restated	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,956,112	\$ -	\$ -	\$ 1,956,112
Construction in progress	3,888,302	11,344,186	(15,232,488)	-
Total Capital Assets, Not Being Depreciated	5,844,414	11,344,186	(15,232,488)	1,956,112
Capital Assets, Being Depreciated:				
Site Improvements	3,368,779	845,607	-	4,214,386
Buildings and Improvements	120,212,155	15,429,545	-	135,641,700
Furniture, Equipment, and Vehicles	9,624,224	173,190	(11,126)	9,786,288
Total Capital Assets, Being Depreciated	133,205,158	16,448,342	(11,126)	149,642,374
Accumulated Depreciation for:				
Site Improvements	(1,159,542)	(241,456)	-	(1,400,998)
Buildings and Improvements	(25,652,314)	(2,540,888)	-	(28,193,202)
Furniture, Equipment, and Vehicles	(5,792,988)	(556,869)	11,126	(6,338,731)
Total Accumulated Depreciation	(32,604,844)	(3,339,213)	11,126	(35,932,931)
Total Capital Assets, Being Depreciated, Net	100,600,314	13,109,129	-	113,709,443
Governmental Activities Capital Assets, Net	<u>\$ 106,444,728</u>	<u>\$ 24,453,315</u>	<u>\$ (15,232,488)</u>	<u>\$ 115,665,555</u>

Depreciation expense was charged to functions/programs as follows:

**Governmental Activities:**

Instruction	\$ 2,547,353
Support Services:	
Students	31,745
Business and Other Support Services	14,097
Operations and Maintenance of Plant	412,868
Student Transportation	331,396
Operation of Noninstructional Services	1,754
	<u>\$ 3,339,213</u>

**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**B. Interfund Receivables, Payables, and Transfers**

As of June 30, 2021, interfund receivables and payables were as follows:

Due To	Due From Special Projects Fund
General Fund	\$ 813,624

The above interfund receivables and payables are recorded to eliminate deficit cash balances for cash received immediately following the fiscal year-end and for indirect cost transfers made immediately following year-end.

Interfund transfers for the year ended June 30, 2021 consisted of the following:

Transfers To	Special Projects Fund	Transfers From Nonmajor Governmental Funds	Totals
General Fund	\$ 71,151	\$ 159,517	\$ 230,668

Transfers were made to record indirect costs transferred to the indirect cost pool on various federal grants.

**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Obligations Under Leases**

**Operating Lease**

The District leases land from the Arizona State Land Department for a school site under the provisions of a long-term lease agreement classified as an operating lease. The lease was funded by appropriations from the Arizona School Facilities Board (SFB). The operating lease has a remaining noncancelable lease term of 70 years and provides renewal options. Since the entire term of the lease was prepaid, there are no future minimum lease payments for the lease. The annual amortization of prepaid rent of \$100,965 is recognized on the statement of activities and the balance of the prepaid rent is recognized on the statement of net position.

Prepaid rent as of June 30, 2021 is as follows:

	<u>Amount</u>
Prepaid Rent	\$ 7,471,445
Accumulated Amortization	<u>(1,312,549)</u>
Balance at June 30, 2021	<u><u>\$ 6,158,896</u></u>

**Capital Lease**

The District has acquired energy conservation equipment under the provisions of a long term lease agreement classified as a capital lease. The agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date. Revenues from the Energy and Water Savings Fund will be used to pay the capital lease obligation. Depreciation of assets held under the capital lease is included with depreciation expense.

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

Asset:	
Energy Conservation Equipment	\$ 12,404,647
Less: Accumulated Depreciation	<u>-</u>
Total	<u><u>\$ 12,404,647</u></u>

No depreciation had been recorded on the asset in the current year as the asset was completed in June 2021.

**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Obligations Under Leases (Continued)**

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

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>
2022	\$ 789,788
2023	816,605
2024	844,388
2025	873,171
2026	902,991
2027-31	5,001,198
2032-36	5,925,221
Total Minimum Lease Payments	15,153,362
Less: Amount Representing Interest	(2,834,182)
Present Value of Minimum Lease Payments	<u>\$ 12,319,180</u>

**D. Long-Term Obligations**

The District has long-term bonds payable issued to provide funds for the acquisition and construction of major capital facilities. The District also has outstanding compensated absences which are paid by the applicable fund where each employee is regularly paid, primarily the General Fund.

General obligation bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates (%)</u>	<u>Maturity Dates</u>	<u>Original Issue Amounts</u>	<u>Amount Outstanding</u>
Refunding Bonds				
Series 2015	2.000-4.000%	07/01/16-28	\$ 14,035,000	\$ 9,500,000
School Improvement Bonds, Project of 2016, Series A (2017)	3.000-4.000%	07/01/18-36	7,380,000	5,755,000
School Improvement Bonds, Project of 2016, Series B (2018)	2.625-5.000%	07/01/19-37	14,070,000	12,735,000
School Improvement Bonds, Project of 2016, Series C (2019)	2.000-5.000%	07/01/20-38	12,935,000	12,510,000
Total General Obligation Bonds Payable			<u>\$ 48,420,000</u>	<u>\$ 40,500,000</u>



**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**D. Long-Term Obligations (Continued)**

Changes in long-term obligations for the year ended June 30, 2021 are as follows:

	As Restated July 1, 2020	Additions	Retirements	June 30, 2021	Due within One Year
<b>Governmental Activities:</b>					
Bonds Payable:					
General Obligation Bonds	\$ 42,615,000	\$ -	\$ (2,115,000)	\$ 40,500,000	\$ 2,540,000
Premium on Bonds	3,213,108	-	(211,209)	3,001,899	-
Total Bonds Payable	45,828,108	-	(2,326,209)	43,501,899	2,540,000
Other Liabilities:					
Capital Leases	12,319,180	-	-	12,319,180	477,473
Compensated Absences	865,937	779,297	(741,223)	904,011	510,739
Net OPEB Liability	124,823	15,581	-	140,404	-
Net Pension Liability	28,230,712	4,414,184	-	32,644,896	-
Total Other Liabilities	41,540,652	5,209,062	(741,223)	46,008,491	988,212
Governmental Activities Long-Term Debt	<u>\$ 87,368,760</u>	<u>\$ 5,209,062</u>	<u>\$ (3,067,432)</u>	<u>\$ 89,510,390</u>	<u>\$ 3,528,212</u>

The following table summarizes the District's debt service requirements on long-term bonds to maturity at June 30, 2021.

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 2,540,000	\$ 1,584,369
2023	2,825,000	1,522,119
2024	2,790,000	1,437,994
2025	2,845,000	1,298,494
2026	2,990,000	1,189,144
2027-2031	11,485,000	4,365,994
2032-2036	12,190,000	2,063,263
2037-2039	2,835,000	141,088
Totals	<u>\$ 40,500,000</u>	<u>\$ 13,602,463</u>

In prior years, the District defeased certain general obligation debt by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At June 30, 2021, the amount of defeased debt outstanding but removed from the District's financial statements was \$-0-.

**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Fund Balance Classification**

The fund balance classifications of the governmental funds as of June 30, 2021, were as follows:

	General Fund	Special Projects Fund	Other Special Revenue Fund	Debt Service Fund	Bond Building Fund	Nonmajor Governmental Funds	Totals
<b>Restricted</b>							
Instructional Improvement Programs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 653,908	\$ 653,908
Teacher Compensation Programs	-	-	-	-	-	1,802,163	1,802,163
Food Services	-	-	-	-	-	1,094,211	1,094,211
Community Programs	-	-	653,555	-	-	-	653,555
Instructional Aids	-	-	20,339	-	-	-	20,339
Vocational Education Programs	-	-	1,776,443	-	-	-	1,776,443
Noninstructional Programs	-	-	231,231	-	-	119,307	350,538
Capital Projects	-	-	-	-	2,381,449	561,779	2,943,228
Debt Service	-	-	-	777,792	-	-	777,792
Total Restricted	-	-	2,681,568	777,792	2,381,449	4,231,368	10,072,177
<b>Unassigned</b>	10,651,287	(6,031)	-	-	-	-	10,645,256
Total Fund Balance	<u>\$ 10,651,287</u>	<u>\$ (6,031)</u>	<u>\$ 2,681,568</u>	<u>\$ 777,792</u>	<u>\$ 2,381,449</u>	<u>\$ 4,231,368</u>	<u>\$ 20,717,433</u>

**NOTE 4 OTHER INFORMATION**

**A. 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's insurance protection is provided by the Arizona School Risk Retention Trust, of which the District is a participating member. The limit for basic coverage is \$10 million per occurrence on a claims made basis. Excess coverage is for an additional \$10 million per occurrence on a follow form, claims made basis.

The Arizona School Risk Retention Trust is structured such that member premiums are based on an actuarial review that will provide adequate reserves to allow the pool to meet its expected financial obligations. The pool has the authority to assess its members' additional premiums should reserves and annual premiums be insufficient to meet the pool's obligations.

The District is also insured by a commercial insurance carrier for potential worker related accidents. There have been no significant reductions in coverage from the prior year and settled claims for each of the past three fiscal years have not exceeded the insurance coverage amounts.

**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**B. Retirement Plans**

**Cost Sharing Employer Pension Plans**

The District contributes to the Arizona State Retirement System (ASRS). The plan is a component unit of the state of Arizona.

At June 30, 2021, the District reported the following amounts related to the pension plan to which it contributes:

<u>Statement of Net Position and Statement of Activities</u>	<u>Governmental Activities</u>
Net Pension Liability	\$ 32,644,896
Deferred Outflows of Resources	6,257,642
Deferred Inflows of Resources	559,261
Pension Expense	3,096,269

The District had no accrued payroll and benefits for outstanding pension contribution amounts payable for the year ended June 30, 2021. Also, the District reported \$2,604,748 of pension expenditures in the governmental funds related to all pension plans to which it contributes.

Disclosures related to the OPEB plans (health benefit supplement and long-term disability) for ASRS are not included as the assets, liabilities, deferred inflows of resources, deferred outflows of resources, and OPEB expense are not significant to the District's financial statements.

**Arizona State Retirement System**

**Plan Description** – District employees participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing, multiple-employer defined benefit pension plan; a cost-sharing, multiple-employer defined benefit health insurance premium benefit (OPEB); and a cost-sharing, multiple-employer defined benefit long-term disability (OPEB). 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. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on its website at [www.azasrs.gov](http://www.azasrs.gov).

**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**B. Retirement Plans (Continued)**

**Arizona State Retirement System (Continued)**

**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 consecutive months of last 120 months	Highest 60 consecutive months of last 120 months
Benefit Percentage 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.

**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**B. Retirement Plans (Continued)**

**Arizona State Retirement System (Continued)**

**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 year ended June 30, 2021, active ASRS members were required by statute to contribute at the actuarially determined rate of 12.22% (12.04% for retirement and 0.18% 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% (11.65% for retirement, 0.39% for the health insurance premium benefit, and 0.18% for long-term disability) of the active members' annual covered payroll. In addition, the District was required by statute to contribute at the actuarially determined rate of 10.21% (10.14% for retirement and 0.07% for long-term disability) of annual covered payroll of retired members who worked for the District in positions that would typically be filled by an employee who contributes to the ASRS. The District's contributions to the pension plan for the year ended June 30, 2020, were \$2,604,748.

During the fiscal year ended June 30, 2021, the District paid ASRS pension and OPEB contributions as follows: 79% from General Fund, 5% from Special Projects, 4% from Other Special Revenue, and 12% from Nonmajor Governmental Funds.

**Pension Liability** – At June 30, 2021, the District reported a liability of \$32,644,896 for its proportionate share of the ASRS' net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2019, to the measurement date of June 30, 2020.

The District's reported liability at June 30, 2021, increased by \$4,414,184 from the District's prior year liability of \$28,230,712 because of changes in the ASRS' net pension liability and the District's proportionate share of that liability. The ASRS' publicly available financial report provides details on the change in the net pension liability.

The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2020. The District's proportion measured as of June 30, 2020, was 0.18841%, which was a decrease of 0.0056 from its proportion measured as of June 30, 2019.

**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**B. Retirement Plans (Continued)**

**Arizona State Retirement System (Continued)**

**Pension Expense and Deferred Outflows/Inflows of Resources** – For the year ended June 30, 2021, the District recognized pension expense for ASRS of \$3,096,269. At June 30, 2021, 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	\$ 295,330	\$ -
Changes of assumptions or other inputs	-	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	3,148,638	-
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	208,926	559,261
Contributions Subsequent to the Measurement Date	2,604,748	-
Total	<u>\$ 6,257,642</u>	<u>\$ 559,261</u>

The \$2,604,748 reported as deferred outflows of resources related to ASRS pensions resulting from the District contributions subsequent to the measurement date will be recognized as a reduction 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 ASRS pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2022	\$ 280,297
2023	700,583
2024	1,138,896
2025	973,857

**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%
Projected Salary Increases	2.7 - 7.2%
Inflation	2.3%
Permanent Benefit Increase	Included
Mortality Rates	2017 SRA Scale U-MP

Actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial study for the five-year period ended June 30, 2016.

**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**B. Retirement Plans (Continued)**

**Arizona State Retirement System (Continued)**

The long-term expected rate of return on ASRS pension plan investments was determined to be 7.5% using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan 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 and by adding expected inflation. 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%
Fixed Income - Credit	20%	5.44%
Fixed Income - Interest Rate Sensitive	10%	0.22%
Real Estate	20%	5.85%
Total	100%	

**Discount Rate** – The discount rate used to measure the ASRS total pension liability was 7.5%. 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 statutes. Based on those assumptions, the pension 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 pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**B. Retirement Plans (Continued)**

**Arizona State Retirement System (Continued)**

**Sensitivity of the District's Proportionate Share of the ASRS Net Pension Liability to Changes in the Discount Rate** – The following table presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.5%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate.

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
The District's proportionate share of the net pension liability	\$ 44,641,453	\$ 32,644,896	\$ 22,616,391

**Pension Plan Fiduciary Net Position** – Detailed information about the pension plan's fiduciary net position is available in the separately issued ASRS financial report.

**C. Change in Accounting Principle/Correction of an Error**

During the year ended June 30, 2021, the District adopted the provision of GASB Statement No. 84, *Fiduciary Activities*. Adoption of the provisions of this statement requires the restatement of the June 30, 2020 fund balance of the nonmajor governmental funds and net position in the Governmental Activities. In addition, the District did not include the activity of a capital lease and the related cash, accounts payable, liability and construction in progress. These errors require restatement of the June 30, 2020 fund balance of the general fund and net position in the Governmental Activities. The net effect of the restatements of fund balance and net position are as follows:

	General Fund	Nonmajor Governmental Funds	Governmental Activities
Net Position (Deficit), July 1, 2020, as Previously Reported	\$ 10,389,821	\$ 4,308,567	\$ 59,800,248
Restatements:			
Correction of an Error -			
Cash with Fiscal Agent	9,755,659	-	9,755,659
Accounts Payable	(1,220,051)	-	(1,220,051)
Capital Lease Liability	-	-	(12,319,180)
Construction in Progress	-	-	3,642,736
Implementation of GASB Statement No. 84 -			
Student Activities Fund Balance	-	113,572	113,572
Net Position, July 1, 2020, as Restated	<u>\$ 18,925,429</u>	<u>\$ 4,422,139</u>	<u>\$ 59,772,984</u>



## **REQUIRED SUPPLEMENTARY INFORMATION**

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**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE**  
**NET PENSION LIABILITY AND DISTRICT PENSION CONTRIBUTIONS**  
**2021 AND SIX YEARS PRIOR**

**Schedule of the District's Proportionate Share of the Net  
Pension Liability**

	Reporting Year (Measurement Date)						
	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
District's Proportion of the Net Pension Liability	0.18841%	0.19401%	0.18945%	0.18786%	0.18379%	0.17788%	0.17779%
District's Proportionate Share of the Net Pension Liability	\$ 32,644,896	\$ 28,230,712	\$ 26,421,608	\$ 29,264,926	\$ 29,665,552	\$ 27,706,886	\$ 26,306,803
District's Covered Payroll	\$ 19,860,772	\$ 19,585,954	\$ 19,421,570	\$ 18,747,195	\$ 17,458,086	\$ 16,769,739	\$ 16,045,209
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	164.37%	144.14%	136.04%	156.10%	169.92%	165.22%	163.95%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.33%	73.24%	73.40%	69.92%	67.06%	68.35%	69.49%

**Schedule of District Pension Contributions**

	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily Required Contribution	\$ 2,604,748	\$ 2,345,908	\$ 2,279,805	\$ 2,044,609	\$ 1,970,699	\$ 1,806,390	\$ 1,845,199	\$ 1,790,126
District's Contributions in Relation to the Statutorily Required Contribution	2,604,748	2,345,908	2,279,805	2,044,609	1,970,699	1,806,390	1,845,199	\$ 1,790,126
District's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 22,358,352	\$ 19,860,772	\$ 19,585,954	\$ 19,421,570	\$ 18,747,195	\$ 17,458,086	\$ 16,769,739	\$ 16,045,209
District's Contributions as a Percentage of Covered Payroll	11.65%	11.81%	11.64%	10.53%	10.51%	10.35%	11.00%	11.16%

Note: Information prior to the measurement date (June 30, 2014) was not available.

See accompanying Note to Required Supplementary Information.

**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**GENERAL FUND – BUDGETARY BASIS**  
**YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
Property Taxes	\$ -	\$ -	\$ 6,698,055	\$ 6,698,055
Intergovernmental	-	-	19,882,193	19,882,193
Investment Earnings	-	-	3,364	3,364
Other	-	-	16,591	16,591
Total Revenues	-	-	26,600,203	26,600,203
<b>EXPENDITURES</b>				
Regular Education:				
Instruction	10,567,436	9,789,093	9,786,319	2,774
Support Services - Students	1,211,999	1,211,999	1,240,661	(28,662)
Support Services - Instructional Staff	626,080	626,598	689,520	(62,922)
Support Services - General Administration	530,696	530,696	520,657	10,039
Support Services - School Administration	1,543,765	1,548,665	1,651,223	(102,558)
Support Services - Business and Other	1,694,404	1,394,404	1,238,779	155,625
Operations and Maintenance of Plant	4,413,382	4,230,810	2,915,423	1,315,387
Operation of Noninstructional Services	87,902	87,902	98,268	(10,366)
Total Regular Education	20,675,664	19,420,167	18,140,850	1,279,317
Special Education:				
Instruction	4,607,767	4,607,767	4,275,286	332,481
Support Services - Students	2,154,516	2,154,516	2,212,263	(57,747)
Support Services - Instructional Staff	518	-	13,337	(13,337)
Support Services - General Administration	50,802	50,802	16,393	34,409
Support Services - Business and Other	1,582	1,582	-	1,582
Total Special Education	6,815,185	6,814,667	6,517,279	297,388
Pupil Transportation:				
Student Transportation Services	1,977,119	1,519,266	1,256,884	262,382
Total Pupil Transportation	1,977,119	1,519,266	1,256,884	262,382
K-3 Reading Program	191,764	163,544	156,622	6,922
Total Expenditures	29,659,732	27,917,644	26,071,635	1,846,009
Excess (Deficiency) of Revenue Over Expenditures	(29,659,732)	(27,917,644)	528,568	28,446,212
Other Financing Sources (Uses):				
Transfers Out	-	-	(300,000)	(300,000)
Total Other Financing Sources (Uses)	-	-	(300,000)	(300,000)
<b>NET CHANGE IN FUND BALANCE</b>	(29,659,732)	(27,917,644)	228,568	28,146,212
Fund Balance - Beginning of Year	-	-	1,874,829	1,874,829
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ (29,659,732)</u>	<u>\$ (27,917,644)</u>	<u>\$ 2,103,397</u>	<u>\$ 30,021,041</u>

See accompanying Note to Required Supplementary Information.

**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**SPECIAL PROJECTS FUND**  
**YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 6,803,008	\$ 6,803,008
Investment Earnings	-	-	1,923	1,923
Total Revenues	-	-	6,804,931	6,804,931
<b>EXPENDITURES</b>				
Instruction	1,200,949	4,996,262	2,444,345	2,551,917
Support Services:				
Students	344,134	1,431,687	700,431	731,256
Instructional Staff	223,516	929,885	454,932	474,953
School Administration	2,413	10,038	4,911	5,127
Business and Other Support Services	279,878	1,164,365	569,648	594,717
Operations and Maintenance of Plant	1,075,964	4,476,294	2,189,959	2,286,335
Student Transportation	220,577	917,658	448,950	468,708
Operation of Noninstructional Services	13,693	56,967	27,870	29,097
Total Expenditures	3,361,123	13,983,155	6,841,046	7,142,109
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(3,361,123)	(13,983,155)	(36,115)	13,947,040
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	-	-	(71,151)	(71,151)
<b>NET CHANGE IN FUND BALANCE</b>	(3,361,123)	(13,983,155)	(107,266)	13,875,889
Fund Balance - Beginning of Year	-	-	101,235	101,235
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ (3,361,123)</u>	<u>\$ (13,983,155)</u>	<u>\$ (6,031)</u>	<u>\$ 13,977,124</u>

**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**OTHER SPECIAL REVENUE FUND**  
**YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 562,865	\$ 562,865
Contributions and Donations	-	-	74,508	74,508
Investment Earnings	-	-	4,450	4,450
Other	-	-	623,921	623,921
Total Revenues	-	-	1,265,744	1,265,744
<b>EXPENDITURES</b>				
Instruction	927,710	1,758,310	604,933	1,153,377
Support Services:				
Students	16,388	31,060	10,686	20,374
Instructional Staff	285,035	540,233	185,863	354,370
Business and Other Support Services	111,448	211,230	72,672	138,558
Operations and Maintenance of Plant	17,641	33,435	11,503	21,932
Student Transportation	24,488	46,413	15,968	30,445
Operation of Noninstructional Services	844,386	1,600,385	550,600	1,049,785
Facilities Acquisition	17,904	33,935	11,675	22,260
Total Expenditures	2,245,000	4,255,000	1,463,900	2,791,100
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(2,245,000)	(4,255,000)	(198,156)	4,056,844
Fund Balances - Beginning of Year	-	-	2,879,724	2,879,724
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ (2,245,000)</u>	<u>\$ (4,255,000)</u>	<u>\$ 2,681,568</u>	<u>\$ 6,936,568</u>

See accompanying Note to Required Supplementary Information.

**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44**  
**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**  
**YEAR ENDED JUNE 30, 2021**

**NOTE 1 BASIS OF ACCOUNTING**

The District's adopted budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America, with the following exceptions:

- 1) The General Fund as reported in the Statement of Revenues, Expenditures, and Changes in Fund Balances includes the District's Maintenance and Operation Fund in addition to several other District funds as required by GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions; however, for budgetary purposes, the District prepares a separate Maintenance and Operation Fund budget.
- 2) Arizona school districts are allowed to analyze budget capacity at year-end and are able to charge certain allowable expenditures for the subsequent year against the current year budget during the 60-day encumbrance period.

The following adjustments are necessary to present actual revenues, expenditures, other financing sources, and uses, beginning fund balance and ending fund balance on a budgetary basis in order to present only the activity of the District's Maintenance and Operation Fund for budgetary purposes.

	Total Revenues	Total Expenditures	Other Financing Sources and Uses	Fund Balance Beginning of Year	Fund Balance End of Year
Statement of Revenues, Expenditures, and Changes in Fund Balance	\$ 28,811,574	\$ 37,316,384	\$ 230,668	\$ 18,925,429	\$ 10,651,287
Non Maintenance and Operation Activity Included in General Fund	(2,211,371)	(11,386,338)	(530,668)	(15,922,868)	(7,278,569)
Items Charged to Budget During Prior Year Encumbrance Period	-	141,589	-	(1,127,732)	(1,269,321)
Budgetary Comparison Schedule - General Fund	<u>\$ 26,600,203</u>	<u>\$ 26,071,635</u>	<u>\$ (300,000)</u>	<u>\$ 1,874,829</u>	<u>\$ 2,103,397</u>

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**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**

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## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

*Instructional Improvement Fund* – accounts for the revenues and expenditures for state apportioned Indian Gaming monies.

*Classroom Site Fund* – accounts for the revenues and expenditures of state apportioned education sales tax monies.

*Student Activities Fund* – accounts for all monies raised with the approval of the governing board by the effort of students in pursuance of or in connection with all activities of student organizations, clubs, school plays, or other student entertainment other than Auxiliary Operations Fund monies.

*Food Service Fund* – accounts for the financial operations of preparing and serving regular and incidental meals and snacks in connection with school functions. This is funded primarily through federal grants and charges for meals served.

### **CAPITAL PROJECTS FUNDS**

*Adjacent Ways Fund* – accounts for transactions relating to resources restricted to finance the improvement of public ways adjacent to school property.

*Building Renewal Fund* – accounts for monies received from the School Facilities Board that are used for infrastructure or for major upgrades, repairs, or renovation to areas, systems, or buildings that will maintain or extend their useful life.

**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2021**

	Special Revenue				
	Instructional Improvement	Classroom Site	Student Activities	Food Service	Total Special Revenue Funds
<b>ASSETS</b>					
Cash and Investments	\$ 653,908	\$ 1,802,163	\$ 119,307	\$ 1,077,189	\$ 3,652,567
Receivables					
Intergovernmental	-	-	-	20,056	20,056
Total Assets	<u>\$ 653,908</u>	<u>\$ 1,802,163</u>	<u>\$ 119,307</u>	<u>\$ 1,097,245</u>	<u>\$ 3,672,623</u>
<b>LIABILITIES AND FUND BALANCE</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ -	\$ -	\$ -	\$ 3,034	\$ 3,034
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,034</u>	<u>3,034</u>
<b>FUND BALANCES</b>					
Restricted	653,908	1,802,163	119,307	1,094,211	3,669,589
Total Fund Balances	<u>653,908</u>	<u>1,802,163</u>	<u>119,307</u>	<u>1,094,211</u>	<u>3,669,589</u>
Total Liabilities and Fund Balances	<u>\$ 653,908</u>	<u>\$ 1,802,163</u>	<u>\$ 119,307</u>	<u>\$ 1,097,245</u>	<u>\$ 3,672,623</u>

<u>Capital Projects</u>			Total Nonmajor Governmental Funds
<u>Adjacent Ways</u>	<u>Building Renewal</u>	<u>Total Capital Projects Funds</u>	
\$ 559,770	\$ 25,998	\$ 585,768	\$ 4,238,335
-	220,450	220,450	240,506
<u>\$ 559,770</u>	<u>\$ 246,448</u>	<u>\$ 806,218</u>	<u>\$ 4,478,841</u>
\$ -	\$ 244,439	\$ 244,439	\$ 247,473
-	244,439	244,439	247,473
559,770	2,009	561,779	4,231,368
559,770	2,009	561,779	4,231,368
<u>\$ 559,770</u>	<u>\$ 246,448</u>	<u>\$ 806,218</u>	<u>\$ 4,478,841</u>

**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGE IN FUND BALANCES**  
**YEAR ENDED JUNE 30, 2021**

	Special Revenue				
	Instructional Improvement	Classroom Site	Student Activities	Food Services	Total Special Revenue Funds
<b>REVENUES</b>					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	188,605	2,242,727	-	1,774,417	4,205,749
Food Service Sales	-	-	-	65,818	65,818
Contributions and Donations	-	-	58,263	-	58,263
Investment Earnings	3,032	11,814	-	4,398	19,244
Other	-	394	-	28	422
Total Revenues	191,637	2,254,935	58,263	1,844,661	4,349,496
<b>EXPENDITURES</b>					
Current					
Instruction	110,605	2,085,375	-	-	2,195,980
Support Services					
Instructional Staff	38,244	182,113	-	-	220,357
Business and Other Support Services	-	-	-	-	-
Operations and Maintenance of Plant	-	-	-	-	-
Operation of Noninstructional Services	-	-	52,528	1,354,709	1,407,237
Capital Outlay					
Facilities Acquisition	-	-	-	-	-
Total Expenditures	148,849	2,267,488	52,528	1,354,709	3,823,574
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	42,788	(12,553)	5,735	489,952	525,922
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers Out	-	-	-	(159,517)	(159,517)
<b>NET CHANGE IN FUND BALANCES</b>	42,788	(12,553)	5,735	330,435	366,405
Fund Balances - Beginning of Year, as Restated	611,120	1,814,716	113,572	763,776	3,303,184
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 653,908</u>	<u>\$ 1,802,163</u>	<u>\$ 119,307</u>	<u>\$ 1,094,211</u>	<u>\$ 3,669,589</u>

Capital Projects			
Adjacent Ways	Building Renewal	Total Capital Projects Funds	Total Nonmajor Governmental Funds
\$ 3	\$ -	\$ 3	\$ 3
-	2,754,688	2,754,688	6,960,437
-	-	-	65,818
-	-	-	58,263
1,418	392	1,810	21,054
-	-	-	422
1,421	2,755,080	2,756,501	7,105,997
-	-	-	2,195,980
-	-	-	220,357
-	35,475	35,475	35,475
-	485,661	485,661	485,661
-	-	-	1,407,237
559,343	2,233,198	2,792,541	2,792,541
559,343	2,754,334	3,313,677	7,137,251
(557,922)	746	(557,176)	(31,254)
-	-	-	(159,517)
(557,922)	746	(557,176)	(190,771)
1,117,692	1,263	1,118,955	4,422,139
\$ 559,770	\$ 2,009	\$ 561,779	\$ 4,231,368

**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**DEBT SERVICE FUND**  
**YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
Property Taxes	\$ -	\$ -	\$ 3,729,474	\$ 3,729,474
Investment Earnings	-	-	41,379	41,379
Total Revenues	-	-	3,770,853	3,770,853
<b>EXPENDITURES</b>				
Debt Service				
Principal Retirement	2,115,000	2,115,000	2,115,000	-
Interest on Long-term Debt	1,630,169	1,630,169	1,631,145	(976)
Total Expenditures	3,745,169	3,745,169	3,746,145	(976)
<b>NET CHANGE IN FUND BALANCE</b>	(3,745,169)	(3,745,169)	24,708	3,769,877
Fund Balance - Beginning of Year	-	-	753,084	753,084
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ (3,745,169)</u>	<u>\$ (3,745,169)</u>	<u>\$ 777,792</u>	<u>\$ 4,522,961</u>



**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**BOND BUILDING FUND**  
**YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>EXPENDITURES</b>				
Instruction	\$ 624,281	\$ 624,281	\$ 339,624	\$ 284,657
Support Services				
Instructional Staff	685,253	685,253	372,794	312,459
School Administration	37,686	37,686	20,502	17,184
Business and Other Support Services	54,226	54,226	29,500	24,726
Operations and Maintenance of Plant	144,249	144,249	78,475	65,774
Student Transportation	286,138	286,138	155,666	130,472
Capital Outlay				
Facilities Acquisition	2,179,006	2,179,006	1,185,431	993,575
Total Expenditures	<u>4,010,839</u>	<u>4,010,839</u>	<u>2,181,992</u>	<u>1,828,847</u>
<b>NET CHANGE IN FUND BALANCE</b>	(4,010,839)	(4,010,839)	(2,181,992)	1,828,847
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>4,563,441</u>	<u>4,563,441</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ (4,010,839)</u>	<u>\$ (4,010,839)</u>	<u>\$ 2,381,449</u>	<u>\$ 6,392,288</u>

**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**INSTRUCTIONAL IMPROVEMENT FUND**  
**YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 188,605	\$ 188,605
Investment Earnings	-	-	3,032	3,032
Total Revenues	-	-	191,637	191,637
<b>EXPENDITURES</b>				
Instruction	271,220	271,220	110,605	160,615
Support Services				
Instructional Staff	93,780	93,780	38,244	55,536
Total Expenditures	365,000	365,000	148,849	216,151
<b>NET CHANGE IN FUND BALANCE</b>	(365,000)	(365,000)	42,788	407,788
Fund Balance - Beginning of Year	-	-	611,120	611,120
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ (365,000)</u>	<u>\$ (365,000)</u>	<u>\$ 653,908</u>	<u>\$ 1,018,908</u>

**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**CLASSROOM SITE FUND**  
**YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 2,242,727	\$ 2,242,727
Investment Earnings	-	-	11,814	11,814
Other	-	-	394	394
Total Revenues	-	-	2,254,935	2,254,935
<b>EXPENDITURES</b>				
Instruction	3,524,227	3,531,576	2,085,375	1,446,201
Support Services				
Instructional Staff	237,410	241,115	182,113	59,002
Total Expenditures	3,761,637	3,772,691	2,267,488	1,505,203
<b>NET CHANGE IN FUND BALANCE</b>	(3,761,637)	(3,772,691)	(12,553)	3,760,138
Fund Balance - Beginning of Year	-	-	1,814,716	1,814,716
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ (3,761,637)</u>	<u>\$ (3,772,691)</u>	<u>\$ 1,802,163</u>	<u>\$ 5,574,854</u>

**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**STUDENT ACTIVITIES FUND**  
**YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
Contributions and Donations	\$ -	\$ -	\$ 58,263	\$ 58,263
Total Revenues	-	-	58,263	58,263
<b>EXPENDITURES</b>				
Operation of Noninstructional Services	250,000	250,000	52,528	197,472
Total Expenditures	250,000	250,000	52,528	197,472
<b>NET CHANGE IN FUND BALANCE</b>	(250,000)	(250,000)	5,735	255,735
Fund Balance - Beginning of Year	-	-	113,572	113,572
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ (250,000)</u>	<u>\$ (250,000)</u>	<u>\$ 119,307</u>	<u>\$ 369,307</u>

**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOOD SERVICE FUND**  
**YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 1,774,417	\$ 1,774,417
Food Service Sales	-	-	65,818	65,818
Investment Earnings	-	-	4,398	4,398
Other	-	-	28	28
Total Revenues	-	-	1,844,661	1,844,661
<b>EXPENDITURES</b>				
Operation of Noninstructional Services	2,000,000	2,000,000	1,354,709	645,291
Total Expenditures	2,000,000	2,000,000	1,354,709	645,291
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(2,000,000)	(2,000,000)	489,952	2,489,952
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	-	-	(159,517)	(159,517)
<b>NET CHANGE IN FUND BALANCE</b>	(2,000,000)	(2,000,000)	330,435	2,330,435
Fund Balance -Beginning of Year	-	-	763,776	763,776
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ (2,000,000)</u>	<u>\$ (2,000,000)</u>	<u>\$ 1,094,211</u>	<u>\$ 3,094,211</u>

**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**ADJACENT WAYS FUND**  
**YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
Property Taxes	\$ -	\$ -	\$ 3	\$ 3
Investment Earnings	-	-	1,418	1,418
Total Revenues	-	-	1,421	1,421
<b>EXPENDITURES</b>				
Facilities Acquisition	500,000	500,000	559,343	(59,343)
Total Expenditures	500,000	500,000	559,343	(59,343)
<b>NET CHANGE IN FUND BALANCE</b>	(500,000)	(500,000)	(557,922)	(57,922)
Fund Balance - Beginning of Year	-	-	1,117,692	1,117,692
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ (500,000)</u>	<u>\$ (500,000)</u>	<u>\$ 559,770</u>	<u>\$ 1,059,770</u>

**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**BUILDING RENEWAL FUND**  
**YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 2,754,688	\$ 2,754,688
Investment Earnings	-	-	392	392
Total Revenue	-	-	2,755,080	2,755,080
<b>EXPENDITURES</b>				
Business and Other Support Services	115,917	115,917	35,475	80,442
Operations and Maintenance of Plant	1,586,935	1,586,935	485,661	1,101,274
Capital Outlay				
Facilities Acquisition	7,297,148	7,297,148	2,233,198	5,063,950
Total Expenditures	9,000,000	9,000,000	2,754,334	6,245,666
<b>NET CHANGE IN FUND BALANCE</b>	(9,000,000)	(9,000,000)	746	9,000,746
Fund Balance - Beginning of Year	-	-	1,263	1,263
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ (9,000,000)</u>	<u>\$ (9,000,000)</u>	<u>\$ 2,009</u>	<u>\$ 9,002,009</u>

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## **STATISTICAL SECTION (UNAUDITED)**

This section of the J.O. Combs Unified School District No. 44's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

### **Financial Trends**

*These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.*

### **Revenue Capacity**

*These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.*

### **Debt Capacity**

*These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.*

### **Demographic and Economic Information**

*These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.*

### **Operating Information**

*These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.*

*See the table of contents for page numbers of the schedules that encompass the above sections.*

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**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**  
**(UNAUDITED)**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net Investment in capital assets	\$ 75,230,510	\$ 73,235,951	\$ 70,573,331	\$ 69,821,918	\$ 67,655,343	\$ 67,422,629	\$ 65,320,933	\$ 64,900,047	\$ 62,243,984	\$ 62,844,252
Restricted	5,269,564	5,503,999	6,331,527	6,867,348	7,167,908	7,087,963	8,073,624	8,211,580	8,135,107	7,856,634
Unrestricted	13,272,416	14,812,783	16,135,947	(12,288,172)	(11,237,501)	(12,811,403)	(12,737,298)	(11,375,551)	(10,578,843)	(11,071,392)
Total governmental activities net position	<u>\$ 93,772,490</u>	<u>\$ 93,552,733</u>	<u>\$ 93,040,805</u>	<u>\$ 64,401,094</u>	<u>\$ 63,585,750</u>	<u>\$ 61,699,189</u>	<u>\$ 60,657,259</u>	<u>\$ 61,736,076</u>	<u>\$ 59,800,248</u>	<u>\$ 59,629,494</u>

Source: District's Business Services Department.

Note: The decrease in unrestricted net position beginning in fiscal year 2015 was due to the implementation of GASB Statement No. 68.

**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44**  
**CHANGE IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**  
**(UNAUDITED)**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Expenses</b>										
Governmental activities:										
Instruction	\$ 15,423,485	\$ 15,908,616	\$ 17,399,040	\$ 16,190,177	\$ 16,890,936	\$ 17,500,802	\$ 19,896,001	\$ 20,769,716	\$ 21,717,714	\$ 23,394,232
Support services:										
Students	2,421,165	2,734,548	2,666,387	2,919,397	3,093,068	3,481,900	3,585,236	3,554,421	4,101,049	4,480,892
Instructional staff	379,936	780,531	733,168	840,162	967,056	1,159,890	1,327,830	1,570,774	1,701,836	2,169,349
General administration	477,250	414,720	437,159	446,469	590,452	509,576	458,087	478,728	581,680	566,515
School administration	1,473,185	1,314,880	1,299,200	1,336,275	1,327,670	1,397,801	1,337,916	1,394,366	1,500,035	1,802,060
Business and other support services	1,464,055	1,610,292	1,579,311	1,684,606	1,912,858	1,807,175	2,271,395	1,887,746	2,619,182	2,740,899
Operation and maintenance of plant	3,821,093	3,769,561	3,793,268	3,900,438	3,925,009	4,311,744	4,406,973	3,976,742	5,359,621	6,608,685
Student transportation	1,866,180	1,815,774	2,034,080	1,988,433	1,862,508	2,085,647	2,233,477	2,173,202	2,133,224	2,112,629
Operation of noninstructional services	1,275,820	1,395,785	1,362,264	1,518,938	1,874,247	1,923,647	1,906,820	2,090,522	2,077,768	2,142,357
Interest on long-term debt	808,070	1,083,820	782,269	728,873	656,003	725,321	1,020,409	1,433,800	1,547,042	1,870,944
Total governmental activities	29,410,239	30,828,527	32,086,146	31,553,768	33,099,807	34,903,503	38,444,144	39,330,017	43,339,151	47,888,562
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Operation of noninstructional services	690,969	672,104	614,710	677,869	639,429	697,709	757,955	788,028	663,934	225,601
Operating grants and contributions	3,390,765	4,026,374	5,284,639	5,628,032	6,188,961	6,077,170	6,790,642	7,002,054	6,948,369	12,053,463
Capital grants and contributions	197,154	382,615	192,305	14,354	21,766	63,586	259,030	1,103,958	72,849	2,754,688
Total governmental activities program revenues	\$ 4,278,888	\$ 5,081,093	\$ 6,091,654	\$ 6,320,255	\$ 6,850,156	\$ 6,838,465	\$ 7,807,627	\$ 8,894,040	\$ 7,685,152	\$ 15,033,752

(Continued)

	Fiscal Year									
(Concluded)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Net (expense)/revenue</b>										
Governmental activities	\$ (25,131,351)	\$ (25,747,434)	\$ (25,994,492)	\$ (25,233,513)	\$ (26,249,651)	\$ (28,065,038)	\$ (30,636,517)	\$ (30,435,977)	\$ (35,653,999)	\$ (32,854,810)
<b>General Revenues and Other</b>										
<b>Changes in Net Position</b>										
Governmental activities:										
Property taxes	6,846,289	6,874,949	6,641,961	5,552,013	5,834,156	5,934,590	8,256,244	9,192,265	10,142,023	10,644,481
Unrestricted grants and contributions	16,804,490	17,787,156	17,887,700	18,002,890	18,720,022	19,223,147	20,225,697	20,896,398	22,356,941	21,221,315
Investment earnings	37,070	27,625	34,027	57,383	90,895	101,470	225,449	402,141	424,707	119,257
Other	735,276	837,947	918,876	837,699	789,234	919,270	887,197	1,023,450	794,500	726,267
Total governmental activities:	<u>24,423,125</u>	<u>25,527,677</u>	<u>25,482,564</u>	<u>24,449,985</u>	<u>25,434,307</u>	<u>26,178,477</u>	<u>29,594,587</u>	<u>31,514,254</u>	<u>33,718,171</u>	<u>32,711,320</u>
<b>Change in Net Position</b>										
Governmental activities	<u>\$ (708,226)</u>	<u>\$ (219,757)</u>	<u>\$ (511,928)</u>	<u>\$ (783,528)</u>	<u>\$ (815,344)</u>	<u>\$ (1,886,561)</u>	<u>\$ (1,041,930)</u>	<u>\$ 1,078,277</u>	<u>\$ (1,935,828)</u>	<u>\$ (143,490)</u>

Source: District's Business Services Department

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**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**  
**(UNAUDITED)**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Unassigned	\$ 6,059,998	\$ 8,071,145	\$ 9,615,077	\$ 9,222,210	\$ 8,915,497	\$ 8,198,547	\$ 7,917,649	\$ 8,320,317	\$ 10,389,821	\$ 10,651,287
Total General Fund	<u>\$ 6,059,998</u>	<u>\$ 8,071,145</u>	<u>\$ 9,615,077</u>	<u>\$ 9,222,210</u>	<u>\$ 8,915,497</u>	<u>\$ 8,198,547</u>	<u>\$ 7,917,649</u>	<u>\$ 8,320,317</u>	<u>\$ 10,389,821</u>	<u>\$ 10,651,287</u>
All other governmental funds										
Restricted	\$ 6,049,778	\$ 5,658,339	\$ 6,480,267	\$ 6,930,951	\$ 7,156,644	\$ 14,720,934	\$ 21,647,012	\$ 22,520,898	\$ 12,606,051	\$ 10,072,177
Unassigned										(6,031)
Total all other governmental funds	<u>\$ 6,049,778</u>	<u>\$ 5,658,339</u>	<u>\$ 6,480,267</u>	<u>\$ 6,930,951</u>	<u>\$ 7,156,644</u>	<u>\$ 14,720,934</u>	<u>\$ 21,647,012</u>	<u>\$ 22,520,898</u>	<u>\$ 12,606,051</u>	<u>\$ 10,066,146</u>

Source: District's Business Services Department.

**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**  
**(UNAUDITED)**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues</b>										
Property taxes	\$ 6,978,843	\$ 6,858,097	\$ 6,662,096	\$ 5,577,148	\$ 5,833,725	\$ 5,912,696	\$ 8,243,833	\$ 9,177,407	\$ 10,117,227	\$ 10,658,508
Intergovernmental										
Federal aid and grants	1,877,956	2,372,084	2,802,333	2,292,711	3,691,346	3,380,642	3,696,645	3,879,815	3,702,249	8,730,311
State aid and grants	17,181,786	18,244,848	18,611,410	19,524,400	19,242,428	19,690,014	21,311,221	22,895,740	23,475,793	25,284,790
County aid and grants	940,655	1,183,752	1,178,999	1,133,021	1,158,998	1,235,190	1,285,428	1,329,633	1,121,221	1,196,924
Local aid and grants	153,187	194,996	436,968	486,192	513,456	554,859	399,427	543,707	625,695	562,865
Food services sales	430,927	431,682	391,143	435,902	439,414	461,891	494,043	541,432	454,387	65,818
Auxiliary operations	260,042	240,422	223,567	241,967	200,015	235,818	263,912	246,596	209,547	159,783
Contributions and donations	195,178	244,112	334,934	208,952	309,986	503,198	582,648	354,055	453,201	254,576
Investment earnings	37,070	27,625	34,027	57,383	90,895	101,470	225,449	402,141	424,707	118,079
Other	735,276	837,947	918,876	837,699	789,234	919,270	887,197	1,023,450	794,500	727,445
Total revenues	28,790,920	30,635,565	31,594,353	30,795,375	32,269,497	32,995,048	37,389,803	40,393,976	41,378,527	47,759,099
<b>Expenditures</b>										
Current										
Instruction	12,939,877	13,713,258	14,024,151	14,012,707	15,106,481	15,559,829	17,882,259	18,742,060	18,843,521	20,449,546
Support services:										
Students	2,383,488	2,700,239	2,632,078	2,905,040	3,087,064	3,503,203	3,622,486	3,697,413	3,971,041	4,410,254
Instructional staff	372,323	772,918	725,555	839,911	978,807	1,201,423	1,348,089	1,626,940	1,659,654	2,107,059
General administration	435,661	414,720	437,159	445,075	587,122	517,917	463,366	498,553	582,448	555,791
School administration	1,471,229	1,307,278	1,299,027	1,336,015	1,338,308	1,422,283	1,366,181	1,466,493	1,434,225	1,788,844
Business and other	1,446,633	1,540,858	1,519,441	1,655,881	1,944,435	1,751,626	2,274,252	1,968,896	2,569,968	2,734,434
Operation/maintenance of plant	3,795,429	3,671,483	3,748,891	3,794,077	3,843,816	4,208,563	4,346,393	4,393,982	4,551,272	5,799,625
Student transportation	1,595,817	1,548,130	1,701,386	1,914,234	1,701,641	2,163,052	2,729,463	2,705,954	3,275,748	1,910,079
Operation of noninstructional services	1,270,336	1,384,718	1,351,196	1,512,832	1,892,031	1,916,241	1,928,236	2,167,876	2,036,019	2,116,013
Capital outlay										
Facilities acquisition/construction	458,635	713,645	50,095	633,277	325,536	134,539	6,488,314	13,266,784	6,810,055	12,772,830
Debt service										
Principal	476,270	430,211	939,889	942,279	1,030,000	985,000	2,045,000	1,915,000	1,820,000	2,115,000
Interest and fiscal charges	839,341	818,399	799,625	746,230	515,276	499,441	708,625	1,180,143	1,669,919	1,927,243
Bond issuance costs	-	-	-	262,134	-	187,287	300,701	278,824	-	-
Total expenditures	\$ 27,485,039	\$ 29,015,857	\$ 29,228,493	\$ 30,999,692	\$ 32,350,517	\$ 34,050,404	\$ 45,503,365	\$ 53,908,918	\$ 49,223,870	\$ 58,686,718

(Continued)



	Fiscal Year									
(Concluded)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Excess of revenues over (under) expenditures	\$ 1,305,881	\$ 1,619,708	\$ 2,365,860	\$ (204,317)	\$ (81,020)	\$ (1,055,356)	\$ (8,113,562)	\$ (13,514,942)	\$ (7,845,343)	\$ (10,927,619)
<b>Other financing sources (uses)</b>										
Issuance of long-term debt	-	-	-	-	-	7,380,000	14,070,000	12,935,000	-	-
Premium on Issuance of long-term debt	-	-	-	-	-	522,696	688,742	1,856,496	-	-
Issuance of capital leases	-	-	-	-	-	-	-	-	-	-
Proceeds of refunding debt issuance	-	-	-	14,681,610	-	-	-	-	-	-
Payment to refunded bond escrow	-	-	-	(14,419,476)	-	-	-	-	-	-
Transfers in	276,283	356,192	309,688	327,258	312,368	419,678	223,930	184,734	288,249	230,668
Transfers out	(276,283)	(356,192)	(309,688)	(327,258)	(312,368)	(419,678)	(223,930)	(184,734)	(288,249)	(230,668)
Total other financing sources (uses)	-	-	-	262,134	-	7,902,696	14,758,742	14,791,496	-	-
Net change in fund balances	<u>\$ 1,305,881</u>	<u>\$ 1,619,708</u>	<u>\$ 2,365,860</u>	<u>\$ 57,817</u>	<u>\$ (81,020)</u>	<u>\$ 6,847,340</u>	<u>\$ 6,645,180</u>	<u>\$ 1,276,554</u>	<u>\$ (7,845,343)</u>	<u>\$ (10,927,619)</u>
Debt service as a percentage of noncapital expenditures	4.83%	4.41%	6.01%	5.65%	4.85%	4.42%	7.17%	7.85%	8.51%	8.76%

Source: District's Business Services Department.

**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

Fiscal Year	Residential Property Value	Agricultural and Commercial Property Value	Total Assessed Value	Less: Exemptions	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
2012	\$ 91,190,341	\$ 42,798,616	\$ 133,988,957	\$ 13,595,022	\$ 120,393,935	6.7471	\$ 1,143,244,184	10.53 %
2013	93,550,396	42,175,804	135,726,200	18,895,936	116,830,264	6.6672	1,169,170,912	9.99
2014	92,772,080	41,319,154	134,091,234	19,847,884	114,243,350	6.5027	1,165,924,256	9.80
2015	112,222,212	44,342,717	156,564,929	20,510,405	136,054,524	4.8834	1,383,935,485	9.83
2016	119,734,193	44,748,367	164,482,560	21,912,635	142,569,925	4.8877	1,464,350,505	9.74
2017	131,471,422	48,194,876	179,666,298	24,096,707	155,569,591	4.7132	1,617,008,495	9.62
2018	145,848,571	48,548,209	194,396,780	25,433,834	168,962,946	5.7143	1,778,633,134	9.50
2019	165,319,693	49,585,641	214,905,334	26,237,893	188,667,441	5.6432	1,980,863,071	9.52
2020	184,738,011	58,065,272	242,803,283	30,364,376	212,438,907	5.7753	2,204,068,237	9.64
2021	208,503,404	62,221,780	270,725,184	34,423,915	236,301,269	5.4380	2,464,751,970	9.59

Source: Arizona Department of Revenue.

**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44**  
**PROPERTY TAX RATES**  
**DIRECT AND OVERLAPPING GOVERNMENTS**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

Fiscal Year	District Direct Rates				Overlapping Rates	
	General Purposes	Capital Purposes	Debt Purposes	Total	Pinal County	Town of Queen Creek
2012	5.1495	0.7792	0.8184	6.7471	3.9990	1.9500
2013	4.9545	0.6388	1.0739	6.6672	3.7999	1.9500
2014	4.5707	0.5657	1.3663	6.5027	3.7999	1.9500
2015	3.6977	0.0983	1.0874	4.8834	3.7999	1.9500
2016	3.8594	-	1.0283	4.8877	3.9999	1.9500
2017	3.8381	-	0.8751	4.7132	3.8699	1.9500
2018	4.0481	0.0579	1.6083	5.7143	3.8699	1.9500
2019	3.8408	0.1787	1.6237	5.6432	3.8300	1.9500
2020	4.0261	0.1467	1.6025	5.7753	3.7908	1.9500
2021	3.7578	0.1302	1.5500	5.4380	3.6900	1.9500

Source: Pinal County Assessor's Office

**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**2020 AND NINE YEARS PRIOR**  
**(UNAUDITED)**

Taxpayer	2020*			2011		
	Taxable		Percentage of Taxable Assessed Value	Taxable		Percentage of Taxable Assessed Value
	Assessed Value	Rank		Assessed Value	Rank	
Encanterra Club Holdings LLC	\$ 1,536,959	1	0.72 %			
Johnson Utilities LLC	1,442,946	2	0.68	\$ 810,114	6	0.60 %
Encanterra Land Holdings LLC	1,342,458	3	0.63			
Relo Queen Creek LLC	1,338,458	4	0.63			
Progress Residential 2014-1 Borrower LLC	1,358,236	5	0.64	1,219,738	4	0.91
Smith's Food & Drug Centers Inc.	1,265,997	6	0.60	1,769,299	1	1.31
IH6 Property Phoenix LP	847,152	7	0.40	760,788	8	0.56
Octotillo & Ironwood LLC	629,254	8	0.30			
38300 N Gantzel Road LLC	599,105	9	0.28			
Banner Health Foundation	539,834	10	0.25			
H2O Inc.				1,551,480	2	1.15
Trilogy Johnson Farms Construction LLC				1,350,685	3	1.00
Southwest Rock Products LLC				942,305	5	0.70
CR Dayton VIII LLC				775,990	7	0.58
Barclay Holdings XXXIV LLC				636,148	9	0.47
Prime A Investments LLC				591,236	10	0.44
Totals	<u>\$ 10,900,399</u>		<u>5.13 %</u>	<u>\$ 10,407,783</u>		<u>7.73 %</u>

Source: The Pinal County Treasurer.

\* Latest available information.

**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

Fiscal Year	Taxes Levied for the Fiscal Year	Current Collections		Collections in Subsequent Years	Collections to Date	
		Current Tax Collections	Percent of Current Taxes Collected		Total to Date	Percentage of Levy
2012	\$ 6,122,367	\$ 6,009,127	98.15 %	\$ 113,240	\$ 6,122,367	100.00 %
2013	6,149,773	6,026,958	98.00	122,815	6,149,773	100.00
2014	5,893,371	5,812,086	98.62	81,285	5,893,371	100.00
2015	4,878,558	4,817,680	98.75	60,878	4,878,558	100.00
2016	5,238,024	5,179,790	98.89	58,234	5,238,024	100.00
2017	5,365,724	5,285,032	98.50	80,692	5,365,724	100.00
2018	7,580,434	7,483,563	98.72	96,871	7,580,434	100.00
2019	8,282,543	8,160,328	98.52	122,215	8,282,543	100.00
2020	9,412,635	9,295,361	98.75	117,274	9,412,635	100.00
2021	9,914,336	9,758,229	98.43	-	9,758,229	98.43

Source: The Pinal County Treasurer.

**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44**  
**RATIO OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

Fiscal Year	Governmental Activities		Total Primary Government	Percentage of Personal Income	Per Capita	Population	Personal Income	
	General Obligation Bonds	Capital Leases						
2012	\$ 17,637,140	\$ 162,379	\$ 17,799,519	187.83	\$ 571	31,162	\$	9,476,500
2013	17,255,869	82,168	17,338,037	174.15	488	35,508		9,955,592
2014	16,338,513	42,279	16,380,792	154.17	439	37,294		10,625,116
2015	15,421,156	-	15,421,156	137.01	413	37,371		11,255,255
2016	15,591,871	-	15,591,871	131.83	401	38,840		11,827,274
2017	22,459,828	-	22,459,828	178.12	578	38,840		12,609,714
2018	35,096,320	-	35,096,320	278.33	904	38,840	*	12,609,714
2019	47,859,317	-	47,859,317	379.54	1,199	39,926	*	12,609,714
2020	45,828,108	-	45,828,108	334.46	1,148	39,926	*	13,701,923
2021	43,501,899	12,319,180	55,821,079	407.40	1,398	39,926	*	13,701,923

Sources: The District's Business Services Department for long-term debt. Population and personal income prepared in cooperation with the U.S. Department of Labor and Bureau of Labor Statistics.

\* Information was not available so the previous year's data was used.

**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44**  
**RATIO OF GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Net General Obligation Bonded Debt	Per Capita	Total Taxable Assessed Value	Percentage of Total Taxable Assessed Value
2012	\$ 17,637,140	\$ (162,379)	\$ 17,474,761	\$ 571	\$ 120,393,935	14.51%
2013	17,255,869	(230,206)	17,025,663	488	116,830,264	14.57
2014	16,338,513	(239,170)	16,099,343	439	114,243,350	14.09
2015	15,421,156	(204,687)	15,216,469	413	136,054,524	11.18
2016	15,591,871	(170,873)	15,420,998	401	142,569,925	10.82
2017	22,459,828	(129,015)	22,330,813	578	155,569,591	14.35
2018	35,096,320	(337,049)	34,759,271	904	168,962,946	20.57
2019	47,859,317	(617,610)	47,241,707	1,199	188,667,441	25.04
2020	45,828,108	(753,084)	45,075,024	1,148	212,438,907	21.22
2021	43,501,899	(777,792)	42,724,107	1,398	236,301,269	18.08

Sources: The District's Business Services Department and Arizona Department of Revenue.

**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**JUNE 30, 2021**  
**(UNAUDITED)**

Governmental Unit	Outstanding Debt	Estimated Percentage Applicable (1)	Overlapping Share of Overlapping Debt
<b>Debt repaid with property taxes</b>			
State of Arizona	\$ -	0.30 %	\$ -
Pinal County	-	8.01	-
Pinal County Community College District	73,535,000	8.01	5,890,154
Town of Queen Creek	-	19.72	-
Subtotal, Overlapping Debt			5,890,154
J.O. Combs Unified School District No. 44 Direct Debt			55,821,079
Total Direct and Overlapping Debt			<u>\$ 61,711,233</u>

(1) Proportion applicable to the J.O. Combs Unified School District is computed on the ratio of secondary assessed valuation for 2020-21.

Source: The various entities, Property Tax Rates and Assessed Values, Arizona Tax Research Association, State and County Abstract of the Assessment Roll, Arizona Department of Revenue and the Assessor of the County.



**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44**  
**LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total debt limit	\$ 36,118,181	\$ 35,049,079	\$ 34,273,005	\$ 40,816,357	\$ 42,770,978	\$ 46,670,877	\$ 66,183,226	\$ 71,552,368	\$ 83,638,985	\$ 96,903,968
Total applicable to limit	<u>17,304,113</u>	<u>16,779,794</u>	<u>15,870,830</u>	<u>15,005,313</u>	<u>14,824,127</u>	<u>21,260,985</u>	<u>34,759,271</u>	<u>47,241,707</u>	<u>45,075,024</u>	<u>42,724,107</u>
Legal debt margin	<u>\$ 18,814,068</u>	<u>\$ 18,269,285</u>	<u>\$ 18,402,175</u>	<u>\$ 25,811,044</u>	<u>\$ 27,946,851</u>	<u>\$ 25,409,892</u>	<u>\$ 31,423,955</u>	<u>\$ 24,310,661</u>	<u>\$ 38,563,961</u>	<u>\$ 54,179,861</u>
Total net debt applicable to the limit as a percentage of the debt limit	47.91%	47.88%	46.31%	36.76%	34.66%	45.56%	52.52%	66.02%	53.89%	44.09%
Class B debt limit	\$ 12,039,394	\$ 11,683,026	\$ 11,424,335	\$ 13,605,452	\$ 28,513,985	\$ 31,113,918	\$ 44,122,150	\$ 47,701,578	\$ 55,759,323	\$ 64,602,645
Total applicable to limit	<u>17,304,113</u>	<u>16,779,794</u>	<u>15,870,830</u>	<u>15,005,313</u>	<u>14,824,127</u>	<u>21,260,985</u>	<u>34,759,271</u>	<u>47,241,707</u>	<u>45,075,024</u>	<u>42,724,107</u>
Legal debt margin	<u>\$ (5,264,719)</u>	<u>\$ (5,096,768)</u>	<u>\$ (4,446,495)</u>	<u>\$ (1,399,861)</u>	<u>\$ 13,689,858</u>	<u>\$ 9,852,933</u>	<u>\$ 9,362,879</u>	<u>\$ 459,871</u>	<u>\$ 10,684,299</u>	<u>\$ 21,878,538</u>
Total net debt applicable to the limit as a percentage of the debt limit	143.73%	143.63%	138.92%	110.29%	51.99%	68.33%	78.78%	99.04%	80.84%	66.13%

Source: The District's Business Services Department

**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44**  
**CALCULATION OF LEGAL DEBT MARGIN INFORMATION**  
**JUNE 30, 2021**  
**(UNAUDITED)**

Net Full Cash Assessed Value	\$ 323,013,225
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Legal debt margin:

Debt limitation - 30% of assessed value	\$ 96,903,968
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Amount of debt applicable to debt limit:

Class A General Obligation and Refunding Bonds Outstanding	\$	-
Class B General Obligation and Refunding Bonds Outstanding		43,501,899
Less: Assets in Debt Service Fund available for payment of principal		<u>(777,792)</u>

Total amount of debt applicable to debt limit	<u>42,724,107</u>
-----------------------------------------------	-------------------

Legal debt margin	<u>\$ 54,179,861</u>
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Class B legal debt margin

Debt limit - the greater of 20% of the net full cash assessed value or  
\$1,500 per student (ADM)

20% of net full cash assessed value	\$ 64,602,645
\$1,500 per student (ADM)	6,022,500

Amount of debt applicable to debt limit:

Class B General Obligation and Refunding Bonds Outstanding	43,501,899	
Less: Assets in Debt Service Fund available for payment of principal		<u>(777,792)</u>

Total amount of debt applicable to debt limit	<u>42,724,107</u>
-----------------------------------------------	-------------------

Class B legal debt margin	<u>\$ 21,878,538</u>
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Source: Pinal County Assessor's Office

Note 1: State statutes limit the total amount of bonded debt for a unified school district to 30% of the net full cash assessed value of the District. In addition, Class B bonded debt is limited to the greater of 20% of the net full cash assessed value of the District or \$1,500 per student for a unified school district.

**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Pinal County Unemployment Rate
2012	31,162	\$ 9,476,500	\$ 24,785	9.10 %
2013	35,508	9,955,592	25,835	8.60
2014	37,294	10,625,116	26,796	7.30
2015	37,371	11,255,255	27,682	6.60
2016	38,840	11,827,274	28,492	6.30
2017	38,840 *	12,609,714	29,309	5.30 (1)
2018	38,840 *	12,609,714 *	29,309 *	4.90 (1)
2019	39,926	13,701,923	29,309 *	5.00 (1)
2020	39,926 *	13,701,923 *	29,309 *	9.10 (1)
2021	39,926 *	13,701,923 *	29,309 *	7.20 (1)

Source: U.S. Census Bureau, Small Area Income and Poverty Estimates, Regional Economic Information System, Bureau of Economic Analysis, U.S. Department of Commerce and U.S. Department of Labor, Bureau of Labor Statistics and State of Arizona, Department of Commerce, Research Administration, CES/LAUS Unit.

\* Data not available for the respective year. The prior year values were used.

[http://factfinder.census.gov/servlet/ADPGeoSearchByListServlet?ds\\_name=ACS\\_2009\\_5YR\\_G00\\_&lang=en&ts=340302604200](http://factfinder.census.gov/servlet/ADPGeoSearchByListServlet?ds_name=ACS_2009_5YR_G00_&lang=en&ts=340302604200)

**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44**  
**PRINCIPAL EMPLOYERS**  
**2020 AND NINE YEARS PRIOR**  
**(UNAUDITED)**

Employer	2020*			2011		
	Employees	Percentage of Total Employment	Rank	Employees	Percentage of Total Employment	Rank
State of Arizona	2,140	3.61 %	1	2,910	0.54 %	1
Pinal County	2,060	3.48	2	2,471		
Corecivic	1,970	3.33	3	2,430		
Wal-Mart Inc.	1,750	2.96	4	1,660	0.19	7
Harrahs Akchin Hotel and Casino	800	1.35	5		0.23	4
Queen Creek Unified School District No. 95	835	1.41	6			
Banner Health	770	1.30	7		0.14	9
Fry's Food Stores	680	1.15	8		0.22	5
Casa Grande Community Hospital	630	1.06	9	790		
Gila River Indian Community	470	0.79	10	2,050		
Pinal County Community College				910		
Ray Mines Plant				830	0.40	2
Hu Hu Kam Memorial Hospital				820	0.36	3
Federal Government				820	0.20	6
Total	<u>12,105</u>	<u>20.44 %</u>		<u>15,691</u>	<u>2.28 %</u>	

2020 Source: Arizona COG/MPO Employer Database, employers with 5 or more employees.

2011 Source: Pinal County Comprehensive Annual Financial Report for the fiscal year ended June 30, 2011.

Total Employment Source: Arizona COG/MPO Employer Database, employers with 5 or more employees.

\* Latest available information.

**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44**  
**FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

Function	Full-Time Equivalent Employees									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Supervisory										
Noninstructional administrators	8	8	8	8	9	9	10	10	10	9
Consultants/supervisors of instruction	1	1	1	1	1	1	1	1	1	1
Principals	7	7	7	7	7	7	7	7	7	7
Assistant principals	7	3	3	3	2	2	2	2	2	4
Total Supervisory	23	19	19	19	19	19	20	20	20	21
Instruction										
Classroom teachers	211	217	213	214	214	208	207	208	228	224
Aids	76	77	72	72	70	71	78	75	83	52
Total instruction	287	294	285	286	284	279	285	283	311	276
Student Services										
Guidance counselors	8	6	8	8	10	7	7	7	8	11
Psychologist	7	5	8	8	5	5	5	5	12	10
Librarians	8	7	7	7	7	7	6	7	7	7
Other professionals (noninstructional)	7	9	9	9	9	9	10	11	25	39
Technicians	6	6	6	6	5	2	2	2	4	4
Total student services	36	33	38	38	36	30	30	32	56	71
Support and Administration										
Supervisors	4	3	4	4	4	4	4	5	5	3
Clerical/secretarial	27	30	30	30	32	31	31	31	45	45
Service workers	118	124	124	124	132	139	139	143	177	139
Total support and administration	149	157	158	158	168	174	174	179	227	187
Total	495	503	500	501	507	502	509	514	614	555

Source: Arizona Department of Education SDER Report.

**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44**  
**OPERATING STATISTICS**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

Fiscal Year	Enrollment	Operating Expenditures	Cost per Pupil	Percentage Change	Total Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced Meals
2011	4,027	\$ 26,021,683	\$ 6,462	0.44 %	\$ 28,886,241	\$ 7,173	(1.50)%	199.00	20.24	47.81 %
2012	4,123	25,710,793	6,236	(3.50)	27,485,039	6,666	(7.07)	211.00	19.54	43.49
2013	4,290	27,053,602	6,306	1.13	29,015,857	6,764	1.46	217.00	19.77	43.49
2014	4,274	27,438,884	6,420	2.95	29,228,493	6,839	1.11	213.00	20.07	43.60
2015	4,265	28,415,772	6,663	2.95	30,737,558	7,207	5.38	213.00	20.02	40.03
2016	4,111	30,479,705	7,414	11.28	32,350,517	7,869	9.19	213.00	19.30	45.62
2017	4,321	32,244,137	7,462	0.65	34,050,404	7,880	0.14	206.00	20.98	45.57
2018	4,400	35,960,725	8,173	9.52	45,503,365	10,342	31.24	207.00	21.26	44.57
2019	4,254	37,268,167	8,761	7.19	53,908,918	12,673	22.54	208.00	20.45	41.00
2020	4,306	38,923,896	9,039	3.18	49,223,870	11,431	(9.79)	201.00	21.42	41.00
2021	4,015	41,871,645	10,429	15.37	58,686,718	14,617	27.87	214.00	20.31	37.76

Source: Data for Operating Expenditures is Total Expenditures less Debt Service and Facilities Acquisition and Construction.

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**J.O. COMBS UNIFIED SCHOOL DISTRICT NO. 44**  
**SCHOOL BUILDING INFORMATION**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

		Fiscal Year										
		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Elementary Schools</b>												
Name:	Combs Traditional Academy											
Yr. Built	2000											
	Sq. Feet	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000
	Enrollment	141	134	183	231	271	284	274	263	298	302	275
Name:	Ellsworth Elementary											
Yr. Built	2007											
	Sq. Feet	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000
	Enrollment	631	643	739	674	652	607	638	632	666	644	574
Name:	Jack W. Harmon Elementary											
Yr. Built	2005											
	Sq. Feet	67,500	67,500	67,500	67,500	67,500	67,500	67,500	67,500	67,500	67,500	67,500
	Enrollment	614	616	700	586	544	592	586	619	561	558	509
Name:	Ranch Elementary											
Yr. Built	2008											
	Sq. Feet	67,500	67,500	67,500	67,500	67,500	67,500	67,500	67,500	67,500	67,500	67,500
	Enrollment	500	522	617	599	630	576	565	513	510	522	475
Name:	Kathryn Sue Simonton											
Yr. Built	Elementary 2003											
	Sq. Feet	69,234	69,234	69,234	69,234	69,234	69,234	69,234	69,234	69,234	69,234	69,234
	Enrollment	502	506	581	571	506	518	658	573	504	444	437

(continued)



(concluded)

(concluded)		Fiscal Year										
		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Middle Schools												
Name:	J.O. Combs Middle School											
Yr. Built	2007											
	Sq. Feet	96,670	96,670	96,670	96,670	96,670	96,670	96,670	96,670	96,670	96,670	96,670
	Enrollment	1078	1069	703	666	689	689	685	754	709	726	682
High School												
Name:	J.O. Combs High School											
Yr. Built	2009											
	Sq. Feet	235,312	235,312	235,312	235,312	235,312	235,312	235,312	238,312	267,855	267,855	267,855
	Enrollment	992	936	1089	1240	1253	1253	1355	1334	1366	1,432	1,394

Source: The District's Records

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