
SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2021



SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35

RIO RICO, ARIZONA

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

Issued by:
Business and Finance Department

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35

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INTRODUCTORY SECTION

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December 16, 2021

Citizens and Governing Board
Santa Cruz Valley Unified School District No. 35
1374 W. Frontage Road
Rio Rico, AZ 85648-2006

State law mandates that school districts required to undergo an annual single 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 by a certified public accounting firm licensed in the State of Arizona. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the Santa Cruz Valley Unified School District No. 35 (District) for the fiscal year ended June 30, 2021.

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

The District's financial statements have been audited by Heinfeld, Meech & Co., P.C., a certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2021, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

David Y. Verdugo
Superintendent

Stephen Schadler
Assistant Superintendent

The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2021, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

PROFILE OF THE DISTRICT

The Santa Cruz Valley Unified School District No. 35 is one of five public school districts located in Santa Cruz County, Arizona. It provides a program of public education from preschool through grade twelve with an average daily membership of 3,324.299. Projected enrollment for fiscal year 2021-22 is anticipated to be 3,450. The average age of the District facilities is 22 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/expenses.

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

The financial reporting entity consists of a primary government and its component units. A component unit is a legally separate entity that must be included in the reporting entity in conformity with generally accepted accounting principles. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments.

Furthermore, there are no component units combined with the District for financial statement presentation purposes, and the District is not included in any other governmental reporting entity. Consequently, the District's financial statements include only the funds of those organizational entities for which its elected governing board is financially accountable. The District's major operations include education, student transportation, construction and maintenance of District facilities, food services and athletic functions.

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

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

FACTORS AFFECTING FINANCIAL CONDITION

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

Local Economy. The Santa Cruz Valley Unified School District No. 35 (District) is located in the community of Rio Rico. The community's 39,000 acres roll gently down from the Santa Rita Mountains through the San Cayetano Foothills westward to the Santa Cruz River. The District boundaries also include the communities of Tumacacori, Tubac and Amado and cover a total of two hundred and sixty-six square miles. The population is varied in nature. About 95 percent of the students are minority students with a Hispanic heritage. Seventy percent of the pupils speak another language. The District employs around 420 teachers and classified personnel of which the majority resides within the District boundaries.

Given the proximity to the border with Mexico cross-border trade and local small retailers characterize the regional economy. The recently expanded port of entry continues to support annually about \$5.6 billion pounds of fresh produce from Mexico, making Nogales, Arizona the number one port of entry for Mexican produce according to Market News from the AMS of USDA. In Santa Cruz County a number of economic activities have developed around the importation of fresh produce, including customs brokerage services, warehousing and repackaging, shipping/distribution and sale brokerage, and freight forwarding.

The District itself operates on a General Fund budget of about \$20.2 million. The educational programs in the District are supported by an additional \$7.7 million in Federal and State grants. This governmental money may or may not be renewed from year to year. A barometer of the amount of support from the community is shown by the \$131,434 in donations that were received from private agencies or individuals. The District received the support of the community to increase the Maintenance and Operations override up to 9% allowing the District to reach a good financial position, especially given the constraints of the State's school funding plan.

Long-term Financial Planning. The District endures to work intensely to designate its resources in a manner that supports the District's vision and core values. As a non-growing District the long-term financial focus is to continue to ensure that our current cost structure does not over commit to an unsustainable level of expenditures. The District's long-term financial plan is linked to our District's educational goals, capital plan, revenue, and expenditure projections. The District promotes financial rigor to demonstrate and gain trust from our community. The District continues to monitor closely enrollment and State funding in an effort to identify financial opportunities and obstructions while creating an avenue for discussion among the District's stakeholders. The ultimate financial goal is to continue to invest our limited financial resources to deliver the best value possible to our community and our students.

Major Initiatives of the District. The SCVUSD No. 35 always prioritizes student achievement in our decision-making processes, with a specific focus on the Arizona College and Career Readiness Standards.

To this endeavor the District maintains a curriculum purchasing cycle that provides the materials and tools for our instructional program. This year we will complete our technology expansion plan to the extent that we will be 1:1 with student Chromebooks from kindergarten through 12th grade. During the pandemic, we used ESSER dollars to support these purchases and offset the cost of necessary digital licenses, as well as to upgrade the technology support for teachers from Chromebooks to laptops. We are now in the process of transitioning to our technology maintenance plan to ensure long-term sustainability of both devices and supplemental supply licenses.

Instructionally, we are concluding our fourth and final year of working with national trainer Karen Bailey on building a data informed culture through assessment and assessment design. For the past two years we have paralleled this work with the Center for the Future of Arizona and Knowledge Works to begin a transition to a Personalized, Competency-based Learning model of instruction. This has necessitated a move to a standards-based report card which will happen in SY 23 for K-8 and SY 24 for 9-12.

SCV35 submitted an Instructional Time Model plan to ADE as a means for allowing all of the aforementioned transitions to flourish. One example would be the addition of intersessions. Whether achieved through a modified school calendar or embedded in our current calendar through flexible seat time for our most remedial or advanced students is a conversation we are having right now.

Each of these significant initiatives has required matching professional development for teachers and administrators. We understand that providing quality professional development in these areas is essential to their long-term success; therefore, we have a dedicated calendar for early release days throughout the year that is designed during the Leadership Academy in June and monitored and adjusted as needed throughout the year. Teachers also receive after-hours training via our Proposition 301-funded Professional Development Program.

As a district, we understand that college and career readiness begins in early childhood. From preschool through high school we have worked to fund counselors in every building who have developed a Personal Learning Plan that will follow students as they matriculate to each grade level. In high school, we offer an approved Arizona Move on When Ready option for students as well as a robust Advanced Placement Capstone project for grades 11-12. Further, the District has committed to fund the AP exams for all AP students.

For career readiness, the District continues to expand career pathways by maintaining a rich and robust career and technical education program at Rio Rico High School while expanding CTE options into the middle school. In addition, the District employs one FTE committed to exploring opportunities for partnership with local businesses and community entities.

Lastly, the District continues to implement its facility enhancement plan coupling funds from a \$22.5-Million-dollar bond with a School Facilities Grant of 5 Million dollars. Enhancements target athletics, fine arts, and classroom space due to student enrollment growth along with significant and much-needed improvements to roofing, HVAC systems, student safety and food service areas, among others.

AWARDS AND ACKNOWLEDGMENT

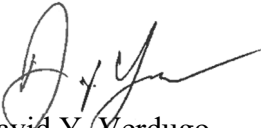
Awards. The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its annual comprehensive financial report for the fiscal year ended June 30, 2020. This was the twenty-first consecutive year that the District has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


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

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

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

Respectfully submitted,


David Y. Verdugo
Superintendent


Isela Brown
Business Manager



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

**Santa Cruz Valley Unified
School District No.35**

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

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



A handwritten signature in black ink, reading 'W. Edward Chabal'.

W. Edward Chabal
President

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

David J. Lewis
Executive Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

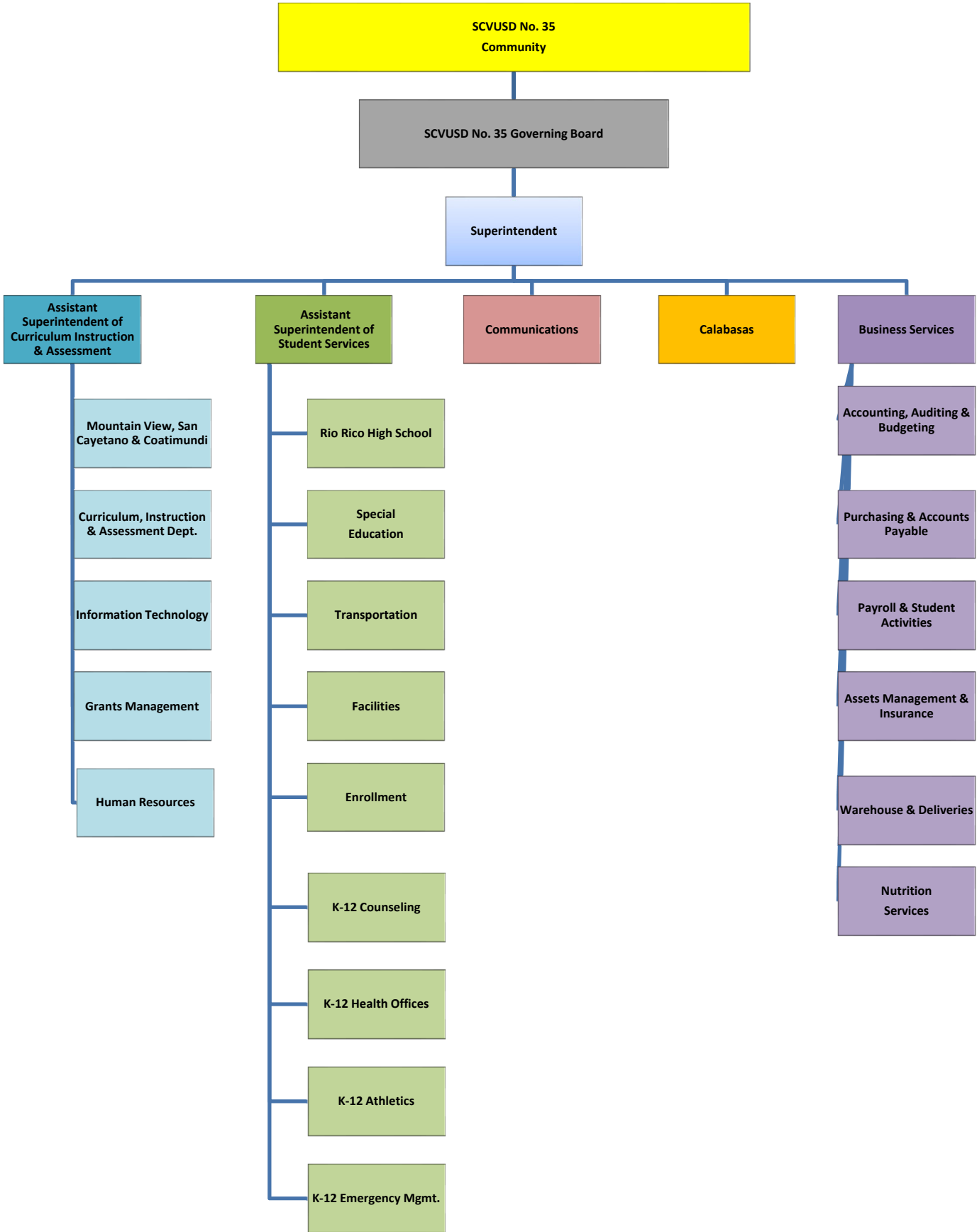
**Santa Cruz Valley Unified School District No. 35
Arizona**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO



SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35

LIST OF PRINCIPAL OFFICIALS

GOVERNING BOARD

Joel Kramer, President

René Ramírez, Clerk

Susan Faubion, Member

John Hays, Member

Brad Beach, Member

ADMINISTRATIVE STAFF

David Y. Verdugo, Superintendent

Stephen Schadler, Assistant Superintendent

Melisa Lunderville, Assistant Superintendent

Isela Brown, Business Manager

FINANCIAL SECTION

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Independent Auditor's Report

Governing Board
Santa Cruz Valley Unified School District No. 35

Report on Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Santa Cruz Valley Unified School District No. 35 (District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Santa Cruz Valley Unified School District No. 35, as of June 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Santa Cruz Valley Unified School District No. 35 and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Other Matters

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2021, on our consideration of Santa Cruz Valley Unified School District No. 35's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Santa Cruz Valley Unified School District No. 35'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 Santa Cruz Valley Unified School District No. 35's internal control over financial reporting and compliance.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Tucson, Arizona
December 16, 2021

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

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**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2021**

As management of the Santa Cruz Valley Unified School District No. 35 (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2021. The management's discussion and analysis is presented as required supplementary information to supplement the basic financial statements. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

FINANCIAL HIGHLIGHTS

- The District's total net position of governmental activities increased \$1.1 million which represents a four percent increase from the prior fiscal year as a result of an increase in property taxes.
- General revenues accounted for \$26.9 million in revenue, or 76 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$8.6 million or 24 percent of total current fiscal year revenues.
- The District had approximately \$34.3 million in expenses related to governmental activities, an increase of seven percent from the prior fiscal year primarily due to increases in employee salaries and related expenses.
- Among major funds, the General Fund had \$21.3 million current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$20.9 million in expenditures. The General Fund's fund balance increased from \$9.4 million at the prior fiscal year end, to \$9.5 million at the end of the current fiscal year.

OVERVIEW OF FINANCIAL STATEMENTS

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

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

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2021**

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

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

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

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

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2021**

OVERVIEW OF FINANCIAL STATEMENTS

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Unrestricted Capital Outlay, and Bond Building Funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and schedules.

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$27.9 million at the current fiscal year end.

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

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2021**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

	As of June 30, 2021	As of June 30, 2020
Current assets	\$ 30,899,393	\$ 33,768,371
Capital assets, net	43,397,656	38,567,597
Total assets	<u>74,297,049</u>	<u>72,335,968</u>
Deferred outflows	<u>4,504,068</u>	<u>2,595,745</u>
Current liabilities	3,070,571	372,761
Long-term liabilities	47,440,788	45,969,065
Total liabilities	<u>50,511,359</u>	<u>46,341,826</u>
Deferred inflows	<u>422,060</u>	<u>1,857,130</u>
Net position:		
Net investment in capital assets	33,283,415	32,890,761
Restricted	7,867,051	7,173,904
Unrestricted	(13,282,768)	(13,331,908)
Total net position	<u>\$ 27,867,698</u>	<u>\$ 26,732,757</u>

At the end of the current fiscal year the District reported a negative unrestricted net position of \$13.3 million as a result of unfunded pension liability. Positive net position was reported in the other two categories.

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

- The principal retirement of \$1.7 million of bonds and \$123,600 of bond premium.
- The depreciation of existing assets resulting in the addition of \$1.9 million in accumulated depreciation.
- The addition of \$6.8 million in capital assets through school improvements and purchases of vehicles, furniture, and equipment.
- The principal retirement of \$302,159 in capital lease obligations for energy efficient and water conservation upgrades.
- The increase of \$3.7 million in pension liabilities.

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2021**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

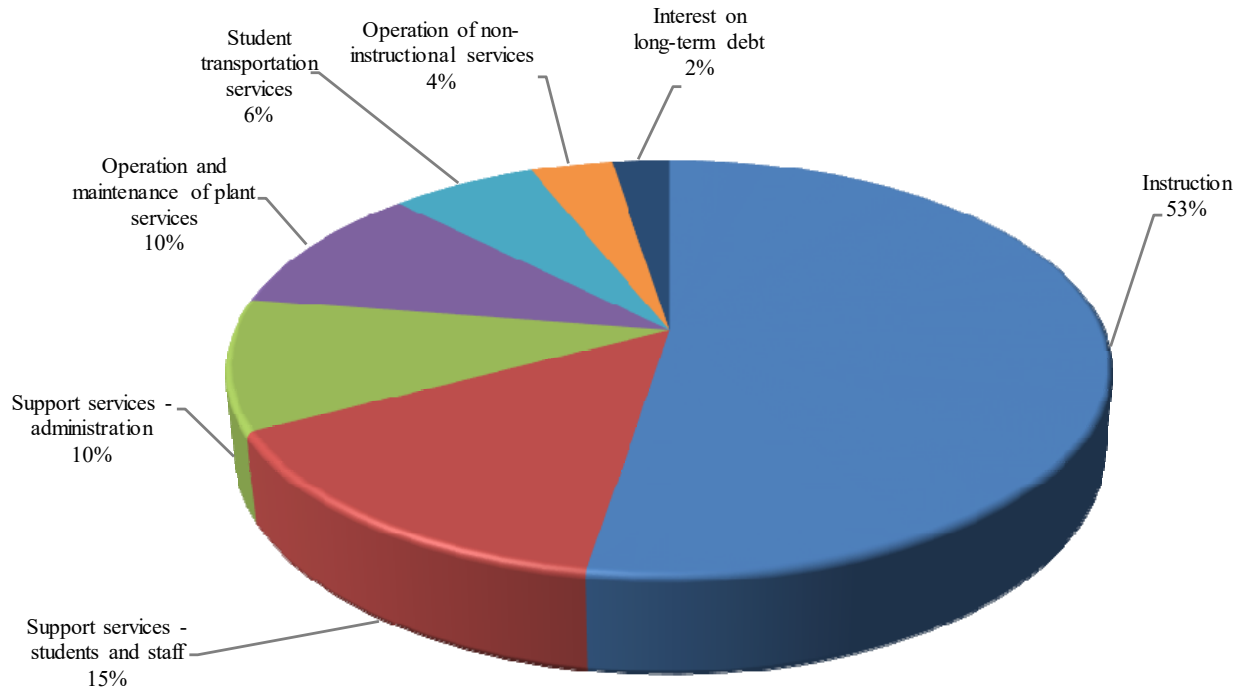
Changes in net position. The District's total revenues for the current fiscal year were \$35.5 million. The total cost of all programs and services was \$34.3 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2021 and June 30, 2020.

	Fiscal Year Ended June 30, 2021	Fiscal Year Ended June 30, 2020
Revenues:		
Program revenues:		
Charges for services	\$ 819,874	\$ 1,030,303
Operating grants and contributions	5,975,058	4,820,248
Capital grants and contributions	1,768,862	905,128
General revenues:		
Property taxes	8,031,044	5,333,338
Investment income	12,610	84,006
Unrestricted county aid	541,602	529,232
Unrestricted state aid	18,142,795	18,281,445
Unrestricted federal aid	161,199	407,211
Total revenues	35,453,044	31,390,911
Expenses:		
Instruction	18,018,580	17,096,522
Support services - students and staff	5,095,318	4,528,250
Support services - administration	3,465,259	3,093,693
Operation and maintenance of plant services	3,482,868	3,156,279
Student transportation services	2,182,874	1,938,180
Operation of non-instructional services	1,227,026	1,880,913
Interest on long-term debt	846,178	236,604
Total expenses	34,318,103	31,930,441
Changes in net position	1,134,941	(539,530)
Net position, beginning, as restated	26,732,757	27,272,287
Net position, ending	\$ 27,867,698	\$ 26,732,757

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2021**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Expenses - Fiscal Year 2021



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

- Property taxes increased \$2.7 million primarily due to an increase in property tax rates for debt service.
- Operating grants and contributions increased \$1.2 million primarily due to COVID related grants the District received.
- Instruction expenses increased \$922,058 due to increases in employee salaries and related benefit expenses.

The following table presents the cost of the District's major functional activities. The table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and District's taxpayers by each of these functions.

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2021**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

	Year Ended June 30, 2021		Year Ended June 30, 2020	
	Total	Net (Expense)/	Total	Net (Expense)/
	Expenses	Revenue	Expenses	Revenue
Instruction	\$ 18,018,580	\$ (14,525,559)	\$ 17,096,522	\$ (14,057,197)
Support services - students and staff	5,095,318	(3,277,805)	4,528,250	(3,246,867)
Support services - administration	3,465,259	(3,416,208)	3,093,693	(3,028,819)
Operation and maintenance of plant services	3,482,868	(2,005,463)	3,156,279	(2,788,849)
Student transportation services	2,182,874	(1,864,942)	1,938,180	(1,859,019)
Operation of non-instructional services	1,227,026	78,770	1,880,913	(60,483)
Interest on long-term debt	846,178	(743,102)	236,604	(133,528)
Total	\$ 34,318,103	\$ (25,454,309)	\$ 31,930,441	\$ (25,174,762)

- The cost of all governmental activities this year was \$34.3 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$8.6 million.
- Net cost of governmental activities of \$25.5 million was financed by general revenues, which are made up of primarily property taxes of \$8.0 million and state and county aid of \$18.7 million.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

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

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$26.9 million, a decrease of \$5.7 million due primarily to the utilization of the prior years' issuance of school improvement bonds for the Rio Rico High School expansion.

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2021**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The General Fund comprises 35 percent of the total fund balance. The entire \$9.5 million of the General Fund's fund balance is unassigned.

The General Fund is the principal operating fund of the District. The fund balance increased \$80,986 in the General Fund to \$9.5 million as of fiscal year end. General Fund revenues increased \$43,340. General Fund expenditures decreased \$728,487 due to the utilization of federal COVID grant monies.

The Unrestricted Capital Outlay Fund's fund balance increased \$506,605. Unrestricted Capital Outlay Fund revenues increased \$175,764 primarily due to an increase in state equalization assistance and expenditures increased \$204,069 primarily due to school improvements.

The Bond Building Fund's fund balance decreased to \$10.1 million at the current fiscal year end primarily due to the utilization of prior years' issuance of school improvement bonds. Bond Building Fund revenues increased \$5,000 and expenditures increased \$6.0 million primarily due to the Rio Rico High School expansion projects.

BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the General Fund annual expenditure budget for changes in projected average daily membership counts. The difference between the original budget and the final amended budget was a \$343,686 decrease, or one percent.

Significant variances for the final amended budget and actual revenues resulted from the District not being required by the State of Arizona to prepare a revenue budget. A schedule showing the original and final budget amounts compared to the District's actual financial activity for the General Fund is provided in this report as required supplementary information. The favorable variance of \$3.0 million of instruction and \$515,548 in operation and maintenance of plant services was a result of conservative budgeting to manage enrollment fluctuations and to maximize budget carryforward to provide capacity in future years.

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2021**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District had invested \$79.8 million in capital assets, including school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. This amount represents a net increase prior to depreciation of \$6.6 million from the prior fiscal year, primarily due to school improvements, and purchases of vehicles, furniture, and equipment. Total depreciation expense for the current fiscal year was \$1.9 million.

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

	As of June 30, 2021	As of June 30, 2020
Capital assets - non-depreciable	\$ 9,198,643	\$ 4,612,607
Capital assets - depreciable, net	34,199,013	33,954,990
Total	\$ 43,397,656	\$ 38,567,597

The estimated cost to complete current construction projects is \$14.0 million.

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

Debt Administration. At year end, the District had \$22.0 million in long-term debt outstanding, \$1.6 million due within one year. Long-term debt decreased by \$2.1 million.

The District’s general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds (up to 30 percent of the total net full cash assessed valuation) and the statutory debt limit on Class B bonds (the greater of 20 percent of the net full cash assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$56.7 million and the Class B debt limit is \$37.8 million, which are more than the District’s total outstanding general obligation and Class B debt, respectively.

Additional information on the District’s long-term debt can be found in Notes 8 through 10.

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2021**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

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

- Fiscal year 2020-21 budget balance carry forward (estimated \$3,546,116).
- District student population (estimated 3,450).

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

Budgeted expenditures in the General Fund increased 13 percent to \$27.3 million in fiscal year 2021-22. Increased payroll and employee benefit costs is the primary reason for the increase. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2021-22 budget.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Business and Finance Department, Santa Cruz Valley Unified School District No. 35, 1374 W. Frontage Road, Rio Rico, Arizona 85648-2006.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 24,789,985
Property taxes receivable	738,029
Accounts receivable	25,280
Due from governmental entities	5,346,099
Total current assets	30,899,393
Noncurrent assets:	
Capital assets not being depreciated	9,198,643
Capital assets, net of accumulated depreciation	34,199,013
Total noncurrent assets	43,397,656
Total assets	74,297,049
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred charge on refunding	62,849
Pension plan items	4,441,219
Total deferred outflows of resources	4,504,068
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	3,002,551
Accrued payroll and employee benefits	8,246
Unearned revenues	59,774
Compensated absences payable	300,000
Obligations under capital leases	312,865
Bonds payable	1,325,000
Total current liabilities	5,008,436
Noncurrent liabilities:	
Non-current portion of long-term obligations	45,502,923
Total noncurrent liabilities	45,502,923
Total liabilities	50,511,359
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension plan items	422,060
<u>NET POSITION</u>	
Net investment in capital assets	33,283,415
Restricted for:	
Instruction	917,033
Food service	389,136
Non- instructional purposes	125,976
Debt service	125,682
Capital outlay	6,309,224
Unrestricted	(13,282,768)
Total net position	\$ 27,867,698

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

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Instruction	\$ 18,018,580	\$ 496,207	\$ 2,172,124	\$ 824,690	\$ (14,525,559)
Support services - students and staff	5,095,318	137,594	1,679,919		(3,277,805)
Support services - administration	3,465,259	2,084	46,967		(3,416,208)
Operation and maintenance of plant services	3,482,868	105,624	427,609	944,172	(2,005,463)
Student transportation services	2,182,874	32,000	285,932		(1,864,942)
Operation of non-instructional services	1,227,026	46,365	1,259,431		78,770
Interest on long-term debt	846,178		103,076		(743,102)
Total governmental activities	<u>\$ 34,318,103</u>	<u>\$ 819,874</u>	<u>\$ 5,975,058</u>	<u>\$ 1,768,862</u>	<u>(25,754,309)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes	5,242,754
Property taxes, levied for debt service	2,498,808
Property taxes, levied for capital outlay	289,482
Investment income	12,610
Unrestricted county aid	541,602
Unrestricted state aid	18,142,795
Unrestricted federal aid	161,199

Total general revenues 26,889,250

Changes in net position 1,134,941

Net position, beginning of year 26,732,757

Net position, end of year \$ 27,867,698

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

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FUND FINANCIAL STATEMENTS

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021

	General	Unrestricted Capital Outlay	Bond Building
<u>ASSETS</u>			
Cash and investments	\$ 4,607,102	\$ 6,033,310	\$ 12,702,907
Property taxes receivable	512,526	28,911	
Accounts receivable		9,477	
Due from governmental entities	4,022,290	253,774	
Due from other funds	843,688		
Total assets	\$ 9,985,606	\$ 6,325,472	\$ 12,702,907
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 65,787	\$ 22,910	\$ 2,645,722
Due to other funds			
Accrued payroll and employee benefits			
Unearned revenues			
Total liabilities	65,787	22,910	2,645,722
Deferred inflows of resources:			
Unavailable revenues - property taxes	462,279	28,911	
Unavailable revenues - intergovernmental			
Total deferred inflows of resources	462,279	28,911	
Fund balances (deficits):			
Restricted		6,273,651	10,057,185
Unassigned	9,457,540		
Total fund balances	9,457,540	6,273,651	10,057,185
 Total liabilities, deferred inflows of resources and fund balances	 \$ 9,985,606	 \$ 6,325,472	 \$ 12,702,907

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 1,446,666	\$ 24,789,985
196,592	738,029
15,803	25,280
1,070,035	5,346,099
	843,688
<u>\$ 2,729,096</u>	<u>\$ 31,743,081</u>

\$ 268,132	\$ 3,002,551
843,688	843,688
8,246	8,246
59,774	59,774
<u>1,179,840</u>	<u>3,914,259</u>

176,798	667,988
<u>257,182</u>	<u>257,182</u>
<u>433,980</u>	<u>925,170</u>

1,414,000	17,744,836
(298,724)	9,158,816
<u>1,115,276</u>	<u>26,903,652</u>

<u>\$ 2,729,096</u>	<u>\$ 31,743,081</u>
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**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021**

Total governmental fund balances		\$ 26,903,652
<p>Amounts reported for <i>governmental activities</i> in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		
Governmental capital assets	\$ 79,769,578	
Less accumulated depreciation	<u>(36,371,922)</u>	43,397,656
<p>Some receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds.</p>		
Property taxes	667,988	
Intergovernmental	<u>257,182</u>	925,170
<p>Deferred items related to the refunding of bonds are amortized over the life of the associated bond issue in the government-wide statements but not reported in the funds.</p>		
		62,849
<p>Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.</p>		
Deferred outflows of resources related to pensions	4,441,219	
Deferred inflows of resources related to pensions	<u>(422,060)</u>	4,019,159
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.</p>		
Compensated absences payable	(921,517)	
Obligations under capital leases	(4,443,237)	
Net pension liability	(24,496,234)	
Bonds payable	<u>(17,579,800)</u>	<u>(47,440,788)</u>
Net position of governmental activities		\$ <u>27,867,698</u>

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

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	General	Unrestricted Capital Outlay	Bond Building
Revenues:			
Other local	\$ 632,693	\$ 34,837	\$ 7,595
Property taxes	5,254,059	284,922	
State aid and grants	15,223,557	956,870	
Federal aid, grants and reimbursements	161,199		
Total revenues	21,271,508	1,276,629	7,595
Expenditures:			
Current -			
Instruction	11,040,816		
Support services - students and staff	2,888,325		
Support services - administration	2,898,150		
Operation and maintenance of plant services	2,687,587		
Student transportation services	1,238,106		
Operation of non-instructional services	121,671		
Capital outlay	14,022	770,024	6,398,645
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	20,888,677	770,024	6,398,645
Excess (deficiency) of revenues over expenditures	382,831	506,605	(6,391,050)
Other financing sources (uses):			
Transfers in	50,668		
Transfers out	(352,513)		(6,932)
Total other financing sources (uses)	(301,845)		(6,932)
Changes in fund balances	80,986	506,605	(6,397,982)
Fund balances, beginning of year	9,376,554	5,767,046	16,455,167
Fund balances, end of year	\$ 9,457,540	\$ 6,273,651	\$ 10,057,185

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 857,354	\$ 1,532,479
2,380,974	7,919,955
3,559,570	19,739,997
6,007,096	6,168,295
<u>12,804,994</u>	<u>35,360,726</u>
4,292,549	15,333,365
2,014,964	4,903,289
65,943	2,964,093
486,373	3,173,960
303,307	1,541,413
1,009,067	1,130,738
1,871,733	9,054,424
1,972,159	1,972,159
946,391	946,391
<u>12,962,486</u>	<u>41,019,832</u>
<u>(157,492)</u>	<u>(5,659,106)</u>
359,445	410,113
<u>(50,668)</u>	<u>(410,113)</u>
<u>308,777</u>	
<u>151,285</u>	<u>(5,659,106)</u>
963,991	32,562,758
<u>\$ 1,115,276</u>	<u>\$ 26,903,652</u>

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

Changes in fund balances - total governmental funds **\$ (5,659,106)**

Amounts reported for *governmental activities* in the Statement of Activities are different because:

Governmental funds report the portion of capital outlay for capitalized assets as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense.

Expenditures for capitalized assets	\$ 6,817,850	
Less current year depreciation	<u>(1,924,643)</u>	4,893,207

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

Property taxes	111,089	
Intergovernmental	<u>(18,771)</u>	92,318

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

Capital lease principal retirement	302,159	
Bond principal retirement	<u>1,670,000</u>	1,972,159

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

Current year pension contributions	1,856,918	
Pension expense	<u>(2,165,112)</u>	(308,194)

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

Loss on disposal of assets	(63,148)	
Amortization of deferred bond items	100,213	
Compensated absences	<u>107,492</u>	<u>144,557</u>

Changes in net position in governmental activities **\$ 1,134,941**

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

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Santa Cruz Valley Unified School District No. 35 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

A. Reporting Entity

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

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

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

The financial reporting entity consists of a primary government and its component units. A component unit is a legally separate entity that must be included in the reporting entity in conformity with generally accepted accounting principles. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Furthermore, there are no component units combined with the District for financial statement presentation purposes, and the District is not included in any other governmental reporting entity. Consequently, the District's financial statements include the only funds of those organizational entities for which its elected governing board is financially accountable. The District's major operations include education, student transportation, construction and maintenance of District facilities, food services, and athletic functions.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) present financial information about the District as a whole. The reported information includes all of the nonfiduciary activities of the District. For the most part, the effect of internal activity has been removed from these statements. These statements are to distinguish between the governmental and business-type activities of the District.

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District does not have any business-type activities or fiduciary activities.

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

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

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

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

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

The District reports the following major governmental funds.

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

Unrestricted Capital Outlay Fund – The Unrestricted Capital Outlay Fund accounts for transactions relating to the acquisition of capital items.

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

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. Cash and Investments

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

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

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

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

E. Investment Income

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

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

F. Receivables and Payables

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

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

G. Property Tax Calendar

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

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

H. Capital Assets

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

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

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

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Land improvements	10 - 50 years
Buildings and improvements	5 - 50 years
Vehicles, furniture and equipment	5 - 25 years

I. Deferred Outflows/Inflows of Resources

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

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

J. Pensions

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

K. Compensated Absences

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

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

L. Long-term Obligations

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

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

M. Interfund Activity

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

N. Net Position Flow Assumption

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

O. Estimates

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

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

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

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

Committed. The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action of the Governing Board. Those committed amounts cannot be used for any other purpose unless the Governing Board removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The District does not have a formal policy or procedures for the utilization of committed fund balance, accordingly, no committed fund balance amounts are reported.

Assigned. Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Governing Board or a management official delegated that authority by the formal Governing Board action. The District does not have a formal policy or procedures for the utilization of assigned fund balance, accordingly, no assigned fund balance amounts are reported.

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

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

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

	General Fund	Unrestricted Capital Outlay Fund	Bond Building Fund	Non-Major Governmental Funds
Fund Balances:				
Restricted:				
Capital projects	\$	\$ 6,273,651	\$	\$ 6,662
Bond building projects			10,057,185	
Voter approved initiatives				277,115
Federal and state projects				211,395
Food service				389,136
Extracurricular activities				100,048
Donor restricted gifts and donations				147,120
Student activities				107,598
Other purposes				174,926
Unassigned	9,457,540			(298,724)
Total fund balances	\$ 9,457,540	\$ 6,273,651	\$10,057,185	\$ 1,115,276

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

	Deficit
Non-Major Governmental Funds:	
Title I Grants	\$ 77,977
Professional Development and Technology Grants	25,980
Title IV Grants	6,504
Promote Informed Parent Choice	11,083
Special Education Grants	30,183
Other Federal Projects	70,333
Other State Projects	10,865
Debt Service	51,116
New School Facilities	14,683

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

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

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 – CASH AND INVESTMENTS

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure the District’s deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the District’s deposits was \$266,757 and the bank balance was \$285,825.

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

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

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

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

	<u>Average Maturities</u>	<u>Fair Value</u>
County Treasurer’s investment pool	Less than one year	\$ 24,523,228

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

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

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

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5 – RECEIVABLES

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

	<u>General Fund</u>	<u>Unrestricted Capital Outlay Fund</u>	<u>Non-Major Governmental Funds</u>
Due from other governmental entities:			
Due from federal government	\$ 46,497	\$	\$ 590,478
Due from state government	3,975,793	253,774	388,781
Due from other districts			90,776
Net due from governmental entities	<u>\$ 4,022,290</u>	<u>\$ 253,774</u>	<u>\$ 1,070,035</u>

NOTE 6 – CAPITAL ASSETS

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

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 4,510,150	\$	\$	\$ 4,510,150
Construction in progress	102,457	4,586,036		4,688,493
Total capital assets, not being depreciated	<u>4,612,607</u>	<u>4,586,036</u>		<u>9,198,643</u>
Capital assets, being depreciated:				
Land improvements	4,877,013	1,247,247		6,124,260
Buildings and improvements	54,109,533	237,442	138,831	54,208,144
Vehicles, furniture and equipment	9,578,113	747,125	86,707	10,238,531
Total capital assets being depreciated	<u>68,564,659</u>	<u>2,231,814</u>	<u>225,538</u>	<u>70,570,935</u>
Less accumulated depreciation for:				
Land improvements	(2,987,769)	(228,364)		(3,216,133)
Buildings and improvements	(24,065,521)	(1,278,676)	(125,593)	(25,218,604)
Vehicles, furniture and equipment	(7,556,379)	(417,603)	(36,797)	(7,937,185)
Total accumulated depreciation	<u>(34,609,669)</u>	<u>(1,924,643)</u>	<u>(162,390)</u>	<u>(36,371,922)</u>
Total capital assets, being depreciated, net	<u>33,954,990</u>	<u>307,171</u>	<u>63,148</u>	<u>34,199,013</u>
Governmental activities capital assets, net	<u>\$ 38,567,597</u>	<u>\$ 4,893,207</u>	<u>\$ 63,148</u>	<u>\$ 43,397,656</u>

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6 – CAPITAL ASSETS

Depreciation expense was charged to governmental functions as follows.

Instruction	\$ 1,420,747
Support services – students and staff	80,424
Support services – administration	53,251
Operation and maintenance of plant services	155,928
Student transportation services	205,980
Operation of non-instructional services	8,313
Total depreciation expense – governmental activities	<u>\$ 1,924,643</u>

Construction Commitments – At year end, the District had contractual commitments related to the expansion of the high school, roofing repairs and other renovations at all school sites. At year end the District had spent \$4.7 million on the projects and had estimated remaining contractual commitments of \$14.0 million. These projects are being funded by the School Facilities Board and capital project funds.

NOTE 7 – SHORT TERM DEBT – REVOLVING LINE OF CREDIT

The District has a revolving line of credit to provide cash flow during the year to mitigate the impact of timing differences of expenditures and the receipt of state aid and property tax revenues. At year end, the District had \$300,000 in unused line of credit.

NOTE 8 – OBLIGATIONS UNDER CAPITAL LEASES

The District acquired energy efficient and water conservation upgrades under the provisions of long-term lease agreements classified as capital leases. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. Revenues from the General Fund are transferred to the Energy and Water Savings Fund, a non-major governmental fund, to pay the capital lease obligations when due. The District receives a federal interest subsidy to fund the interest payments for the District-wide water conservation projects. Amortization of assets held under capital leases is included in depreciation expense.

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

	<u>Governmental</u>
	<u>Activities</u>
Asset:	
Building improvements	\$ 4,021,482
Less: Accumulated depreciation	(1,332,478)
Total	<u>\$ 2,689,004</u>

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 8 – OBLIGATIONS UNDER CAPITAL LEASES

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

Year Ending June 30:	Governmental Activities
2022	\$ 462,821
2023	470,270
2024	487,348
2025	495,534
2026	503,963
2027-31	2,655,389
2032-36	1,074,367
2037	159,089
Total minimum lease payments	<u>6,308,781</u>
Less: amount representing interest	<u>1,865,544</u>
Present value of minimum lease payments	<u>\$ 4,443,237</u>
Due within one year	<u><u>\$ 312,865</u></u>

NOTE 9 – GENERAL OBLIGATION BONDS PAYABLE

Bonds payable at year end, consisted of the following outstanding general obligation bonds. Of the total amount originally authorized, \$6.0 million remains unissued. The bonds are both callable and noncallable with interest payable semiannually. Property taxes from the Debt Service Fund are used to pay bonded debt. The District’s legal debt limit is \$56.7 million and the available margin is \$39.3 million.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2021	Due Within One Year
Governmental activities:					
General obligation bonds:					
School Improvement Bonds,					
Project of 2019, Series A (2020)	\$ 14,480,000	4.00-5.00%	7/1/22-39	\$ 13,480,000	\$ 650,000
Private placement general					
obligation bonds:					
Refunding Bonds, Series 2016	4,050,000	1.73-2.08%	7/1/22-24	1,875,000	675,000
Total				<u>\$ 15,355,000</u>	<u>\$ 1,325,000</u>

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 9 – GENERAL OBLIGATION BONDS PAYABLE

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

<u>Year ending June 30:</u>	Governmental Activities			
	General Obligation Bonds		Private Placement General Obligation Bonds	
	Principal	Interest	Principal	Interest
2022	\$ 650,000	\$ 597,000	\$ 675,000	\$ 35,326
2023	500,000	564,500	690,000	23,650
2024	525,000	539,500	510,000	10,608
2025	500,000	513,250		
2026	500,000	488,250		
2027-31	3,105,000	2,042,750		
2032-36	4,525,000	1,193,000		
2037-39	3,175,000	257,000		
Total	\$ 13,480,000	\$6,195,250	\$ 1,875,000	\$ 69,584

NOTE 10 – CHANGES IN LONG-TERM LIABILITIES

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 14,480,000	\$	\$ 1,000,000	\$ 13,480,000	\$ 650,000
Private placement general obligation bonds	2,545,000		670,000	1,875,000	675,000
Premium	2,348,400		123,600	2,224,800	
Total bonds payable	19,373,400		1,793,600	17,579,800	1,325,000
Obligations under capital leases	4,745,396		302,159	4,443,237	312,865
Net pension liability	20,821,260	3,674,974		24,496,234	
Compensated absences payable	1,029,009	59,439	166,931	921,517	300,000
Governmental activity long-term liabilities	\$ 45,969,065	\$ 3,734,413	\$ 2,262,690	\$ 47,440,788	\$ 1,937,865

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 11– INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At year end, interfund balances were as follows.

Due to/from other funds – At year end, several non-major governmental funds had negative cash balances of \$843,688, in the Treasurer’s pooled cash accounts. Negative cash on deposit with the County Treasurer was reduced by interfund borrowing with the General Fund. All interfund balances are expected to be paid within one year.

Interfund transfers – Transfers between funds were used to (1) move federal grant funds of \$50,668 restricted for indirect costs, (2) to transfer funds from the General Fund of \$352,513 to the Energy and Water Savings Fund, a non-major governmental fund, for the debt service on energy efficiency and water conservation project leases, and (3) to move investment income of \$6,932 earned in the Bond Building Fund that is required by statute to be expended in the Debt Service Fund, a non-major governmental fund.

NOTE 12 – CONTINGENT LIABILITIES

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

NOTE 13 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

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

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 13 – RISK MANAGEMENT

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

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

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

NOTE 14 – PENSIONS

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

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

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 14 – PENSIONS

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

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

*With actuarially reduced benefits

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

Contributions. In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 12.22 percent (12.04 percent for retirement and 0.18 percent for long-term disability) of the members’ annual covered payroll, and the District was required by statute to contribute at the actuarially determined rate of 12.22 percent (11.65 percent for retirement, 0.39 percent for health insurance premium benefit, and 0.18 percent for long-term disability) of the active members’ annual covered payroll. The District’s contributions to the pension plan for the year ended June 30, 2021 were \$1.9 million.

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 14 – PENSIONS

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

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

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

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

Net Liability	District % Proportion	Increase (Decrease)
\$ 24,496,234	0.141	(0.002)

Pension Expense and Deferred Outflows/Inflows of Resources. The District has deferred outflows and inflows of resources related to the net pension liability. Certain changes in the net pension liability are recognized as pension expense over a period of time rather than the year of occurrence. The District’s pension expense for the year ended June 30, 2021 was \$2.2 million.

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 14 – PENSIONS

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 221,611	\$
Net difference between projected and actual earnings on pension investments	2,362,690	
Changes in proportion and differences between contributions and proportionate share of contributions		422,060
Contributions subsequent to the measurement date	1,856,918	
Total	\$ 4,441,219	\$ 422,060

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

Year Ending June 30:		
2022	\$	(65,925)
2023		642,788
2024		854,610
2025		730,768

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

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

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 14 – PENSIONS

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

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

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

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

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

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 14 – PENSIONS

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

	1% Decrease	Current Discount Rate	1% Increase
Rate	6.5%	7.5%	8.5%
Net liability	\$ 33,498,268	\$ 24,496,234	\$ 16,970,996

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

NOTE 15 – SUBSEQUENT EVENT

On July 20, 2021, the District issued School Improvement Bonds, Project of 2019, Series B (2021) in the amount of \$5.35 million, maturing on July 1, 2030, with an average interest rate of four percent. The purpose of the bonds is to renovate and improve school and administrative facilities. Additional improvements will include purchases of technology, furniture, equipment, and transportation vehicles.

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REQUIRED SUPPLEMENTARY INFORMATION

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SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL
YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Revenues:				
Other local	\$	\$	\$ 551,129	\$ 551,129
Property taxes			5,254,059	5,254,059
State aid and grants			15,223,557	15,223,557
Total revenues			<u>21,028,745</u>	<u>21,028,745</u>
Expenditures:				
Current -				
Instruction	13,902,026	13,684,471	10,706,460	2,978,011
Support services - students and staff	2,966,363	2,926,879	2,807,866	119,013
Support services - administration	2,754,905	2,740,940	2,753,813	(12,873)
Operation and maintenance of plant services	3,037,778	3,030,771	2,624,913	405,858
Student transportation services	1,812,448	1,749,328	1,233,780	515,548
Operation of non-instructional services	80,095	77,540	79,042	(1,502)
Total expenditures	<u>24,553,615</u>	<u>24,209,929</u>	<u>20,205,874</u>	<u>4,004,055</u>
Excess (deficiency) of revenues over expenditures	<u>(24,553,615)</u>	<u>(24,209,929)</u>	<u>822,871</u>	<u>25,032,800</u>
Other financing sources (uses):				
Transfers out			(352,513)	(352,513)
Total other financing sources (uses)			<u>(352,513)</u>	<u>(352,513)</u>
Changes in fund balances	<u>(24,553,615)</u>	<u>(24,209,929)</u>	<u>470,358</u>	<u>24,680,287</u>
Fund balances, beginning of year			8,429,500	8,429,500
Fund balances (deficits), end of year	<u>\$ (24,553,615)</u>	<u>\$ (24,209,929)</u>	<u>\$ 8,899,858</u>	<u>\$ 33,109,787</u>

See accompanying notes to this schedule.

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
ARIZONA STATE RETIREMENT SYSTEM
LAST SEVEN FISCAL YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Measurement date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
District's proportion of the net pension (assets) liability	0.14%	0.14%	0.15%	0.14%
District's proportionate share of the net pension (assets) liability	\$ 24,496,234	\$ 20,821,260	\$ 20,709,129	\$ 22,295,306
District's covered payroll	\$ 15,412,306	\$ 15,077,504	\$ 14,736,761	\$ 13,559,657
District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	158.94%	138.09%	140.53%	164.42%
Plan fiduciary net position as a percentage of the total pension liability	69.33%	73.24%	73.40%	69.92%

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 1,856,918	\$ 1,764,709	\$ 1,685,665	\$ 1,606,307
Contributions in relation to the actuarially determined contribution	<u>1,856,918</u>	<u>1,764,709</u>	<u>1,685,665</u>	<u>1,606,307</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 15,939,210	\$ 15,412,306	\$ 15,077,504	\$ 14,736,761
Contributions as a percentage of covered payroll	11.65%	11.45%	11.18%	10.90%

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

See accompanying notes to this schedule.

<u>2017</u>	<u>2016</u>	<u>2015</u>
June 30, 2016	June 30, 2015	June 30, 2014
0.15%	0.14%	0.15%
\$ 23,562,638	\$ 22,192,297	\$ 22,244,503
\$ 13,362,009	\$ 12,829,229	\$ 13,057,037
176.34%	172.98%	170.36%
67.06%	68.35%	69.49%

<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 1,461,731	\$ 1,449,778	\$ 1,397,103
<u>1,461,731</u>	<u>1,449,778</u>	<u>1,397,103</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 13,559,657	\$ 13,362,009	\$ 12,829,229
10.78%	10.85%	10.89%

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

The District budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America, except for the following items.

- Certain activities reported in the General Fund are budgeted in separate funds in accordance with Arizona Revised Statutes.
- Employee insurance expenditures are budgeted in the year the employee insurance account is funded.

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

	Total Expenditures	Fund Balances End of Year
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	\$ 20,888,677	\$ 9,457,540
Activity budgeted as special revenue funds	(655,089)	(494,512)
Activity budgeted as capital projects funds	(250)	(4,897)
Employee insurance account	(27,464)	(58,273)
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	\$ 20,205,874	\$ 8,899,858

NOTE 2 – PENSION PLAN SCHEDULES

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

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

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

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GOVERNMENTAL FUNDS

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2021

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<u>ASSETS</u>			
Cash and investments	\$ 1,440,461	\$	\$ 6,205
Property taxes receivable		196,592	
Accounts receivable	15,803		
Due from governmental entities	691,569		378,466
Total assets	<u>\$ 2,147,833</u>	<u>\$ 196,592</u>	<u>\$ 384,671</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES</u>			
<u>AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 127,857	\$	\$ 140,275
Due to other funds	520,361	70,910	252,417
Accrued payroll and employee benefits	8,246		
Unearned revenues	59,774		
Total liabilities	<u>716,238</u>	<u>70,910</u>	<u>392,692</u>
Deferred inflows of resources:			
Unavailable revenues - property taxes		176,798	
Unavailable revenues - intergovernmental	257,182		
Total deferred inflows of resources	<u>257,182</u>	<u>176,798</u>	
Fund balances (deficits):			
Restricted	1,407,338		6,662
Unassigned	(232,925)	(51,116)	(14,683)
Total fund balances	<u>1,174,413</u>	<u>(51,116)</u>	<u>(8,021)</u>
Total liabilities, deferred inflows of resources			
and fund balances	<u>\$ 2,147,833</u>	<u>\$ 196,592</u>	<u>\$ 384,671</u>

Total Non-Major
Governmental
Funds

\$ 1,446,666
196,592
15,803
1,070,035
\$ 2,729,096

\$ 268,132
843,688
8,246
59,774
1,179,840

176,798
257,182
433,980

1,414,000
(298,724)
1,115,276

\$ 2,729,096

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
YEAR ENDED JUNE 30, 2021

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Revenues:			
Other local	\$ 857,351	\$	\$ 3
Property taxes		2,380,784	190
State aid and grants	2,615,398		944,172
Federal aid, grants and reimbursements	5,904,020		103,076
Total revenues	<u>9,376,769</u>	<u>2,380,784</u>	<u>1,047,441</u>
Expenditures:			
Current -			
Instruction	4,292,549		
Support services - students and staff	2,014,964		
Support services - administration	65,943		
Operation and maintenance of plant services	486,373		
Student transportation services	303,307		
Operation of non-instructional services	1,009,067		
Capital outlay	1,008,771		862,962
Debt service -			
Principal retirement		1,670,000	302,159
Interest and fiscal charges		792,961	153,430
Total expenditures	<u>9,180,974</u>	<u>2,462,961</u>	<u>1,318,551</u>
Excess (deficiency) of revenues over expenditures	<u>195,795</u>	<u>(82,177)</u>	<u>(271,110)</u>
Other financing sources (uses):			
Transfers in		6,932	352,513
Transfers out	(50,668)		
Total other financing sources (uses)	<u>(50,668)</u>	<u>6,932</u>	<u>352,513</u>
Changes in fund balances	<u>145,127</u>	<u>(75,245)</u>	<u>81,403</u>
Fund balances (deficits), beginning of year	1,029,286	24,129	(89,424)
Fund balances (deficits), end of year	<u>\$ 1,174,413</u>	<u>\$ (51,116)</u>	<u>\$ (8,021)</u>

Total Non-Major
Governmental
Funds

\$ 857,354
2,380,974
3,559,570
6,007,096
12,804,994

4,292,549
2,014,964
65,943
486,373
303,307
1,009,067
1,871,733

1,972,159
946,391
12,962,486

(157,492)

359,445
(50,668)
308,777

151,285

963,991

\$ 1,115,276

SPECIAL REVENUE FUNDS

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

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

County, City, and Town Grants - to account for monies received from county, city and town grants.

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

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

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

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

Promote Informed Parent Choice - to account for financial assistance received to promote parent choices in the education of their students.

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

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

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

Vocational Education - to account for financial assistance received for preparation of individuals for employment or advancement in a career not requiring a baccalaureate or advanced degree.

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

National Forest Fees - to account for monies allocated for the purposes of benefiting public schools and public roads in counties where national forests are situated.

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

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

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

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

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

Rural Assistance - to account for state assistance received to assist homeless or special needs pupils.

Other State Projects - to account for financial assistance received for other State projects.

School Plant - to account for proceeds from the sale or lease of school property.

Food Service - to account for the financial activity of school activities that have as their purpose the preparation and serving of regular and incidental meals and snacks in connection with school functions.

Civic Center - to account for monies received from the rental of school facilities for civic activities.

Community School - to account for activity related to academic and skill development for all citizens.

Auxiliary Operations - to account for activity arising from bookstore, athletic and miscellaneous District related operations.

Extracurricular Activities Fees Tax Credit - to account for activity related to monies collected in support of extracurricular activities to be taken as a tax credit by the tax payer in accordance with A.R.S. §43-1089.01.

Gifts and Donations - to account for activity related to gifts, donations, bequests and private grants made to the District.

Fingerprint - to account for activity of fingerprinting employees as mandated by the State.

Textbooks - to account for monies received from students to replace or repair lost or damaged textbooks.

Litigation Recovery - to account for monies received for and derived from litigation.

Indirect Costs - to account for monies received from federal projects for administrative costs.

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

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

SPECIAL REVENUE FUNDS

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

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

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

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SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2021

	Classroom Site	Instructional Improvement	County, City, and Town Grants
<u>ASSETS</u>			
Cash and investments	\$ 131,654	\$ 145,461	\$ 3,026
Accounts receivable			9,722
Due from governmental entities			
Total assets	\$ 131,654	\$ 145,461	\$ 12,748
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			
Accrued payroll and employee benefits			
Unearned revenues	_____	_____	_____
Total liabilities	_____	_____	_____
Deferred inflows of resources:			
Unavailable revenues - intergovernmental	_____	_____	_____
Fund balances (deficits):			
Restricted	131,654	145,461	12,748
Unassigned			
Total fund balances	131,654	145,461	12,748
 Total liabilities, deferred inflows of resources and fund balances	\$ 131,654	\$ 145,461	\$ 12,748

<u>English Language Learner</u>	<u>Title I Grants</u>	<u>Professional Development and Technology Grants</u>	<u>Title IV Grants</u>	<u>Promote Informed Parent Choice</u>	<u>Limited English & Immigrant Students</u>
\$ 43	\$	\$	\$	\$	\$
	77,977	25,980	6,504	11,083	6,618
<u>\$ 43</u>	<u>\$ 77,977</u>	<u>\$ 25,980</u>	<u>\$ 6,504</u>	<u>\$ 11,083</u>	<u>\$ 6,618</u>
\$	\$ 12,886 63,931 1,160	\$ 25,980	\$ 2,858 3,646	\$ 11,083	\$ 6,618
	<u>77,977</u>	<u>25,980</u>	<u>6,504</u>	<u>11,083</u>	<u>6,618</u>
	<u>77,977</u>	<u>25,980</u>	<u>6,504</u>	<u>11,083</u>	
43	(77,977)	(25,980)	(6,504)	(11,083)	
<u>43</u>	<u>(77,977)</u>	<u>(25,980)</u>	<u>(6,504)</u>	<u>(11,083)</u>	
<u>\$ 43</u>	<u>\$ 77,977</u>	<u>\$ 25,980</u>	<u>\$ 6,504</u>	<u>\$ 11,083</u>	<u>\$ 6,618</u>

(Continued)

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2021

	Special Education Grants	Johnson O'Malley	Vocational Education
<u>ASSETS</u>			
Cash and investments	\$	\$ 23	\$
Accounts receivable			
Due from governmental entities	30,183		10,149
Total assets	\$ 30,183	\$ 23	\$ 10,149
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds	30,183		8,262
Accrued payroll and employee benefits			
Unearned revenues		23	893
Total liabilities	30,183	23	9,155
Deferred inflows of resources:			
Unavailable revenues - intergovernmental	30,183		
Fund balances (deficits):			
Restricted			994
Unassigned	(30,183)		
Total fund balances	(30,183)		994
 Total liabilities, deferred inflows of resources and fund balances	 \$ 30,183	 \$ 23	 \$ 10,149

<u>E-Rate</u>	<u>Other Federal Projects</u>	<u>State Vocational Education</u>	<u>College Credit Exam Incentives</u>	<u>Results-based Funding</u>	<u>Other State Projects</u>
\$	\$	\$ 550	\$ 18,230	\$ 192,128	\$ 38,083
38,534	322,321				10,315
<u>\$ 38,534</u>	<u>\$ 322,321</u>	<u>\$ 550</u>	<u>\$ 18,230</u>	<u>\$ 192,128</u>	<u>\$ 48,398</u>
\$ 5,055	\$ 16,566	\$	\$	\$	\$
33,479	266,456				
	5,132				
	9,360	550			48,948
<u>38,534</u>	<u>297,514</u>	<u>550</u>			<u>48,948</u>
	95,140				10,315
	(70,333)		18,230	192,128	(10,865)
	<u>(70,333)</u>		<u>18,230</u>	<u>192,128</u>	<u>(10,865)</u>
<u>\$ 38,534</u>	<u>\$ 322,321</u>	<u>\$ 550</u>	<u>\$ 18,230</u>	<u>\$ 192,128</u>	<u>\$ 48,398</u>

(Continued)

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2021

	Food Service	Civic Center	Community School
<u>ASSETS</u>			
Cash and investments	\$ 406,882	\$ 42,143	\$ 60,991
Accounts receivable			
Due from governmental entities	61,129		
Total assets	\$ 468,011	\$ 42,143	\$ 60,991
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES</u>			
<u>AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 78,875	\$	\$
Due to other funds			
Accrued payroll and employee benefits			
Unearned revenues			
Total liabilities	78,875		
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Fund balances (deficits):			
Restricted	389,136	42,143	60,991
Unassigned			
Total fund balances	389,136	42,143	60,991
 Total liabilities, deferred inflows of resources and fund balances	 \$ 468,011	 \$ 42,143	 \$ 60,991

<u>Extracurricular Activities Fees Tax Credit</u>	<u>Gifts and Donations</u>	<u>Fingerprint</u>	<u>Textbooks</u>	<u>Insurance Refund</u>	<u>Career Technical Education</u>
\$ 102,002	\$ 152,656 6,081	\$ 2,854	\$ 15,989	\$ 19,988	\$
<u>\$ 102,002</u>	<u>\$ 158,737</u>	<u>\$ 2,854</u>	<u>\$ 15,989</u>	<u>\$ 19,988</u>	<u>90,776</u> <u>\$ 90,776</u>
\$	\$ 11,617	\$	\$	\$	\$
1,954					70,723
<u>1,954</u>	<u>11,617</u>				<u>70,723</u>
100,048	147,120	2,854	15,989	19,988	20,053
<u>100,048</u>	<u>147,120</u>	<u>2,854</u>	<u>15,989</u>	<u>19,988</u>	<u>20,053</u>
<u>\$ 102,002</u>	<u>\$ 158,737</u>	<u>\$ 2,854</u>	<u>\$ 15,989</u>	<u>\$ 19,988</u>	<u>\$ 90,776</u>

(Continued)

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2021

	<u>Arizona Industry Credentials Incentive</u>	<u>Student Activities</u>	<u>Totals</u>
<u>ASSETS</u>			
Cash and investments	\$ 160	\$ 107,598	\$ 1,440,461
Accounts receivable			15,803
Due from governmental entities			691,569
Total assets	<u>\$ 160</u>	<u>\$ 107,598</u>	<u>\$ 2,147,833</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$ 127,857
Due to other funds			520,361
Accrued payroll and employee benefits			8,246
Unearned revenues			59,774
Total liabilities			<u>716,238</u>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			<u>257,182</u>
Fund balances (deficits):			
Restricted	160	107,598	1,407,338
Unassigned			(232,925)
Total fund balances	<u>160</u>	<u>107,598</u>	<u>1,174,413</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 160</u>	<u>\$ 107,598</u>	<u>\$ 2,147,833</u>

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SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Classroom Site	Instructional Improvement	County, City, and Town Grants
Revenues:			
Other local	\$ 737	\$ 59	\$ 58,572
State aid and grants	1,810,627	151,741	
Federal aid, grants and reimbursements			
Total revenues	1,811,364	151,800	58,572
Expenditures:			
Current -			
Instruction	1,602,816	196,565	9,095
Support services - students and staff	233,975		
Support services - administration			17,477
Operation and maintenance of plant services			
Student transportation services			24,295
Operation of non-instructional services			
Capital outlay			
Total expenditures	1,836,791	196,565	50,867
Excess (deficiency) of revenues over expenditures	(25,427)	(44,765)	7,705
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	(25,427)	(44,765)	7,705
Fund balances (deficits), beginning of year	157,081	190,226	5,043
Fund balances (deficits), end of year	\$ 131,654	\$ 145,461	\$ 12,748

English Language Learner	Title I Grants	Professional Development and Technology Grants	Title IV Grants	Promote Informed Parent Choice	Limited English & Immigrant Students
\$ 43	\$ 979,914	\$ 184,796	\$ 45,863	\$ 116,728	\$ 116,141
43	979,914	184,796	45,863	116,728	116,141
	519,748		1,306	700	21,885
	398,032	165,670	38,604	102,569	91,404
	1,200	19,406	3,125		415
	57,347	3,010	2,858	12,182	
	976,327	188,086	45,893	115,451	113,704
43	3,587	(3,290)	(30)	1,277	2,437
	(14,519)	(2,924)	(680)	(1,632)	(1,790)
	(14,519)	(2,924)	(680)	(1,632)	(1,790)
43	(10,932)	(6,214)	(710)	(355)	647
	(67,045)	(19,766)	(5,794)	(10,728)	(647)
\$ 43	\$ (77,977)	\$ (25,980)	\$ (6,504)	\$ (11,083)	\$

(Continued)

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	<u>Special Education Grants</u>	<u>Vocational Education</u>	<u>E-Rate</u>
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements	<u>631,711</u>	<u>165,640</u>	<u>194,464</u>
Total revenues	<u>631,711</u>	<u>165,640</u>	<u>194,464</u>
Expenditures:			
Current -			
Instruction	417,930	78,387	
Support services - students and staff	181,649	12,536	5,878
Support services - administration			
Operation and maintenance of plant services			173,957
Student transportation services			
Operation of non-instructional services			
Capital outlay		<u>71,949</u>	
Total expenditures	<u>599,579</u>	<u>162,872</u>	<u>179,835</u>
Excess (deficiency) of revenues over expenditures	<u>32,132</u>	<u>2,768</u>	<u>14,629</u>
Other financing sources (uses):			
Transfers out	<u>(9,451)</u>	<u>(281)</u>	
Total other financing sources (uses)	<u>(9,451)</u>	<u>(281)</u>	
Changes in fund balances	<u>22,681</u>	<u>2,487</u>	<u>14,629</u>
Fund balances (deficits), beginning of year	(52,864)	(1,493)	(14,629)
Fund balances (deficits), end of year	<u>\$ (30,183)</u>	<u>\$ 994</u>	<u>\$</u>

<u>Other Federal Projects</u>	<u>State Vocational Education</u>	<u>College Credit Exam Incentives</u>	<u>Results-based Funding</u>	<u>Other State Projects</u>	<u>Food Service</u>
\$	\$	\$	\$	\$	\$
	73,990	10,331	266,769	274,777	7,155
<u>2,241,968</u>					<u>1,226,795</u>
<u>2,241,968</u>	<u>73,990</u>	<u>10,331</u>	<u>266,769</u>	<u>274,777</u>	<u>1,233,950</u>
747,688	21,892	84	168,981	67,563	
333,965	7,896		25,945	214,807	
492	7,955		12,878		
255,195					
279,012					
31,846					977,221
581,786	36,247	425	26,778	3,272	48,303
<u>2,229,984</u>	<u>73,990</u>	<u>509</u>	<u>234,582</u>	<u>285,642</u>	<u>1,025,524</u>
<u>11,984</u>		<u>9,822</u>	<u>32,187</u>	<u>(10,865)</u>	<u>208,426</u>
(19,391)					
<u>(19,391)</u>					
(7,407)		9,822	32,187	(10,865)	208,426
(62,926)		8,408	159,941		180,710
<u>\$ (70,333)</u>	<u>\$</u>	<u>\$ 18,230</u>	<u>\$ 192,128</u>	<u>\$ (10,865)</u>	<u>\$ 389,136</u>

(Continued)

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Civic Center	Community School	Extracurricular Activities Fees Tax Credit
Revenues:			
Other local	\$ 2,644	\$ 7,205	\$ 27,075
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	2,644	7,205	27,075
Expenditures:			
Current -			
Instruction	4,857		20,338
Support services - students and staff			1,085
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			4,855
Total expenditures	4,857		26,278
Excess (deficiency) of revenues over expenditures	(2,213)	7,205	797
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	(2,213)	7,205	797
Fund balances (deficits), beginning of year	44,356	53,786	99,251
Fund balances, end of year	\$ 42,143	\$ 60,991	\$ 100,048

<u>Gifts and Donations</u>	<u>Fingerprint</u>	<u>Textbooks</u>	<u>Insurance Refund</u>	<u>Career Technical Education</u>	<u>Arizona Industry Credentials Incentive</u>
\$ 131,439	\$ 822	\$ 2,078	\$ 5,547	\$ 577,489	\$ 27,120
<u>131,439</u>	<u>822</u>	<u>2,078</u>	<u>5,547</u>	<u>577,489</u>	<u>27,120</u>
44,700		192		298,448	13,551
88,418		767		111,764	
480	822			1,693	
48				57,173	
<u>37,590</u>	<u>822</u>	<u>959</u>		<u>107,059</u>	<u>13,409</u>
<u>171,236</u>				<u>576,137</u>	<u>26,960</u>
<u>(39,797)</u>		<u>1,119</u>	<u>5,547</u>	<u>1,352</u>	<u>160</u>
<u>(39,797)</u>		<u>1,119</u>	<u>5,547</u>	<u>1,352</u>	<u>160</u>
186,917	2,854	14,870	14,441	18,701	
<u>\$ 147,120</u>	<u>\$ 2,854</u>	<u>\$ 15,989</u>	<u>\$ 19,988</u>	<u>\$ 20,053</u>	<u>\$ 160</u>

(Continued)

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Student Activities	Totals
Revenues:		
Other local	\$ 36,529	\$ 857,351
State aid and grants		2,615,398
Federal aid, grants and reimbursements		5,904,020
Total revenues	36,529	9,376,769
Expenditures:		
Current -		
Instruction	55,823	4,292,549
Support services - students and staff		2,014,964
Support services - administration		65,943
Operation and maintenance of plant services		486,373
Student transportation services		303,307
Operation of non-instructional services		1,009,067
Capital outlay	1,701	1,008,771
Total expenditures	57,524	9,180,974
Excess (deficiency) of revenues over expenditures	(20,995)	195,795
Other financing sources (uses):		
Transfers out		(50,668)
Total other financing sources (uses)		(50,668)
Changes in fund balances	(20,995)	145,127
Fund balances (deficits), beginning of year	128,593	1,029,286
Fund balances, end of year	\$ 107,598	\$ 1,174,413

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SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Classroom Site		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 737	\$ 737
State aid and grants		1,810,627	1,810,627
Federal aid, grants and reimbursements			
Total revenues		<u>1,811,364</u>	<u>1,811,364</u>
Expenditures:			
Current -			
Instruction	1,742,861	1,602,816	140,045
Support services - students and staff	224,872	233,975	(9,103)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>1,967,733</u>	<u>1,836,791</u>	<u>130,942</u>
Excess (deficiency) of revenues over expenditures	<u>(1,967,733)</u>	<u>(25,427)</u>	<u>1,942,306</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	<u>(1,967,733)</u>	<u>(25,427)</u>	<u>1,942,306</u>
Fund balances (deficits), beginning of year		157,081	157,081
Fund balances (deficits), end of year	<u>\$ (1,967,733)</u>	<u>\$ 131,654</u>	<u>\$ 2,099,387</u>

Instructional Improvement			County, City, and Town Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 59 151,741	\$ 59 151,741	\$	\$ 58,572	\$ 58,572
	<u>151,800</u>	<u>151,800</u>		<u>58,572</u>	<u>58,572</u>
330,225	196,565	133,660		9,095	(9,095)
				17,477	(17,477)
			52,885	24,295	28,590
<u>330,225</u>	<u>196,565</u>	<u>133,660</u>	<u>52,885</u>	<u>50,867</u>	<u>2,018</u>
<u>(330,225)</u>	<u>(44,765)</u>	<u>285,460</u>	<u>(52,885)</u>	<u>7,705</u>	<u>60,590</u>
<u>(330,225)</u>	<u>(44,765)</u>	<u>285,460</u>	<u>(52,885)</u>	<u>7,705</u>	<u>60,590</u>
	190,226	190,226		5,043	5,043
<u>\$ (330,225)</u>	<u>\$ 145,461</u>	<u>\$ 475,686</u>	<u>\$ (52,885)</u>	<u>\$ 12,748</u>	<u>\$ 65,633</u>

(Continued)

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	English Language Learner		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants		43	43
Federal aid, grants and reimbursements			
Total revenues		<u>43</u>	<u>43</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures			
Excess (deficiency) of revenues over expenditures		<u>43</u>	<u>43</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances		<u>43</u>	<u>43</u>
Fund balances (deficits), beginning of year			
Fund balances (deficits), end of year	<u>\$</u>	<u>\$ 43</u>	<u>\$ 43</u>

Title I Grants			Professional Development and Technology Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	979,914	979,914		184,796	184,796
	979,914	979,914		184,796	184,796
1,136,573	519,748	616,825			
	398,032	(398,032)	205,847	165,670	40,177
	1,200	(1,200)		19,406	(19,406)
	57,347	(57,347)		3,010	(3,010)
1,136,573	976,327	160,246	205,847	188,086	17,761
(1,136,573)	3,587	1,140,160	(205,847)	(3,290)	202,557
	(14,519)	(14,519)		(2,924)	(2,924)
	(14,519)	(14,519)		(2,924)	(2,924)
(1,136,573)	(10,932)	1,125,641	(205,847)	(6,214)	199,633
	(67,045)	(67,045)		(19,766)	(19,766)
\$ (1,136,573)	\$ (77,977)	\$ 1,058,596	\$ (205,847)	\$ (25,980)	\$ 179,867

(Continued)

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Title IV Grants		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		45,863	45,863
Total revenues		<u>45,863</u>	<u>45,863</u>
Expenditures:			
Current -			
Instruction		1,306	(1,306)
Support services - students and staff	65,607	38,604	27,003
Support services - administration		3,125	(3,125)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay		2,858	(2,858)
Total expenditures	<u>65,607</u>	<u>45,893</u>	<u>19,714</u>
Excess (deficiency) of revenues over expenditures	<u>(65,607)</u>	<u>(30)</u>	<u>65,577</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(680)	(680)
Total other financing sources (uses)		<u>(680)</u>	<u>(680)</u>
Changes in fund balances	<u>(65,607)</u>	<u>(710)</u>	<u>64,897</u>
Fund balances (deficits), beginning of year		(5,794)	(5,794)
Fund balances (deficits), end of year	<u>\$ (65,607)</u>	<u>\$ (6,504)</u>	<u>\$ 59,103</u>

Promote Informed Parent Choice			Limited English & Immigrant Students		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	116,728	116,728		116,141	116,141
	116,728	116,728		116,141	116,141
144,603	700 102,569	(700) 42,034	133,277	21,885 91,404 415	(21,885) 41,873 (415)
	12,182	(12,182)			
144,603	115,451	29,152	133,277	113,704	19,573
(144,603)	1,277	145,880	(133,277)	2,437	135,714
	(1,632)	(1,632)		(1,790)	(1,790)
	(1,632)	(1,632)		(1,790)	(1,790)
(144,603)	(355)	144,248	(133,277)	647	133,924
	(10,728)	(10,728)		(647)	(647)
\$ (144,603)	\$ (11,083)	\$ 133,520	\$ (133,277)	\$	\$ 133,277

(Continued)

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Special Education Grants		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		631,711	631,711
Total revenues		631,711	631,711
Expenditures:			
Current -			
Instruction	772,223	417,930	354,293
Support services - students and staff		181,649	(181,649)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	772,223	599,579	172,644
Excess (deficiency) of revenues over expenditures	(772,223)	32,132	804,355
Other financing sources (uses):			
Transfers in			
Transfers out		(9,451)	(9,451)
Total other financing sources (uses)		(9,451)	(9,451)
Changes in fund balances	(772,223)	22,681	794,904
Fund balances (deficits), beginning of year		(52,864)	(52,864)
Fund balances (deficits), end of year	\$ (772,223)	\$ (30,183)	\$ 742,040

Vocational Education			Medicaid Reimbursement		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$ 876	\$ 876
	165,640	165,640		161,199	161,199
	165,640	165,640		162,075	162,075
167,903	78,387	89,516	577,904	276,678	301,226
	12,536	(12,536)		49,216	(49,216)
				27,038	(27,038)
				33,495	(33,495)
				3,903	(3,903)
				1,663	(1,663)
	71,949	(71,949)		10,075	(10,075)
167,903	162,872	5,031	577,904	402,068	175,836
(167,903)	2,768	170,671	(577,904)	(239,993)	337,911
	(281)	(281)			
	(281)	(281)			
(167,903)	2,487	170,390	(577,904)	(239,993)	337,911
	(1,493)	(1,493)		482,681	482,681
\$ (167,903)	\$ 994	\$ 168,897	\$ (577,904)	\$ 242,688	\$ 820,592

(Continued)

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	National Forest Fees		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues			
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures			
Excess (deficiency) of revenues over expenditures			
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances			
Fund balances (deficits), beginning of year		86,423	86,423
Fund balances (deficits), end of year	\$	\$ 86,423	\$ 86,423

E-Rate			Other Federal Projects		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	194,464	194,464		2,241,968	2,241,968
	194,464	194,464		2,241,968	2,241,968
	5,878	(5,878)	5,208,210	747,688	4,460,522
150,188	173,957	(23,769)		333,965	(333,965)
				492	(492)
				255,195	(255,195)
				279,012	(279,012)
				31,846	(31,846)
				581,786	(581,786)
150,188	179,835	(29,647)	5,208,210	2,229,984	2,978,226
(150,188)	14,629	164,817	(5,208,210)	11,984	5,220,194
				(19,391)	(19,391)
				(19,391)	(19,391)
(150,188)	14,629	164,817	(5,208,210)	(7,407)	5,200,803
	(14,629)	(14,629)		(62,926)	(62,926)
\$ (150,188)	\$	\$ 150,188	\$ (5,208,210)	\$ (70,333)	\$ 5,137,877

(Continued)

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	State Vocational Education		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants		73,990	73,990
Federal aid, grants and reimbursements			
Total revenues		<u>73,990</u>	<u>73,990</u>
Expenditures:			
Current -			
Instruction		21,892	(21,892)
Support services - students and staff		7,896	(7,896)
Support services - administration		7,955	(7,955)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	<u>87,071</u>	<u>36,247</u>	<u>50,824</u>
Total expenditures	<u>87,071</u>	<u>73,990</u>	<u>13,081</u>
Excess (deficiency) of revenues over expenditures	<u>(87,071)</u>		<u>87,071</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	<u>(87,071)</u>		<u>87,071</u>
Fund balances (deficits), beginning of year			
Fund balances (deficits), end of year	<u>\$ (87,071)</u>	<u>\$</u>	<u>\$ 87,071</u>

College Credit Exam Incentives			Results-based Funding		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	10,331	10,331		266,769	266,769
	<u>10,331</u>	<u>10,331</u>		<u>266,769</u>	<u>266,769</u>
	84	(84)	428,700	168,981	259,719
				25,945	(25,945)
				12,878	(12,878)
<u>18,739</u>	<u>425</u>	<u>18,314</u>	<u>428,700</u>	<u>26,778</u>	<u>(26,778)</u>
<u>18,739</u>	<u>509</u>	<u>18,230</u>	<u>428,700</u>	<u>234,582</u>	<u>194,118</u>
<u>(18,739)</u>	<u>9,822</u>	<u>28,561</u>	<u>(428,700)</u>	<u>32,187</u>	<u>460,887</u>
<u>(18,739)</u>	<u>9,822</u>	<u>28,561</u>	<u>(428,700)</u>	<u>32,187</u>	<u>460,887</u>
	8,408	8,408		159,941	159,941
<u>\$ (18,739)</u>	<u>\$ 18,230</u>	<u>\$ 36,969</u>	<u>\$ (428,700)</u>	<u>\$ 192,128</u>	<u>\$ 620,828</u>

(Continued)

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Rural Assistance		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues			
Expenditures:			
Current -			
Instruction			
Support services - students and staff		25,899	(25,899)
Support services - administration		50	(50)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures		25,949	(25,949)
Excess (deficiency) of revenues over expenditures		(25,949)	(25,949)
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances		(25,949)	(25,949)
Fund balances (deficits), beginning of year		26,439	26,439
Fund balances (deficits), end of year	\$	\$ 490	\$ 490

Other State Projects			School Plant		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	274,777	274,777		35,237	35,237
	<u>274,777</u>	<u>274,777</u>		<u>35,237</u>	<u>35,237</u>
320,169	67,563 214,807	(67,563) 105,362	56,968	29,179	27,789
	3,272	(3,272)			
<u>320,169</u>	<u>285,642</u>	<u>34,527</u>	<u>56,968</u>	<u>29,179</u>	<u>27,789</u>
<u>(320,169)</u>	<u>(10,865)</u>	<u>309,304</u>	<u>(56,968)</u>	<u>6,058</u>	<u>63,026</u>
<u>(320,169)</u>	<u>(10,865)</u>	<u>309,304</u>	<u>(56,968)</u>	<u>6,058</u>	<u>63,026</u>
				26,970	26,970
<u>\$ (320,169)</u>	<u>\$ (10,865)</u>	<u>\$ 309,304</u>	<u>\$ (56,968)</u>	<u>\$ 33,028</u>	<u>\$ 89,996</u>

(Continued)

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Food Service		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 7,155	\$ 7,155
State aid and grants			
Federal aid, grants and reimbursements		1,226,795	1,226,795
Total revenues		1,233,950	1,233,950
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services	1,686,960	977,221	709,739
Capital outlay		48,303	(48,303)
Total expenditures	1,686,960	1,025,524	661,436
Excess (deficiency) of revenues over expenditures	(1,686,960)	208,426	1,895,386
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	(1,686,960)	208,426	1,895,386
Fund balances (deficits), beginning of year		180,710	180,710
Fund balances (deficits), end of year	\$ (1,686,960)	\$ 389,136	\$ 2,076,096

Civic Center			Community School		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 2,644	\$ 2,644	\$	\$ 7,205	\$ 7,205
	<u>2,644</u>	<u>2,644</u>		<u>7,205</u>	<u>7,205</u>
46,200	4,857	41,343	58,886		58,886
<u>46,200</u>	<u>4,857</u>	<u>41,343</u>	<u>58,886</u>		<u>58,886</u>
<u>(46,200)</u>	<u>(2,213)</u>	<u>43,987</u>	<u>(58,886)</u>	<u>7,205</u>	<u>66,091</u>
<u>(46,200)</u>	<u>(2,213)</u>	<u>43,987</u>	<u>(58,886)</u>	<u>7,205</u>	<u>66,091</u>
	44,356	44,356		53,786	53,786
<u>\$ (46,200)</u>	<u>\$ 42,143</u>	<u>\$ 88,343</u>	<u>\$ (58,886)</u>	<u>\$ 60,991</u>	<u>\$ 119,877</u>

(Continued)

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Auxiliary Operations		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 39,319	\$ 39,319
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	<u> </u>	<u>39,319</u>	<u>39,319</u>
Expenditures:			
Current -			
Instruction	49,874	57,461	(7,587)
Support services - students and staff		1,646	(1,646)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services		423	(423)
Operation of non-instructional services		40,966	(40,966)
Capital outlay		3,697	(3,697)
Total expenditures	<u>49,874</u>	<u>104,193</u>	<u>(54,319)</u>
Excess (deficiency) of revenues over expenditures	<u>(49,874)</u>	<u>(64,874)</u>	<u>(15,000)</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)	<u> </u>	<u> </u>	<u> </u>
Changes in fund balances	<u>(49,874)</u>	<u>(64,874)</u>	<u>(15,000)</u>
Fund balances (deficits), beginning of year		224,032	224,032
Fund balances (deficits), end of year	<u>\$ (49,874)</u>	<u>\$ 159,158</u>	<u>\$ 209,032</u>

Extracurricular Activities Fees Tax Credit			Gifts and Donations		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 27,075	\$ 27,075	\$	\$ 131,439	\$ 131,439
	<u>27,075</u>	<u>27,075</u>		<u>131,439</u>	<u>131,439</u>
89,593	20,338 1,085	69,255 (1,085)	260,857	44,700 88,418 480 48	216,157 (88,418) (480) (48)
	<u>4,855</u>	<u>(4,855)</u>		<u>37,590</u>	<u>(37,590)</u>
<u>89,593</u>	<u>26,278</u>	<u>63,315</u>	<u>260,857</u>	<u>171,236</u>	<u>89,621</u>
<u>(89,593)</u>	<u>797</u>	<u>90,390</u>	<u>(260,857)</u>	<u>(39,797)</u>	<u>221,060</u>
<u>(89,593)</u>	<u>797</u>	<u>90,390</u>	<u>(260,857)</u>	<u>(39,797)</u>	<u>221,060</u>
	99,251	99,251		186,917	186,917
<u>\$ (89,593)</u>	<u>\$ 100,048</u>	<u>\$ 189,641</u>	<u>\$ (260,857)</u>	<u>\$ 147,120</u>	<u>\$ 407,977</u>

(Continued)

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Fingerprint		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 822	\$ 822
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>822</u>	<u>822</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration	3,340	822	2,518
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>3,340</u>	<u>822</u>	<u>2,518</u>
Excess (deficiency) of revenues over expenditures	<u>(3,340)</u>		<u>3,340</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	<u>(3,340)</u>		<u>3,340</u>
Fund balances (deficits), beginning of year		2,854	2,854
Fund balances (deficits), end of year	<u>\$ (3,340)</u>	<u>\$ 2,854</u>	<u>\$ 6,194</u>

Textbooks			Litigation Recovery		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 2,078	\$ 2,078	\$	\$ 1,003	\$ 1,003
	<u>2,078</u>	<u>2,078</u>		<u>1,003</u>	<u>1,003</u>
15,065	192 767	(192) 14,298	11,522	455 6,387	(455) 5,135
<u>15,065</u>	<u>959</u>	<u>14,106</u>	<u>11,522</u>	<u>6,842</u>	<u>4,680</u>
<u>(15,065)</u>	<u>1,119</u>	<u>16,184</u>	<u>(11,522)</u>	<u>(5,839)</u>	<u>5,683</u>
<u>(15,065)</u>	<u>1,119</u>	<u>16,184</u>	<u>(11,522)</u>	<u>(5,839)</u>	<u>5,683</u>
	14,870	14,870		11,523	11,523
<u>\$ (15,065)</u>	<u>\$ 15,989</u>	<u>\$ 31,054</u>	<u>\$ (11,522)</u>	<u>\$ 5,684</u>	<u>\$ 17,206</u>

(Continued)

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Indirect Costs		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
Revenues:			
Other local	\$	\$ 46	\$ 46
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>46</u>	<u>46</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff		3,243	(3,243)
Support services - administration	100,000	83,398	16,602
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>100,000</u>	<u>86,641</u>	<u>13,359</u>
Excess (deficiency) of revenues over expenditures	<u>(100,000)</u>	<u>(86,595)</u>	<u>13,405</u>
Other financing sources (uses):			
Transfers in		50,668	50,668
Transfers out			
Total other financing sources (uses)		<u>50,668</u>	<u>50,668</u>
Changes in fund balances	<u>(100,000)</u>	<u>(35,927)</u>	<u>64,073</u>
Fund balances (deficits), beginning of year			
Fund balances (deficits), end of year	<u>\$ (100,000)</u>	<u>\$ (35,927)</u>	<u>\$ 64,073</u>

Insurance Refund			Advertisement		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 5,547	\$ 5,547	\$	\$ 1	\$ 1
	<u>5,547</u>	<u>5,547</u>		<u>1</u>	<u>1</u>
19,987		19,987	3,180	217	2,963
<u>19,987</u>		<u>19,987</u>	<u>3,180</u>	<u>217</u>	<u>2,963</u>
<u>(19,987)</u>	<u>5,547</u>	<u>25,534</u>	<u>(3,180)</u>	<u>(216)</u>	<u>2,964</u>
<u>(19,987)</u>	<u>5,547</u>	<u>25,534</u>	<u>(3,180)</u>	<u>(216)</u>	<u>2,964</u>
	14,441	14,441		3,184	3,184
<u>\$ (19,987)</u>	<u>\$ 19,988</u>	<u>\$ 39,975</u>	<u>\$ (3,180)</u>	<u>\$ 2,968</u>	<u>\$ 6,148</u>

(Continued)

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Career Technical Education		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 577,489	\$ 577,489
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		577,489	577,489
Expenditures:			
Current -			
Instruction	973,760	298,448	675,312
Support services - students and staff		111,764	(111,764)
Support services - administration		1,693	(1,693)
Operation and maintenance of plant services		57,173	(57,173)
Student transportation services			
Operation of non-instructional services			
Capital outlay		107,059	(107,059)
Total expenditures	973,760	576,137	397,623
Excess (deficiency) of revenues over expenditures	(973,760)	1,352	975,112
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	(973,760)	1,352	975,112
Fund balances (deficits), beginning of year		18,701	18,701
Fund balances (deficits), end of year	\$ (973,760)	\$ 20,053	\$ 993,813

Arizona Industry Credentials Incentive			Student Activities		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 27,120	\$ 27,120	\$	\$ 36,529	\$ 36,529
	<u>27,120</u>	<u>27,120</u>		<u>36,529</u>	<u>36,529</u>
28,000	13,551	14,449	180,000	55,823	124,177
	13,409	(13,409)		1,701	(1,701)
<u>28,000</u>	<u>26,960</u>	<u>1,040</u>	<u>180,000</u>	<u>57,524</u>	<u>122,476</u>
<u>(28,000)</u>	<u>160</u>	<u>28,160</u>	<u>(180,000)</u>	<u>(20,995)</u>	<u>159,005</u>
<u>(28,000)</u>	<u>160</u>	<u>28,160</u>	<u>(180,000)</u>	<u>(20,995)</u>	<u>159,005</u>
				128,593	128,593
<u>\$ (28,000)</u>	<u>\$ 160</u>	<u>\$ 28,160</u>	<u>\$ (180,000)</u>	<u>\$ 107,598</u>	<u>\$ 287,598</u>

(Continued)

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Totals		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 933,833	\$ 933,833
State aid and grants		2,615,398	2,615,398
Federal aid, grants and reimbursements		6,065,219	6,065,219
Total revenues		<u>9,614,450</u>	<u>9,614,450</u>
Expenditures:			
Current -			
Instruction	12,074,936	4,626,905	7,448,031
Support services - students and staff	1,109,440	2,095,423	(985,983)
Support services - administration	114,862	182,816	(67,954)
Operation and maintenance of plant services	207,156	549,047	(341,891)
Student transportation services	52,885	307,633	(254,748)
Operation of non-instructional services	1,686,960	1,051,696	635,264
Capital outlay	105,810	1,022,543	(916,733)
Total expenditures	<u>15,352,049</u>	<u>9,836,063</u>	<u>5,515,986</u>
Excess (deficiency) of revenues over expenditures	<u>(15,352,049)</u>	<u>(221,613)</u>	<u>15,130,436</u>
Other financing sources (uses):			
Transfers in		50,668	50,668
Transfers out		(50,668)	(50,668)
Total other financing sources (uses)			
Changes in fund balances	<u>(15,352,049)</u>	<u>(221,613)</u>	<u>15,130,436</u>
Fund balances (deficits), beginning of year		1,890,538	1,890,538
Fund balances (deficits), end of year	<u>\$ (15,352,049)</u>	<u>\$ 1,668,925</u>	<u>\$ 17,020,974</u>

DEBT SERVICE FUND

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

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2021

	Debt Service		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Property taxes	\$	\$ 2,380,784	\$ 2,380,784
Total revenues		<u>2,380,784</u>	<u>2,380,784</u>
Expenditures:			
Debt service -			
Principal retirement	1,670,000	1,670,000	
Interest and fiscal charges	791,960	792,961	(1,001)
Total expenditures	<u>2,461,960</u>	<u>2,462,961</u>	<u>(1,001)</u>
Excess (deficiency) of revenues over expenditures	<u>(2,461,960)</u>	<u>(82,177)</u>	<u>2,379,783</u>
Other financing sources (uses):			
Transfers in		6,932	6,932
Total other financing sources (uses)		<u>6,932</u>	<u>6,932</u>
Changes in fund balances	<u>(2,461,960)</u>	<u>(75,245)</u>	<u>2,386,715</u>
Fund balances, beginning of year		24,129	24,129
Fund balances (deficits), end of year	<u>\$ (2,461,960)</u>	<u>\$ (51,116)</u>	<u>\$ 2,410,844</u>

CAPITAL PROJECTS FUNDS

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

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

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

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

Energy and Water Savings - to account for capital investment monies, energy related rebate, or grant monies, and monies from other funding sources to fund energy or water savings projects in school facilities in accordance with A.R.S. §15-910.02.

Building Renewal Grant - to account for building renewal grant monies requested from the School Facilities Board that are used for infrastructure or for major upgrades, repairs, or renovations to areas, systems, or buildings that will maintain or extend their useful life.

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

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2021

	Adjacent Ways	Building Renewal Grant	New School Facilities
<u>ASSETS</u>			
Cash and investments	\$ 6,205	\$	\$
Due from governmental entities		378,466	
Total assets	\$ 6,205	\$ 378,466	\$
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$ 140,275	\$
Due to other funds		237,734	14,683
Total liabilities		378,009	14,683
Fund balances (deficits):			
Restricted	6,205	457	
Unassigned			(14,683)
Total fund balances	6,205	457	(14,683)
 Total liabilities and fund balances	\$ 6,205	\$ 378,466	\$

Totals

\$	6,205
	<u>378,466</u>
\$	<u><u>384,671</u></u>

\$	140,275
	<u>252,417</u>
	<u>392,692</u>

	6,662
	<u>(14,683)</u>
	<u>(8,021)</u>

\$	<u><u>384,671</u></u>
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SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2021

	<u>Adjacent Ways</u>	<u>Energy and Water Savings</u>	<u>Building Renewal Grant</u>
Revenues:			
Other local	\$ 3	\$	\$
Property taxes	190		
State aid and grants			655,729
Federal aid, grants and reimbursements		103,076	
Total revenues	<u>193</u>	<u>103,076</u>	<u>655,729</u>
Expenditures:			
Capital outlay			627,313
Debt service -			
Principal retirement		302,159	
Interest and fiscal charges		153,430	
Total expenditures		<u>455,589</u>	<u>627,313</u>
Excess (deficiency) of revenues over expenditures	<u>193</u>	<u>(352,513)</u>	<u>28,416</u>
Other financing sources (uses):			
Transfers in		352,513	
Total other financing sources (uses)		<u>352,513</u>	
Changes in fund balances	<u>193</u>		<u>28,416</u>
Fund balances (deficits), beginning of year	6,012		(27,959)
Fund balances (deficits), end of year	<u>\$ 6,205</u>	<u>\$</u>	<u>\$ 457</u>

<u>New School Facilities</u>	<u>Totals</u>
\$	\$
	3
	190
288,443	944,172
	103,076
<u>288,443</u>	<u>1,047,441</u>
235,649	862,962
	302,159
	153,430
<u>235,649</u>	<u>1,318,551</u>
<u>52,794</u>	<u>(271,110)</u>
	352,513
	<u>352,513</u>
<u>52,794</u>	<u>81,403</u>
(67,477)	(89,424)
<u>\$ (14,683)</u>	<u>\$ (8,021)</u>

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2021

	Insurance Proceeds		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 5,082	\$ 5,082
Property taxes			
State aid and grants			
Total revenues	<u>5,082</u>	<u>5,082</u>	<u>5,082</u>
Expenditures:			
Capital outlay	1,000	250	750
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	<u>1,000</u>	<u>250</u>	<u>750</u>
Excess (deficiency) of revenues over expenditures	<u>(1,000)</u>	<u>4,832</u>	<u>5,832</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	<u>(1,000)</u>	<u>4,832</u>	<u>5,832</u>
Fund balances (deficits), beginning of year		65	65
Fund balances (deficits), end of year	<u>\$ (1,000)</u>	<u>\$ 4,897</u>	<u>\$ 5,897</u>

Unrestricted Capital Outlay			Adjacent Ways		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 34,837	\$ 34,837	\$	\$ 3	\$ 3
	284,922	284,922		190	190
	956,870	956,870			
	<u>1,276,629</u>	<u>1,276,629</u>		<u>193</u>	<u>193</u>
2,311,710	770,024	1,541,686	5,990		5,990
<u>2,311,710</u>	<u>770,024</u>	<u>1,541,686</u>	<u>5,990</u>		<u>5,990</u>
<u>(2,311,710)</u>	<u>506,605</u>	<u>2,818,315</u>	<u>(5,990)</u>	<u>193</u>	<u>6,183</u>
<u>(2,311,710)</u>	<u>506,605</u>	<u>2,818,315</u>	<u>(5,990)</u>	<u>193</u>	<u>6,183</u>
	5,767,046	5,767,046		6,012	6,012
<u>\$ (2,311,710)</u>	<u>\$ 6,273,651</u>	<u>\$ 8,585,361</u>	<u>\$ (5,990)</u>	<u>\$ 6,205</u>	<u>\$ 12,195</u>

(Continued)

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2021

	Bond Building		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 7,595	\$ 7,595
Property taxes			
State aid and grants			
Total revenues	16,455,167	6,398,645	10,056,522
Expenditures:			
Capital outlay	16,455,167	6,398,645	10,056,522
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	16,455,167	6,398,645	10,056,522
Excess (deficiency) of revenues over expenditures	(16,455,167)	(6,391,050)	10,064,117
Other financing sources (uses):			
Transfers in			
Transfers out		(6,932)	(6,932)
Total other financing sources (uses)		(6,932)	(6,932)
Changes in fund balances	(16,455,167)	(6,397,982)	10,057,185
Fund balances (deficits), beginning of year		16,455,167	16,455,167
Fund balances (deficits), end of year	\$ (16,455,167)	\$ 10,057,185	\$ 26,512,352

Energy and Water Savings			Building Renewal Grant		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
				655,729	655,729
				655,729	655,729
			6,358,607	627,313	5,731,294
302,159	302,159				
47,465	50,354	(2,889)			
349,624	352,513	(2,889)	6,358,607	627,313	5,731,294
(349,624)	(352,513)	(2,889)	(6,358,607)	28,416	6,387,023
	352,513	352,513			
	352,513	352,513			
(349,624)		349,624	(6,358,607)	28,416	6,387,023
				(27,959)	(27,959)
\$ (349,624)	\$	\$ 349,624	\$ (6,358,607)	\$ 457	\$ 6,359,064

(Continued)

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2021

	New School Facilities		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
Property taxes			
State aid and grants		288,443	288,443
Total revenues		<u>288,443</u>	<u>288,443</u>
Expenditures:			
Capital outlay	5,113,708	235,649	4,878,059
Debt service - Principal retirement Interest and fiscal charges			
Total expenditures	<u>5,113,708</u>	<u>235,649</u>	<u>4,878,059</u>
Excess (deficiency) of revenues over expenditures	<u>(5,113,708)</u>	<u>52,794</u>	<u>5,166,502</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	<u>(5,113,708)</u>	<u>52,794</u>	<u>5,166,502</u>
Fund balances (deficits), beginning of year		(67,477)	(67,477)
Fund balances (deficits), end of year	<u>\$ (5,113,708)</u>	<u>\$ (14,683)</u>	<u>\$ 5,099,025</u>

Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 47,517	\$ 47,517
	285,112	285,112
	1,901,042	1,901,042
	<u>2,233,671</u>	<u>2,233,671</u>
30,246,182	8,031,881	22,214,301
302,159	302,159	
47,465	50,354	(2,889)
<u>30,595,806</u>	<u>8,384,394</u>	<u>22,211,412</u>
<u>(30,595,806)</u>	<u>(6,150,723)</u>	<u>24,445,083</u>
	352,513	352,513
	(6,932)	(6,932)
	<u>345,581</u>	<u>345,581</u>
<u>(30,595,806)</u>	<u>(5,805,142)</u>	<u>24,790,664</u>
	22,132,854	22,132,854
<u>\$ (30,595,806)</u>	<u>\$ 16,327,712</u>	<u>\$ 46,923,518</u>

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STATISTICAL SECTION

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

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SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Net Position:					
Net investment in capital assets	\$ 33,283,415	\$ 32,890,761	\$ 33,335,548	\$ 31,675,978	\$ 34,960,327
Restricted	7,867,051	7,173,904	6,093,938	6,430,929	7,105,995
Unrestricted	<u>(13,282,768)</u>	<u>(13,331,908)</u>	<u>(12,370,330)</u>	<u>(9,646,776)</u>	<u>(9,630,048)</u>
Total net position	<u><u>\$ 27,867,698</u></u>	<u><u>\$ 26,732,757</u></u>	<u><u>\$ 27,059,156</u></u>	<u><u>\$ 28,460,131</u></u>	<u><u>\$ 32,436,274</u></u>
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Net Position:					
Net investment in capital assets	\$ 35,511,008	\$ 36,443,644	\$ 37,445,725	\$ 34,297,573	\$ 37,031,052
Restricted	7,350,722	7,994,025	8,339,778	10,657,796	7,068,760
Unrestricted	<u>(8,302,967)</u>	<u>(7,126,421)</u>	<u>17,388,634</u>	<u>18,410,545</u>	<u>17,274,963</u>
Total net position	<u><u>\$ 34,558,763</u></u>	<u><u>\$ 37,311,248</u></u>	<u><u>\$ 63,174,137</u></u>	<u><u>\$ 63,365,914</u></u>	<u><u>\$ 61,374,775</u></u>

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

Note: The decrease in unrestricted net position during fiscal year 2015 is due to the implementation of the pension reporting standards.

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Expenses					
Instruction	\$ 18,018,580	\$ 17,096,522	\$ 15,125,995	\$ 14,473,766	\$ 13,757,950
Support services - students and staff	5,095,318	4,528,250	4,551,414	4,384,451	4,145,534
Support services - administration	3,465,259	3,093,693	2,604,333	2,552,176	2,566,449
Operation and maintenance of plant services	3,482,868	3,156,279	4,066,153	3,122,662	3,100,868
Student transportation services	2,182,874	1,938,180	1,862,120	1,741,128	1,569,890
Operation of non-instructional services	1,227,026	1,880,913	1,816,655	1,803,501	1,669,013
Interest on long-term debt	846,178	236,604	252,167	260,479	146,261
Total expenses	<u>34,318,103</u>	<u>31,930,441</u>	<u>30,278,837</u>	<u>28,338,163</u>	<u>26,955,965</u>
Program Revenues					
Charges for services:					
Instruction	496,207	723,832	490,466	700,060	459,211
Operation of non-instructional services	46,365	42,591	63,782	56,965	261,554
Other activities	277,302	263,880	243,268	69,127	65,314
Operating grants and contributions	5,975,058	4,820,248	5,322,142	4,615,624	4,625,965
Capital grants and contributions	1,768,862	905,128	450,176	362,440	344,989
Total program revenues	<u>8,563,794</u>	<u>6,755,679</u>	<u>6,569,834</u>	<u>5,804,216</u>	<u>5,757,033</u>
Net (Expense)/Revenue	<u>\$ (25,754,309)</u>	<u>\$ (25,174,762)</u>	<u>\$ (23,709,003)</u>	<u>\$ (22,533,947)</u>	<u>\$ (21,198,932)</u>

(Continued)

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Expenses					
Instruction	\$ 13,961,394	\$ 13,924,663	\$ 14,291,945	\$ 13,205,520	\$ 15,599,674
Support services - students and staff	4,501,975	4,301,611	4,643,246	4,598,129	3,944,557
Support services - administration	2,434,996	2,544,283	2,243,769	2,380,489	2,344,181
Operation and maintenance of plant services	2,940,378	2,820,726	2,534,369	3,208,236	2,948,557
Student transportation services	1,603,456	1,675,586	1,704,321	1,739,769	2,135,651
Operation of non-instructional services	1,642,404	1,621,420	1,424,036	1,644,826	1,736,793
Interest on long-term debt	278,376	301,076	339,713	376,294	337,646
Total expenses	<u>27,362,979</u>	<u>27,189,365</u>	<u>27,181,399</u>	<u>27,153,263</u>	<u>29,047,059</u>
Program Revenues					
Charges for services:					
Instruction	429,735	621,767	496,114	404,548	367,929
Operation of non-instructional services	243,460	62,191	57,510	230,957	231,444
Other activities	36,110	37,561	71,692	57,979	16,004
Operating grants and contributions	5,170,424	4,721,462	5,489,621	5,481,740	5,307,680
Capital grants and contributions	255,260	350,758	784,910	1,709,552	1,067,053
Total program revenues	<u>6,134,989</u>	<u>5,793,739</u>	<u>6,899,847</u>	<u>7,884,776</u>	<u>6,990,110</u>
Net (Expense)/Revenue	<u>\$ (21,227,990)</u>	<u>\$ (21,395,626)</u>	<u>\$ (20,281,552)</u>	<u>\$ (19,268,487)</u>	<u>\$ (22,056,949)</u>

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

(Concluded)

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Net (Expense)/Revenue	\$ (25,754,309)	\$ (25,174,762)	\$ (23,709,003)	\$ (22,533,947)	\$ (21,198,932)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	5,242,754	4,388,621	4,505,871	5,092,106	3,380,378
Property taxes, levied for debt service	2,498,808	704,510	677,198		650,896
Property taxes, levied for capital outlay	289,482	240,207	146,655	74,640	2,470
Investment income	12,610	84,006	124,907	268,612	18,024
Unrestricted county aid	541,602	529,232	494,363	478,042	483,424
Unrestricted state aid	18,142,795	18,281,445	15,804,766	14,422,864	14,281,325
Unrestricted federal aid	161,199	407,211	554,268	453,730	259,926
Total general revenues	<u>26,889,250</u>	<u>24,635,232</u>	<u>22,308,028</u>	<u>20,789,994</u>	<u>19,076,443</u>
Changes in Net Position	<u>\$ 1,134,941</u>	<u>\$ (539,530)</u>	<u>\$ (1,400,975)</u>	<u>\$ (1,743,953)</u>	<u>\$ (2,122,489)</u>

(Continued)

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Net (Expense)/Revenue	\$ (21,227,990)	\$ (21,395,626)	\$ (20,281,552)	\$ (19,268,487)	\$ (22,056,949)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	4,222,527	5,680,036	7,399,054	7,668,362	8,879,329
Property taxes, levied for debt service	580,213	715,479	72,282	879,141	119,986
Property taxes, levied for capital outlay	54,397	320,977	514,493	1,026,315	1,424,785
Investment income	16,110	6,427	15,861	10,186	114,057
Unrestricted county aid	482,161	476,666	490,680	524,028	471,669
Unrestricted state aid	12,890,282	12,027,908	11,496,187	11,069,758	11,921,045
Unrestricted federal aid	229,815	229,179	101,218	81,836	106,488
Total general revenues	<u>18,475,505</u>	<u>19,456,672</u>	<u>20,089,775</u>	<u>21,259,626</u>	<u>23,037,359</u>
Changes in Net Position	<u>\$ (2,752,485)</u>	<u>\$ (1,938,954)</u>	<u>\$ (191,777)</u>	<u>\$ 1,991,139</u>	<u>\$ 980,410</u>

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

(Concluded)

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
General Fund:					
Unassigned	\$ 9,457,540	\$ 9,376,554	\$ 9,960,881	\$ 11,794,989	\$ 13,330,199
Total General Fund	\$ 9,457,540	\$ 9,376,554	\$ 9,960,881	\$ 11,794,989	\$ 13,330,199
All Other Governmental Funds:					
Restricted	\$ 17,744,836	\$ 23,517,532	\$ 5,991,044	\$ 6,408,538	\$ 7,120,539
Unassigned	(298,724)	(331,328)	(157,425)	(126,049)	(18,666)
Total all other governmental funds	\$ 17,446,112	\$ 23,186,204	\$ 5,833,619	\$ 6,282,489	\$ 7,101,873

(Continued)

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General Fund:					
Nondisposable	\$	\$	\$ 155,000	\$ 383,559	\$ 171,401
Unassigned	15,071,528	16,751,308	16,963,689	16,889,755	15,717,044
Total General Fund	<u>\$ 15,071,528</u>	<u>\$ 16,751,308</u>	<u>\$ 17,118,689</u>	<u>\$ 17,273,314</u>	<u>\$ 15,888,445</u>
All Other Governmental Funds:					
Nondisposable	\$	\$	\$	\$	\$ 16,752
Restricted	7,257,081	8,058,417	8,362,701	10,625,836	6,866,541
Unassigned	(61,453)	(17,620)	(18,191)	(72,401)	(6,663)
Total all other governmental funds	<u>\$ 7,195,628</u>	<u>\$ 8,040,797</u>	<u>\$ 8,344,510</u>	<u>\$ 10,553,435</u>	<u>\$ 6,876,630</u>

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

(Concluded)

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Federal sources:					
Federal grants	\$ 4,941,500	\$ 2,845,383	\$ 3,891,291	\$ 3,048,960	\$ 3,405,183
National School Lunch Program	1,226,795	1,777,839	1,606,389	1,557,940	1,536,908
Total federal sources	<u>6,168,295</u>	<u>4,623,222</u>	<u>5,497,680</u>	<u>4,606,900</u>	<u>4,942,091</u>
State sources:					
State equalization assistance	16,180,427	16,319,729	13,196,794	12,640,518	12,751,175
State grants	653,030	1,038,846	363,319	380,553	104,491
School Facilities Board	944,172	46,166	11,015		
Other revenues	1,962,368	1,961,716	2,603,311	1,803,178	1,530,150
Total state sources	<u>19,739,997</u>	<u>19,366,457</u>	<u>16,174,439</u>	<u>14,824,249</u>	<u>14,385,816</u>
Local sources:					
Property taxes	7,919,955	5,398,737	5,260,634	4,962,837	4,422,340
County aid	541,602	529,232	494,363	478,042	483,424
Food service sales	7,046	42,591	63,782	56,965	56,604
Investment income	12,610	84,006	124,907	268,612	18,024
Other revenues	971,221	1,306,617	1,163,651	1,017,198	907,416
Total local sources	<u>9,452,434</u>	<u>7,361,183</u>	<u>7,107,337</u>	<u>6,783,654</u>	<u>5,887,808</u>
Total revenues	<u><u>\$ 35,360,726</u></u>	<u><u>\$ 31,350,862</u></u>	<u><u>\$ 28,779,456</u></u>	<u><u>\$ 26,214,803</u></u>	<u><u>\$ 25,215,715</u></u>

(Continued)

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Federal sources:					
Federal grants	\$ 3,846,865	\$ 3,553,929	\$ 4,262,452	\$ 4,617,072	\$ 4,318,075
Education Jobs					305,747
National School Lunch Program	1,484,248	1,417,890	1,373,878	1,491,708	1,412,604
Total federal sources	<u>5,331,113</u>	<u>4,971,819</u>	<u>5,636,330</u>	<u>6,108,780</u>	<u>6,036,426</u>
State sources:					
State equalization assistance	11,426,581	10,662,890	10,111,413	9,968,674	10,779,974
State grants	63,789	102,987	208,250	656,229	194,617
School Facilities Board	23,100		138,542		
Other revenues	1,463,701	1,365,017	1,384,774	1,101,084	1,214,328
Total state sources	<u>12,977,171</u>	<u>12,130,894</u>	<u>11,842,979</u>	<u>11,725,987</u>	<u>12,188,919</u>
Local sources:					
Property taxes	5,227,378	6,985,906	8,132,748	9,769,049	10,358,809
County aid	482,161	476,666	490,680	524,028	471,669
Food service sales	60,197	62,191	57,510	230,932	231,444
Investment income	16,110	6,427	15,861	10,948	114,057
Other revenues	886,605	885,922	960,433	1,017,316	586,704
Total local sources	<u>6,672,451</u>	<u>8,417,112</u>	<u>9,657,232</u>	<u>11,552,273</u>	<u>11,762,683</u>
Total revenues	<u>\$ 24,980,735</u>	<u>\$ 25,519,825</u>	<u>\$ 27,136,541</u>	<u>\$ 29,387,040</u>	<u>\$ 29,988,028</u>

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

(Concluded)

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Expenditures:					
Current -					
Instruction	\$ 15,333,365	\$ 14,877,921	\$ 14,062,198	\$ 13,664,442	\$ 12,596,583
Support services - students and staff	4,903,289	4,343,656	4,611,981	4,479,086	4,158,314
Support services - administration	2,964,093	2,872,606	2,564,568	2,478,475	2,505,608
Operation and maintenance of plant services	3,173,960	2,975,457	3,903,573	2,958,930	2,964,847
Student transportation services	1,541,413	1,678,440	1,728,526	1,567,161	1,463,903
Operation of non-instructional services	1,130,738	1,844,431	1,781,667	1,768,369	1,650,827
Capital outlay	9,054,424	1,568,716	1,259,213	779,851	794,658
Debt service -					
Interest and fiscal charges	946,391	213,217	228,780	240,016	136,028
Principal retirement	1,972,159	951,851	921,928	667,376	786,388
Bond issuance costs		297,840			51,294
Total expenditures	<u>\$ 41,019,832</u>	<u>\$ 31,624,135</u>	<u>\$ 31,062,434</u>	<u>\$ 28,603,706</u>	<u>\$ 27,108,450</u>
Expenditures for capitalized assets	\$ 6,817,850	\$ 916,882	\$ 723,190	\$ 94,006	\$ 527,005
Debt service as a percentage of noncapital expenditures	9%	4%	4%	3%	3%

(Continued)

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Expenditures:					
Current -					
Instruction	\$ 12,376,931	\$ 12,050,644	\$ 12,079,386	\$ 11,500,691	\$ 12,911,651
Support services - students and staff	4,431,560	4,115,707	4,504,380	4,364,026	3,589,359
Support services - administration	2,391,499	2,365,409	2,105,603	2,183,065	2,065,800
Operation and maintenance of plant services	2,768,662	2,507,370	2,529,207	3,016,389	2,697,398
Student transportation services	1,423,818	1,437,742	1,476,195	1,406,256	1,708,131
Operation of non-instructional services	1,609,265	1,590,495	1,399,352	1,598,145	1,656,754
Capital outlay	1,583,029	1,053,439	4,079,832	3,122,904	1,809,302
Debt service -					
Interest and fiscal charges	278,376	301,076	339,713	376,294	337,646
Principal retirement	642,544	614,037	757,864	974,484	1,011,844
Total expenditures	<u>\$ 27,505,684</u>	<u>\$ 26,035,919</u>	<u>\$ 29,271,532</u>	<u>\$ 28,542,254</u>	<u>\$ 27,787,885</u>
Expenditures for capitalized assets	\$ 555,335	\$ 198,609	\$ 3,434,016	\$ 2,066,352	\$ 470,570
Debt service as a percentage of noncapital expenditures	3%	4%	4%	5%	5%

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

(Concluded)

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
OTHER FINANCING SOURCES AND USES AND NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Excess (deficiency) of revenues over expenditures	\$ (5,659,106)	\$ (273,273)	\$ (2,282,978)	\$ (2,388,903)	\$ (1,892,735)
Other financing sources (uses):					
Issuance of school improvement bonds		14,480,000			
Refunding bonds issued					4,050,000
Premium on sale of bonds		2,348,400			
Insurance recoveries				34,309	6,357
Transfers in	410,113	414,030	413,678	383,415	419,752
Transfers out	(410,113)	(414,030)	(413,678)	(383,415)	(419,752)
Payment to refunded bond escrow agent					(3,998,706)
Total other financing sources (uses)		<u>16,828,400</u>		<u>34,309</u>	<u>57,651</u>
Changes in fund balances	<u>\$ (5,659,106)</u>	<u>\$ 16,555,127</u>	<u>\$ (2,282,978)</u>	<u>\$ (2,354,594)</u>	<u>\$ (1,835,084)</u>
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Excess (deficiency) of revenues over expenditures	\$ (2,524,949)	\$ (516,094)	\$ (2,134,991)	\$ 844,786	\$ 2,200,143
Other financing sources (uses):					
Capital lease agreements				4,021,482	
Transfers in	434,848	307,489	268,033	254,895	150,668
Transfers out	(434,848)	(307,489)	(268,033)	(254,895)	(150,668)
Total other financing sources (uses)				<u>4,021,482</u>	
Changes in fund balances	<u>\$ (2,524,949)</u>	<u>\$ (516,094)</u>	<u>\$ (2,134,991)</u>	<u>\$ 4,866,268</u>	<u>\$ 2,200,143</u>

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

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
NET LIMITED ASSESSED VALUE AND FULL CASH VALUE OF TAXABLE PROPERTY BY CLASS
LAST TEN FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Commercial, Industrial, Utilities and Mining	\$ 47,489,043	\$ 44,082,739	\$ 41,172,605	\$ 39,329,813	\$ 37,809,690
Agricultural and Vacant	22,559,441	22,418,305	22,284,367	22,615,520	22,926,134
Residential (Owner Occupied)	69,432,157	62,465,547	58,591,137	54,758,003	52,157,942
Residential (Rental)	23,117,396	23,636,869	22,360,202	22,146,775	21,861,963
Railroad, Private Cars and Airlines	1,597,000	1,744,310	1,882,769	1,852,917	1,571,361
Historical Property	447	11,038	10,521	10,024	9,540
Total	\$ 164,195,484	\$ 154,358,808	\$ 146,301,601	\$ 140,713,052	\$ 136,336,630
Gross Full Cash Value	\$ 1,619,124,164	\$ 1,495,401,489	\$ 1,435,903,150	\$ 1,314,317,829	\$ 1,257,046,342
Ratio of Net Limited Assessed Value to Gross Full Cash Value	10%	10%	10%	11%	11%
Total Direct Rate	5.63	4.25	4.37	4.33	3.81

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Commercial, Industrial, Utilities and Mining	\$ 38,662,524	\$ 37,323,291	\$ 37,113,776	\$ 37,816,295	\$ 38,223,576
Agricultural and Vacant	27,455,142	30,203,692	32,685,909	38,311,677	46,164,191
Residential (Owner Occupied)	50,202,139	52,469,908	56,842,196	63,260,241	89,889,987
Residential (Rental)	21,225,230	21,053,055	22,450,194	25,671,063	9,319,137
Railroad, Private Cars and Airlines	1,572,511	1,619,043	1,273,466	1,178,283	1,029,260
Historical Property	8,723	20,446	19,869	18,498	25,194
Total	\$ 139,126,269	\$ 142,689,435	\$ 150,385,410	\$ 166,256,057	\$ 184,651,345
Gross Full Cash Value	\$ 1,195,095,363	\$ 1,205,501,603	\$ 1,261,336,702	\$ 1,401,672,364	\$ 1,546,864,985
Ratio of Net Limited Assessed Value to Gross Full Cash Value	12%	12%	12%	12%	12%
Total Direct Rate	5.67	5.72	6.22	6.67	6.76

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

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

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
NET FULL CASH ASSESSED VALUE OF TAXABLE PROPERTY BY CLASS
LAST TEN FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Commercial, Industrial, Utilities and Mining	\$ 51,123,866	\$ 47,220,278	\$ 45,260,399	\$ 40,872,670	\$ 39,515,958
Agricultural and Vacant	26,367,858	25,955,827	25,696,224	25,255,684	25,221,397
Residential (Owner Occupied)	83,332,561	73,488,056	69,723,345	62,043,094	57,731,523
Residential (Rental)	26,042,926	25,939,201	24,904,172	23,754,669	23,266,120
Railroad, Private Cars and Airlines	1,984,134	2,121,802	2,238,230	2,130,668	1,669,167
Historical Property	596	11,969	11,804	11,715	10,117
Total	\$ 188,851,941	\$ 174,737,133	\$ 167,834,174	\$ 154,068,500	\$ 147,414,282
Gross Full Cash Value	\$ 1,619,124,164	\$ 1,495,401,489	\$ 1,435,903,150	\$ 1,314,317,829	\$ 1,257,046,342
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	12%	12%	12%	12%	12%
Estimated Net Full Cash Value	1,435,045,494	1,374,546,378	1,256,619,974	1,201,908,907	1,198,605,814
Total Direct Rate	5.63	4.25	4.37	4.33	3.81

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Commercial, Industrial, Utilities and Mining	\$ 39,265,876	\$ 37,692,539	\$ 37,172,077	\$ 37,968,928	\$ 38,223,576
Agricultural and Vacant	27,736,588	30,476,102	32,851,855	39,603,427	46,164,191
Residential (Owner Occupied)	51,255,031	52,560,044	56,954,093	63,396,669	89,889,987
Residential (Rental)	21,736,666	21,138,606	22,475,369	25,690,935	9,319,137
Railroad, Private Cars and Airlines	1,598,443	1,631,579	1,283,294	1,195,907	1,029,260
Historical Property	8,723	23,461	24,432	24,702	25,194
Total	\$ 141,601,327	\$ 143,522,331	\$ 150,761,120	\$ 167,880,568	\$ 184,651,345
Gross Full Cash Value	\$ 1,195,095,363	\$ 1,205,501,603	\$ 1,261,336,702	\$ 1,401,672,364	\$ 1,546,864,985
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	12%	12%	12%	12%	12%
Estimated Net Full Cash Value	1,110,970,536	1,121,299,220	1,185,080,469	132,155,352	1,462,905,126
Total Direct Rate	5.67	5.72	6.22	6.67	6.76

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

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

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
PROPERTY TAX ASSESSMENT RATIOS
LAST TEN FISCAL YEARS

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

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

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

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

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Overlapping Rates								District Direct Rates		
	State	County	Flood Control District	Community College District	Fire District Assistance	Tubac F.D.	Rio Rico F.D.	Nogales Surburban F.D.	Primary	Secondary	Total
	Equalization										
2021	0.44	3.98	0.80	0.47	0.10	3.39	3.68	3.25	3.67	1.95	5.63
2020	0.46	3.98	0.80	0.48	0.10	3.42	3.68	3.25	3.79	0.46	4.25
2019	0.47	3.88	0.78	0.49	0.10	3.42	3.57	3.25	3.94	0.44	4.37
2018	0.49	3.83	0.77	0.50	0.10	3.50	3.72	3.25	4.33	0.00	4.33
2017	0.50	3.81	0.76	0.49	0.10	3.51	3.82	3.25	2.86	0.96	3.81
2016	0.51	3.81	0.76	0.47	0.10	3.43	3.83	3.25	4.56	1.11	5.67
2015	0.51	3.65	0.73	0.45	0.10	3.40	3.78	3.25	4.63	1.10	5.72
2014	0.51	3.42	0.68	0.42	0.10	3.29	3.75	3.25	5.23	0.99	6.22
2013	0.47	2.82	0.56	0.07	0.10	3.26	3.65	3.25	5.61	1.06	6.67
2012	0.43	2.82	0.56	0.07	0.10	3.21	3.33	3.25	5.57	1.19	6.76

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

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
PRINCIPAL PROPERTY TAXPAYERS
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR**

<u>Taxpayer</u>	<u>2021</u>		<u>2012</u>	
	<u>Net Limited Assessed Valuation</u>	<u>Percentage of District's Net Limited Assessed Valuation</u>	<u>Net Full Cash Assessed Valuation</u>	<u>Percentage of District's Net Full Cash Assessed Valuation</u>
Unisource Energy Corporation	\$ 8,971,774	5.46 %		%
Delta Properties LLP	3,408,503	2.08		
Crisantes Properties, LLC	2,873,896	1.75		
Union Pacific Railroad	1,963,934	1.20		
Tubac Management Co. LLC	1,449,480	0.88	1,859,196	1.01
Rio Rico Utilities Inc.	1,233,561	0.75	1,591,398	0.86
Palita Properties LLC	1,055,512	0.64		
Tarriba Properties Inc.	977,814	0.60		
Rio Rico GSA ICE FWS LLC	972,670	0.59		
Buckeye Land Investments Inc.	944,778	0.58		
Vatere LLC			1,037,604	0.56
Rio Rico Properties			1,215,178	0.66
Moroleon Inc., an Arizona Corporation			862,446	0.47
H/7 Corporation			285,029	0.15
Passaic Investment LLC			645,325	0.35
Total	<u>\$ 23,851,922</u>	<u>14.53 %</u>	<u>\$ 7,496,176</u>	<u>4.06 %</u>

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

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

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Fiscal Years	Collected to the End of the Current Fiscal Year	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2021	\$ 7,962,261	\$ 7,553,412	94.87 %	\$	\$ 7,553,412	94.87 %
2020	5,396,802	5,110,077	94.69	189,033	5,299,110	98.19
2019	5,351,234	5,066,552	94.68	196,190	5,262,742	98.35
2018	5,004,885	4,730,029	94.51	198,464	4,928,493	98.47
2017	4,417,798	4,183,829	94.70	167,365	4,351,194	98.49
2016	5,186,506	4,863,028	93.76	301,462	5,164,490	99.58
2015	8,013,590	6,494,095	81.04	1,503,120	7,997,215	99.80
2014	9,339,374	7,599,947	81.38	1,727,908	9,327,855	99.88
2013	10,135,105	9,097,999	89.77	1,029,693	10,127,692	99.93
2012	10,731,923	9,563,796	89.12	1,164,843	10,728,639	99.97

Source: The source of this information is the 2021 Santa Cruz County Treasurer's records.

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

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	General Obligation Bonds					Total Outstanding Debt				
	General Obligation Bonds	Less: Amounts Restricted for Principal	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Capital Leases	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Percentage of Personal Income
2021	\$ 17,579,800	\$ 125,682	\$ 17,454,118	1.08 %	\$ 886	\$ 4,443,237	\$ 22,023,037	1.36 %	\$ 1,118	1.11 %
2020	19,373,400	82,903	19,290,497	1.29	979	4,745,396	24,118,796	1.61	1,224	1.32
2019	3,205,000	92,293	3,112,707	0.22	151	5,037,247	8,242,247	0.57	399	0.45
2018	3,845,000	120,407	3,724,593	0.28	181	5,319,175	9,164,175	0.70	446	0.54
2017	4,730,000	558,229	4,171,771	0.33	199	3,355,601	8,085,601	0.64	385	0.50
2016	4,660,000	569,635	4,090,365	0.34	195	3,506,989	8,166,989	0.68	389	0.52
2015	5,160,000	602,969	4,557,031	0.38	217	3,649,533	8,809,533	0.73	420	0.68
2014	5,640,000	700,275	4,939,725	0.39	249	3,783,570	9,423,570	0.75	476	0.73
2013	7,020,000	459,060	6,560,940	0.47	328	4,081,434	11,101,434	0.79	555	0.84
2012	7,975,000	788,818	7,186,182	0.46	341	114,436	8,089,436	0.52	384	0.68

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

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2021**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Overlapping:			
Rio Rico Fire District	\$ 3,585,000	93.89 %	\$ 3,365,957
Tubac Fire District	3,075,821	98.87	<u>3,041,064</u>
Subtotal, Overlapping Debt			<u>6,407,021</u>
Direct:			
Santa Cruz Valley Unified School District No. 35			<u>22,023,037</u>
Total Direct and Overlapping Governmental Activities Debt			<u><u>\$ 28,430,058</u></u>

DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation		9.24 %
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 1,211	
As a Percentage of Net Limited Assessed Valuation		12.63 %
As a Percentage of Gross Full Cash Value		1.47 %

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

Notes: 1) Estimated percentage of debt outstanding applicable to the District is calculated based on a portion of the District's net limited assessed valuation as a percentage of the net limited assessed valuation of the overlapping jurisdiction.

2) Outstanding debt as of June 30, 2021 is presented for the overlapping governments as this is the most recent available information.

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

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

Net full cash assessed valuation	\$ 188,851,941
Debt limit (20% of assessed value)	37,770,388
Debt applicable to limit	<u>17,309,972</u>
Legal debt margin	<u>\$ 20,460,416</u>

Total Legal Debt Margin Calculation for Fiscal Year 2021:

Net full cash assessed valuation	\$ 188,851,941
Debt limit (30% of assessed value)	56,655,582
Debt applicable to limit	<u>17,309,972</u>
Legal debt margin	<u>\$ 39,345,610</u>

Fiscal Year Ended June 30

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Debt Limit	\$ 56,655,582	\$ 52,421,140	\$ 50,350,252	\$ 46,220,550	\$ 44,224,285
Total net debt applicable to limit	<u>17,309,972</u>	<u>19,125,000</u>	<u>3,205,000</u>	<u>3,845,000</u>	<u>4,730,000</u>
Legal debt margin	<u>\$ 39,345,610</u>	<u>\$ 33,296,140</u>	<u>\$ 47,145,252</u>	<u>\$ 42,375,550</u>	<u>\$ 39,494,285</u>
Total net debt applicable to the limit as a percentage of debt limit	31%	36%	6%	8%	11%

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Debt Limit	\$ 42,480,398	\$ 43,056,699	\$ 45,228,336	\$ 50,364,170	\$ 55,395,404
Total net debt applicable to limit	<u>4,660,000</u>	<u>5,160,000</u>	<u>5,640,000</u>	<u>7,020,000</u>	<u>7,975,000</u>
Legal debt margin	<u>\$ 37,820,398</u>	<u>\$ 37,896,699</u>	<u>\$ 39,588,336</u>	<u>\$ 43,344,170</u>	<u>\$ 47,420,404</u>
Total net debt applicable to the limit as a percentage of debt limit	11%	12%	12%	14%	14%

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

- Notes:** 1) The District's general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds outstanding and the statutory debt limit on Class B bonds outstanding. The calculations of the debt margins are presented in detail for the current fiscal year only.
- 2) Prior to FY17, net bond premium was restricted by amount and not subject to the statutory debt limit. Beginning with FY17, any additional net premium used for capital projects, bond counsel, printing and preparation of offering documents, a financial advisor, paying agent costs or to pay down debt is counted against both debt limits with the exception of amounts of premium deposited into the Debt Service Fund or a refunding escrow to pay interest payments.

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
COUNTY-WIDE DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands)</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>	<u>Estimated District Population</u>
2020	53,731	\$ 1,975,467	\$ 42,204	12.3 %	19,698
2019	53,161	1,833,258	39,427	7.7	19,703
2018	52,390	1,816,567	39,057	9.3	20,641
2017	51,507	1,681,736	36,392	9.5	20,546
2016	50,581	1,611,877	35,052	9.9	21,000
2015	50,270	1,563,237	33,646	11.5	21,000
2014	49,554	1,297,082	27,734	13.2	20,959
2013	49,554	1,297,082	27,734	18.0	19,800
2012	47,303	1,322,797	27,964	19.2	20,000
2011	48,088	1,193,646	25,037	17.1	21,063

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

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
PRINCIPAL EMPLOYERS
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR**

<u>Employer</u>	<u>2021</u>		<u>2012</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Santa Cruz Valley Unified School District 35	1,230	6.42 %		
Javid Llc	1,000	5.22		
Bureau of Customs and Border Protection	670	3.50		
Nogales Unified School District 1	670	3.50		
Becton Dickinson and Company	430	2.25		
Santa Cruz County	420	2.19		
United Parcel Service	420	2.19		
Otis Elevator International Inc	400	2.09		
Otis Elevator Company	400	2.09		
Dependable Nurses Inc	360	1.88		
Private			9,150	19.05
Goods Producing			650	1.35
Government			4,025	8.38
Private Service Providing			8,500	17.70
Nonfarm			13,175	27.43
Service-providing			12,525	26.08
Total	<u>6,000</u>	<u>31.33 %</u>	<u>48,025</u>	<u>99.99 %</u>
Total employment	<u>19,150</u>		<u>48,025</u>	

Source: The source of this information is the U.S. Census Bureau and the Economic Business Research Center.

Note: Employee data could only be obtained from six sources in fiscal year 2012.

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS

	Full-time Equivalent Employees as of June 30				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Supervisory					
Consultants/supervisors of instruction	3	3	3	4	4
Principals	5	5	5	5	5
Assistant principals	2	2	2	4	4
Total supervisory	<u>10</u>	<u>10</u>	<u>10</u>	<u>13</u>	<u>13</u>
Instruction					
Teachers	173	171	177	164	164
Other professionals (instructional)	1	1	3	17	17
Aides	60	66	68	55	55
Total instruction	<u>234</u>	<u>238</u>	<u>248</u>	<u>236</u>	<u>236</u>
Student Services					
Certified	26	22	25	20	20
Classified	50	42	39	41	41
Total student services	<u>76</u>	<u>64</u>	<u>64</u>	<u>61</u>	<u>61</u>
Support and Administration					
Administrators and supervisory staff	3	3	3	4	4
Support Staff	69	70	71	71	71
Total support and administration	<u>72</u>	<u>73</u>	<u>74</u>	<u>75</u>	<u>75</u>
Total	<u><u>392</u></u>	<u><u>385</u></u>	<u><u>396</u></u>	<u><u>385</u></u>	<u><u>385</u></u>

(Continued)

**SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Supervisory					
Consultants/supervisors of instruction	4	4	4	4	4
Principals	5	6	6	6	6
Assistant principals	4	2	1	1	2
Total supervisory	<u>13</u>	<u>12</u>	<u>11</u>	<u>11</u>	<u>12</u>
Instruction					
Teachers	180	183	183	184	194
Other professionals (instructional)	4	4	3	3	5
Aides	60	65	55	55	60
Total instruction	<u>244</u>	<u>252</u>	<u>241</u>	<u>242</u>	<u>259</u>
Student Services					
Certified	20	20	28	28	24
Classified	47	47	42	42	39
Total student services	<u>67</u>	<u>67</u>	<u>70</u>	<u>70</u>	<u>63</u>
Support and Administration					
Administrators and supervisory staff	4	4	5	5	5
Support Staff	71	71	72	73	82
Total support and administration	<u>75</u>	<u>75</u>	<u>77</u>	<u>78</u>	<u>87</u>
Total	<u><u>399</u></u>	<u><u>406</u></u>	<u><u>399</u></u>	<u><u>401</u></u>	<u><u>421</u></u>

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

(Concluded)

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Average Daily Membership	Operating Expenditures	Cost per Pupil	Percentage Change	Expenses	Cost per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Free/Reduced Students
2021	3,324	\$ 29,046,858	\$ 8,738	2.56 %	\$ 34,318,103	\$ 10,323	8.50 %	234	14.2	94 %
2020	3,356	28,592,511	8,520	(1.99)	31,930,441	9,514	3.57	238	14.1	75
2019	3,296	28,652,513	8,693	5.61	30,278,837	9,187	6.01	248	13.3	75
2018	3,270	26,916,463	8,231	6.64	28,338,163	8,666	5.55	236	13.9	75
2017	3,283	25,340,082	7,719	(5.16)	26,955,965	8,211	(7.82)	236	13.9	75
2016	3,072	25,001,735	8,139	8.24	27,362,979	8,907	4.86	244	12.6	75
2015	3,201	24,067,367	7,519	(1.30)	27,189,365	8,494	(1.16)	252	12.7	76
2014	3,163	24,094,123	7,617	1.12	27,181,399	8,594	1.12	241	13.1	76
2013	3,195	24,068,572	7,533	(0.75)	27,153,263	8,499	(5.06)	242	13.2	75
2012	3,245	24,629,093	7,590	5.11	29,047,059	8,951	17.19	259	12.5	77

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

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

SANTA CRUZ VALLEY UNIFIED SCHOOL DISTRICT NO. 35
CAPITAL ASSETS INFORMATION
LAST TEN FISCAL YEARS

	Fiscal Year Ended June 30									
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>Schools</u>										
Elementary										
Buildings	33	33	33	33	33	33	34	34	34	34
Square feet	183,778	183,778	183,778	183,778	183,778	183,778	185,160	185,160	185,160	185,160
Capacity	1,821	1,821	1,916	1,916	1,916	1,916	1,916	1,916	1,916	1,916
Enrollment	1,404	1,344	1,371	1,374	1,418	1,413	1,413	1,395	1,506	1,506
Middle										
Buildings	33	13	13	13	13	13	13	13	13	13
Square feet	183,778	126,394	126,394	126,394	126,394	126,394	126,394	126,394	126,394	126,394
Capacity	1,254	1,254	871	871	871	871	871	871	871	871
Enrollment	866	897	864	818	802	809	775	791	895	895
High										
Buildings	13	18	18	18	18	18	18	18	18	18
Square feet	126,394	168,660	168,660	168,660	168,660	168,660	168,660	168,660	168,660	168,660
Capacity	1,233	1,233	1,660	1,660	1,660	1,660	1,660	1,660	1,660	1,660
Enrollment	1,237	1,245	1,209	1,200	1,203	1,157	1,125	1,106	1,090	1,090
Other										
Buildings	5	5	5	5	5	5	5	5	5	5
Square feet	19,336	19,336	19,336	19,336	19,336	19,336	19,336	19,336	19,336	19,336
<u>Administrative</u>										
Buildings	3	3	3	3	3	3	3	3	3	3
Square feet	3,743	3,743	3,743	3,743	3,743	3,743	3,743	3,743	3,743	6,473
<u>Transportation</u>										
Garages	2	2	2	2	2	2	2	2	2	2
Buses	46	45	45	45	45	44	44	44	44	44
<u>Athletics</u>										
Football fields	1	1	1	1	1	1	1	1	1	1
Soccer fields	1	1	1	1	1	1	1	1	1	1
Running tracks	1	1	1	1	1	1	1	1	1	1
Baseball/softball	5	5	5	5	5	5	5	5	5	5
Playgrounds	3	3	3	3	3	3	3	3	3	3

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

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