



**GOVERNING BOARD AGENDA ITEM
AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10**

DATE OF MEETING: January 28, 2025

TITLE: Review of Auditor General's School District Financial Risk Analysis—January 2025

BACKGROUND:

The Office of the Auditor General issued their annual risk analysis report on January 17th. This report identified the Amphitheater District as high risk based upon several factors. A review of the report and its implications will be presented.

RECOMMENDATION:

This item is presented solely for the Board's information. No action is requested at this time.

INITIATED BY:

Scott Little

Scott Little, Chief Financial Officer

Date: January 21, 2025

Todd A. Jaeger

Todd A. Jaeger, J.D., Superintendent

Navigate to a specific district's page:

Select a school district or search by school district name ▼

Amphitheater Unified School District

—Not among the highest-risk districts

[District demographic information](#) ▼

Analysis and data

Additional information about each measure, including how each measure was calculated and how districts were identified as high risk for each measure, is available on the [Measures page](#).

High risk

Change in weighted
student count



[Analysis](#) —

-4.5%
(1-year change)

-0.4%
(4-year change)

[Data](#) ▼

Fiscal year	Group A WSC
2025	13,003
2024	13,620
2023	13,564
2022	13,905
2021	13,058

[What is this measure telling me?](#) ▼

what is this measure telling me:

This measure shows a district's change in group A weighted student count (WSC) over a 1- and 4-year period. A single-year substantial decrease in WSC, or smaller but repeated decreases over more years, may expose a district to higher financial risk due to the loss of student-count-generated revenue.



**Budget limit reserve—
Operating budget**

Analysis

24.7%
(1-year change)



100.0%
(4-year change)

Data

Fiscal year	Balance
2024	\$10,789,967
2023	\$8,651,964
2022	\$9,308,708
2021	▼ \$8,458,213
2020	\$4,077,844

What is this measure telling me?

This measure shows how a district's Maintenance and Operation (M&O) Fund budget limit reserve

This measure shows how a district's Maintenance and Operation (M&O) Fund budget limit reserve has changed over a 1- and 4-year period. Declining, negative, or unfunded M&O Fund budget limit reserves indicate higher financial risk.



High risk

**Budget limit reserve—
Capital budget**

Analysis

-40.5%
(1-year change)

100.0%
(4-year change)

Data

Fiscal year	Balance
2024	▼ \$4,456,751
2023	\$7,486,186
2022	\$5,085,681
2021	\$3,211,581
2020	\$2,149,421

What is this measure telling me?

This measure shows how a district's Unrestricted Capital Outlay (UCO) Fund budget limit reserve has changed over a 1- and 4-year period. Declining, negative, or unfunded UCO Fund budget limit reserves indicate higher financial risk.

Financial position— General Fund operating reserve ratio

Analysis



Data

Fiscal year	Balance	Expenditures
2024 unaudited	\$10,926,312	\$108,007,612
2023 audited	\$38,238,130	\$106,153,225

balance ÷ expenditures = operating reserve ratio

What is this measure telling me?

This measure shows the percent of General Fund monies held in reserve for future spending (i.e., fund balance), compared to total spending from the prior year. A negative operating reserve ratio indicates a negative fund balance, which means the district must use monies received in the following year to cover prior-year spending.

Financial position— General Fund operating margin ratio

Analysis

0.2%
2024 unaudited

4.4%
2023 audited

Data

Fiscal year	Revenue	Expenditures
2024 unaudited	\$108,266,968	\$108,007,612
2023 audited	\$111,029,789	\$106,153,225



(revenue - expenditures) ÷ revenues = operating margin ratio

What is this measure telling me?

This measure shows the percent of district General Fund revenues not spent in the year received for each of the most recent 2 years. A district with below-average operating reserves exposes itself to higher financial risk each time its spending exceeds its revenues (i.e., negative operating margin).

**Financial position—
General Fund change in fund balance**

Analysis

5.4%

2023 to 2024 unaudited

16.0%

2022 to 2023 audited

Data



Fiscal year

Change amount

Fiscal year	Change amount
2023 to 2024 unaudited	\$564,567
2022 to 2023 audited	\$5,263,178

What is this measure telling me?



This measure shows the 1-year percentage change in a district's General Fund balance for each of the most recent 2 years. Declining fund balances or a negative fund balance in the most recent year indicate higher financial risk as less resources remain available for current and future needs.

Capital monies
redirected to operations

Analysis

0.0%

(FY 2024)

3.1%

(5-year average)

Data

Fiscal year

Capital monies

Amount redirected

2025	\$6,821,854	\$0
2024	\$6,789,284	\$0
2023	\$6,548,538	\$0
2022	\$5,297,838	\$0
2021	\$5,152,621	\$800,000

What is this measure telling me?

This measure shows the percentage of intended capital funding the district has redirected to operational spending rather than capital spending in the current year and on average over the last 5 years. Districts that direct a substantial portion of their intended capital funding to operational spending may be at higher financial risk.

Small school budget limit adjustment

Analysis

N/A - District is too large to be eligible for adjustment.

Data

Fiscal year	Adjustment
2025	\$0
2024	\$0

2023	\$0
2022	\$0
2021	\$0

What is this measure telling me?

This measure shows a district's additional budget capacity from a small school adjustment in the current year and each of the prior 4 years. The loss of the ability to include a small school budget limit adjustment or an unfunded small school budget limit adjustment due to a frozen tax rate may indicate higher financial risk.

Frozen tax rate

Analysis

District's primary property tax rate is not frozen.

What is this measure telling me?

This measure shows whether a district has a frozen primary property tax rate, limiting the District's ability to increase its property tax revenue to fund its allowable budget limits.

Receivership

Analysis

District is not in receivership.

What is this measure telling me?

This measure identifies whether a district is operating under a State Board of Education-appointed receiver due to gross mismanagement or insolvency.

Less common revenues in FY 2024

Some districts have access to revenues and budget capacity that are not available to all districts. These revenues may help lessen financial risks for some districts, but desegregation and small school adjustment revenues can contribute risk for other districts, if they result in a district's property tax rate being frozen, which can cause the district to accumulate unfunded budget capacity. Select the information icon to learn more about the revenues presented.

Desegregation	\$4,025,000
Federal Impact Aid	\$0
Small school adjustment	\$0
Voter-approved budget overrides	\$8,683,233
Total less common revenues per student	\$1,119

Source: Desegregation, small school adjustment, and voter-approved budget override amounts - FY 2024 Arizona Department of Education BUDG75 report. Federal Impact Aid amounts - FY 2024 district submitted, unaudited annual financial reports.

Additional school district resources

[School District Spending Analysis ▶](#)

[School District Performance Audit Reports ▶](#)

[District, charter, and ADE COVID-19 spending special report ▶](#)

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