
NOGALES UNIFIED SCHOOL DISTRICT NO. 1

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2021



NOGALES UNIFIED SCHOOL DISTRICT NO. 1

NOGALES, ARIZONA

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

Issued by:
Business and Finance Department

NOGALES UNIFIED SCHOOL DISTRICT NO. 1

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INTRODUCTORY SECTION

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Nogales Unified School District No. 1



December 16, 2021

Citizens and Governing Board
Nogales Unified School District No. 1
310 W. Plum Street
Nogales, AZ 85621

State law mandates that school districts required to undergo an annual single audit publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States by a certified public accounting firm licensed in the State of Arizona. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the Nogales Unified School District No. 1 (District) for the fiscal year ended June 30, 2021.

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

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

310 W. PLUM STREET * NOGALES * ARIZONA * 85621
(520) 287-0800

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.

DISTRICT PROFILE 2020-21

Overview:

Nogales Unified School District (NUSD) is one of six public school districts located within Santa Cruz County, Arizona. It provides a program of public education from special education pre-school through grade 12, and as an entity is the largest single employer within the city limits of Nogales.

NUSD has ten campuses: six elementary schools, two middle schools, a comprehensive high school, and a small high school with a focus of online coursework. The District as a whole educated 5,282 students on the 100th day January 21, 2021, from pre-kinder through high school, with projected enrollment of 4,925 for fiscal year 2022. In FY21 NUSD also expanded its online school to include students in kindergarten through fifth grade and NUSD Online now offers remote services to K-12 students. The students who qualify as homeless based on the determination that the family is "doubling up" and living with another family also increased about 20 percent from FY20, due in part to the economic impact of the Covid pandemic.

For 2020-2021, the District employed 319 certified staff, 24 administrators, and 210 classified personnel. That reflects no additional personnel over the previous year.

School Board:

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.

In January of FY 21 President Greg Lucero, Clerk Robert Rojas, and members Manual Ruiz, Cesar Lopez, and Dr. Marcelino Varona, Jr., filled the Board positions.

Fiscal Reporting:

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/extracurricular 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 over-expenditures of budgeted funds. The budget for these funds is simply an estimate and does not prevent the District from exceeding the budget as long as the necessary revenue is earned. The District is not required to prepare an annual budget of revenue; therefore, a deficit budgeted fund balance may be presented. However, this does not affect the District's ability to expend monies.

Hiring Practices:

As required by state mandates, NUSD makes every effort to employ appropriately certified teachers. There have been numerous changes to the requirements for teacher certification, including expanding the years the certificate covers. Also, the ability to hire Emergency Certified teachers who then have three years to complete their certification has also been utilized.

Student Profile:

More than 98 percent of all students entering NUSD list Hispanic or another minority as their ethnicity, and the vast majority are not fluent English speakers when entering the system, whether that is at the kindergarten level or later along in their educational years. The majority of students come from high poverty homes and with a double-digit unemployment rate in Santa Cruz County, many rely on social services to meet their basic needs. NUSD has an almost equal number of male and female students ranging in age from three years old (exceptional pre-school) to 21 years old. It is not unusual to have students who are older than traditional students in a particular grade due to the fact that many enter without the ability to speak English and therefore are placed in a lower grade to help in mastering the state standards. While some students who come from Mexico may have had an excellent education there, a significant portion did not go to school in Mexico beyond the grammar school years. In addition to those from Mexico who have established residency in the District, NUSD had 10 students from Mexico who have student visas and paid tuition to attend a NUSD school in FY21.

Meeting State Mandates:

The District has implemented revised English Language Learner (ELL) models to meet the requirement that students who are not fluent in English be provided with up to four hours of instruction in English each day. The large number of English Language Learners (ELL) remains an academic challenge to the District, as did the fact that the state suspended the need to pass the AIMS exam in order to earn a high-school diploma mid-year. The new state assessment AzMerit2 took effect in fiscal year 2019, and one major change was that the assessments are now primarily taken via computers. The Arizona Dept. of Education did mandate that students in grades 3-9 take the AzMerit2 in English Language Arts and math in the spring of 2021 but only as a way to chart learning gaps in all districts. As a result, the letter grades for each school site remained frozen to the 2018-19 letter grades.

NUSD relies on federal and state grants to supplement personnel, supplies, and professional development beyond that provided by Maintenance and Operation funding. In FY21 grant funding such as ESEA, IDEA, and Title III overall was down from FY20. However, under the CARES Act, NUSD received funding in FY21 in several grants, including ESSER I continuation of funding from FY20 of \$1,864,660; ESSER II issued in FY21 of \$7,676,098; and ESSER III approved in October 2021 of \$17,374,993. These three grants allocated spending to mitigate Covid expenses back to March 13, 2020. In FY21 Pierson High School also received an Acceleration Geer Grant for \$75,000 to increase English Language Arts proficiencies and learning loss due to the closure of schools in March of FY20 and for most of FY21.

Facilities:

The average age of school buildings is 33.9 years. The District received almost \$40,000 from the State Facilities Board for facilities' improvements, including weatherization projects, architectural fees, and asbestos inspections.

Factors Affecting Financial Conditions:

The single greatest factor influencing the financial condition of NUSD in FY21 was the ongoing COVID-19 pandemic. While overall enrollment was down in FY21 compared to FY20, the percentage was less than anticipated. However, any student loss is a loss in revenue from state funding. However, the ESSER CARES Act which provided funding as described above, more than made up for the funding loss from the reduction of enrollment.

The continuation override secures funding for five years after passage. The District was successful in the November 2019 election on a proposition to increase the amount from 6.39 percent to 8 percent. That passage is paying for increases in signing bonuses for both certified and classified personnel as well as an increase in student meal funding for away activities.

NUSD is a significant contributor to the local economy. Whenever possible, NUSD purchases supplies and services locally in order to support the community's economy. A total of approximately \$40.8 million from local, state, and federal monies was allocated to salaries and benefits. The District operated under a FY21 Maintenance and Operation budget of \$36.495 million. The overall budget for the District for FY21 was \$71.9 million.

Overview of Nogales:

The jobless rate for Santa Cruz County for August 2021 was over 13 percent, the second highest in the state. However, the rate continued to increase due to the closure of the U.S.-Mexican border to mitigate the spread of COVID-19, and as of November 2021 had increased to over 18 percent.

The census conducted 2020 showed a population of 19,770 in April 1, 2020 compared to a census of 20,837 on April 1, 2010. The latest census showed that 5.6% of the population was under five years of age, 29.1% under 18, and 16.9 % 65 years or over. There were 94.5% Hispanic or Latino, 1.4% Black or African American, 1.7% Asian, 1.6% two or more races, and 3.3% white alone, not Hispanic or Latino.

The latest statistics for 2020 listed 30.76 percent of the families living below the poverty level compared to 17.74 percent in Arizona. These statistics are not as accurate as the reality of median income and poverty levels that increased sharply after March 2020 due to the closure of the border and most service businesses in the community.

The medium age of those living in the city is 29.8 percent, compared to a national average of 35.3. The average household size, according to the census information, is 3.98, compared to a national average of 2.63. However, due to economic conditions and other factors, it is not uncommon to have more than one family living together and this information was most likely not reported to census workers. Only 63 percent of the residents have a high-school diploma, compared to the current average in Arizona of 85 percent. The census also reported that 10.9 percent had a Bachelor's degree, compared to 26 percent in the state as a whole. The census for 2020 was greatly impacted by COVID-19 closures and need for social distancing, as well as disagreements about if undocumented residents should be counted. At the time of this report. Therefore, any 2020-census data should be used only as a guideline and not as a definitive overview.

Almost 12 percent of local employees who continue to work, do so for governmental or health organizations. However, like most of the rest of the country, Santa Cruz County and Nogales in particular have suffered a tremendous job loss over the past eight years and unlike other areas in the state, even prior to COVID-19 had not enjoyed a resurgence in employment. Several major stores, restaurants, and establishments have closed, as have numerous small family-owned businesses.

There are other interesting statistics for the City of Nogales that directly impact the school district. These include the following findings from Census Bureau surveys and other official entities:

- More than 41 percent of the residents are foreign born
- Population density is below state averages for cities
- Low-income obesity rate for preschoolers was 15.8 percent compared to a state average of 14.2 percent.

Leadership

In January 2021, the District enjoyed its sixth full year under the leadership of Superintendent Fernando Parra who replaced the former superintendent in January 2015. The Leadership Team for the District remained the same in fiscal year 2020 and consisted of Superintendent Parra, Assistant Superintendent Angelina Canto, Finance Director Adelmo Sandoval, H.R. Director Mayra Zuniga, Student Services Director Judith Mendoza Jimenez, Grants Director Kathy Scott, and Technology Director Alex Lopez.

The focus for NUSD is on academic achievement for all students and FY21 was no different, despite the many challenges caused by school closures and spiking Covid infections in 2020-2021. To address learning gaps caused by the March 2020 closing of all schools due to COVID-19, as well as the continued closure for most of the school year from Jan. 2021-April 2021. NUSD instituted a hybrid-learning model in April 2021 where students had the option of attending school in person two days a week. In addition, NUSD instituted a rigorous summer school program for all grade levels in late May–June 18, 2021 using ESSER funding. While high school students have had the option of summer school for many years, this was the first time in over a decade that summer school was offered at the elementary and middle school levels. Students in summer school for K-7th grade attended in person while incoming freshmen through 12th grade attended virtually.

Impact of COVID-19 in FY21

As mentioned throughout this District profile for FY21, COVID-19 had an unprecedented impact on the District, ranging from a decrease in enrollment compared to FY20 to having many students, parents, community members, and district personnel infected with the virus. For a period in FY21, Santa Cruz County had one of the highest infection rates in the nation. While other districts were able to return to in-person learning after a few months into the FY21 school year, NUSD did so for only one week before closing again to remain virtual for most of the year. When students did return a few weeks before the end of the school year, those who chose to do so only attended two days a week, remaining virtual for the other days. NUSD was able to use ESSER CARES funding to retain staff, including kindergarten teachers for full day, counselors, and head custodians despite a reduction in state funding. In addition, a tremendous amount of disinfecting equipment, disinfecting solutions, and personal protection equipment such as masks, gloves, and gowns was purchased. As mandated, the District submitted a safe-return to school policy to the state, and throughout FY21 followed the guidelines in that policy.

TECHNOLOGY

One area the District was able to enhance in FY21 is its technology. All teachers have access to Power School, an Internet-based system that allows for recording of attendance and grades. Parents can access the system as often as they like to view the progress of their children throughout a grading quarter rather than waiting until progress or report cards are mailed home. The District now has wireless access at all sites, opening up many more opportunities for Internet use within classrooms. The telephone system is also tied directly to a server, and one feature is that during an emergency, information can be paged to every single person and office with a telephone, which is virtually almost every educator in the District. Thanks in part to CARES funding through the ESSER grant and other federal grants, the District was able to purchase computing devices and Wi-Fi connectivity to students who were learning from home, starting in March and currently enjoys a one-to-one computing device ratio.

Going Forward

As mentioned earlier, the District is constantly looking for ways to attract and retain qualified educators. In an effort to improve recruitment and retention of math, science, and special education teachers, the District offers an incentive bonus of \$5,000 to appropriately certified teachers in these three areas. It is worth mentioning that almost every district in Arizona experiences difficulty in attracting and retaining properly certified teachers not only in the hard-to-recruit areas, but also even in areas such as English, social studies, physical education, elementary education, and counseling. The District is now competing with urban districts for these candidates, and studies have shown that fewer high-school graduates are entering college seeking education degrees than ever before. This combination means NUSD still depends on Emergency Certified Teachers and long-term substitutes to fill some positions.

AWARDS AND ACKNOWLEDGMENT

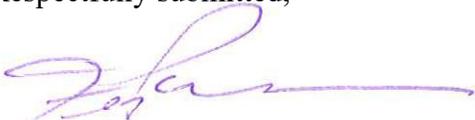
Awards. The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its annual comprehensive financial report for the fiscal year ended June 30, 2020. This was the twenty-sixth consecutive year that the District has 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.

The preparation of all the financial records, tracking of accounts, and meeting of state and federal financial mandates would not be possible without the cooperation and input from all NUSD departments.

Respectfully submitted,

A handwritten signature in purple ink, appearing to read 'Fernando Parra', with a long horizontal flourish extending to the right.

Fernando Parra
Superintendent



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Nogales Unified School District No. 1

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

**Nogales Unified School District No. 1
Arizona**

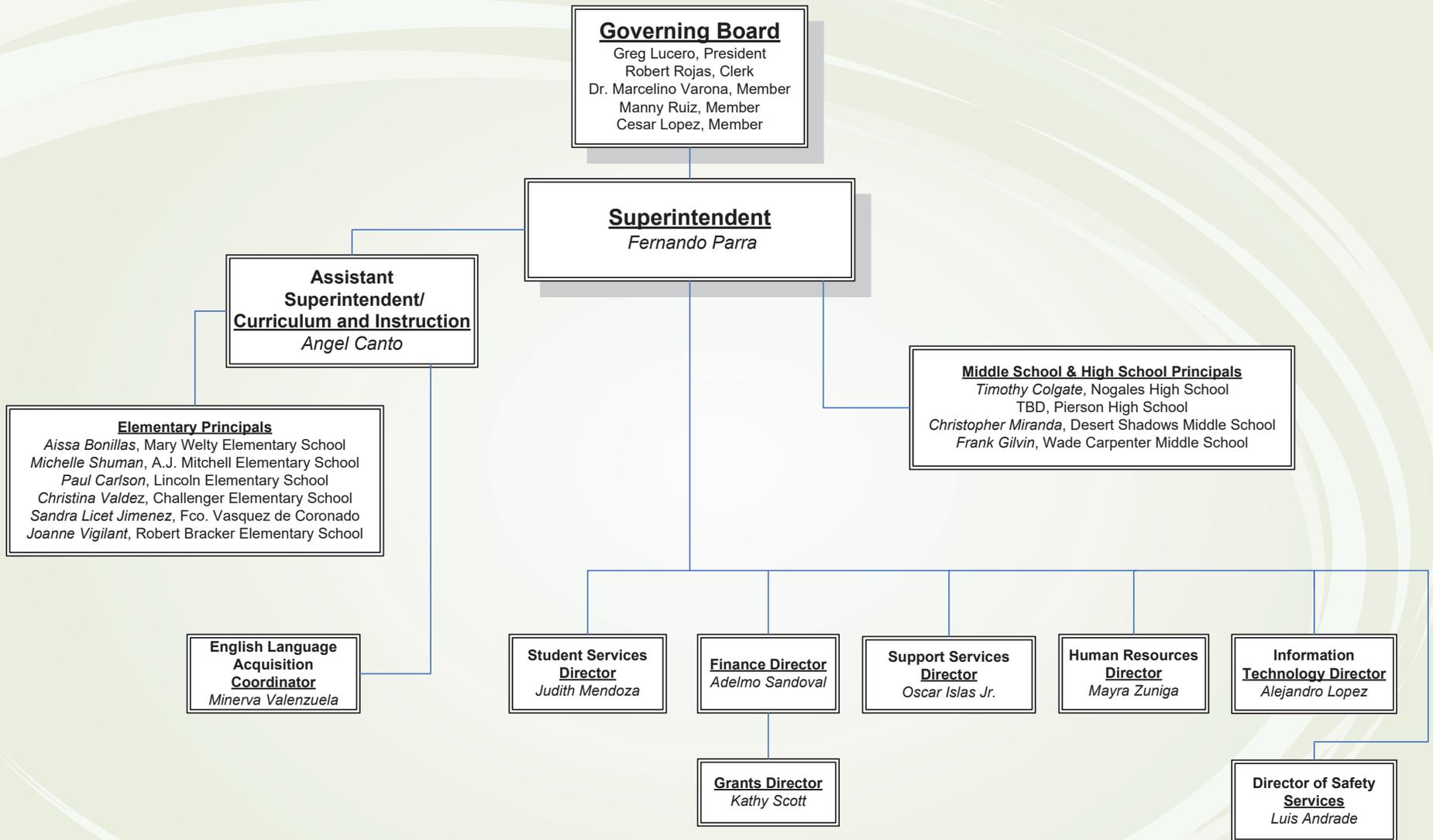
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

NUSD #1 ADMINISTRATION 2020-2021



NOGALES UNIFIED SCHOOL DISTRICT NO. 1

LIST OF PRINCIPAL OFFICIALS

GOVERNING BOARD

Greg Lucero, President

Robert Rojas, Clerk

Cesar Lopez, Member

Dr. Marcelino Varona, Jr., Member

Manuel Ruiz, Member

ADMINISTRATIVE STAFF

Fernando Parra, Superintendent

Angel Canto, Assistant Superintendent for Operations/Curriculum and Instruction

Adelmo Sandoval, Finance Director

Kathy Scott, Grants Director

Mayra Zuñiga, Human Resources Director

Judith Mendoza-Jimenez, Student Services Director

Oscar Islas, Jr., Support Services Director

Alex Lopez, Technology Director

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FINANCIAL SECTION

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Independent Auditor's Report

Governing Board
Nogales Unified School District No. 1

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 Nogales Unified School District No. 1 (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 Nogales Unified School District No. 1, 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 Nogales Unified School District No. 1 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 Nogales Unified School District No. 1'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 Nogales Unified School District No. 1'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 Nogales Unified School District No. 1'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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**NOGALES UNIFIED SCHOOL DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2021**

As management of the Nogales Unified School District No. 1 (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 \$1.7 million which represents a nine percent increase from the prior fiscal year as a result of an increase in property taxes.
- General revenues accounted for \$38.8 million in revenue, or 70 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$16.9 million or 30 percent of total current fiscal year revenues.
- The District had approximately \$54.0 million in expenses related to governmental activities, an increase of five percent from the prior fiscal year primarily due to increases in employee salaries and related expenses.
- Among major funds, the General Fund had \$34.5 million current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$30.8 million in expenditures. The General Fund's fund balance increase from \$14.9 million at the prior fiscal year end, to \$18.6 million at the end of the current fiscal year was primarily due to fewer expenditures.

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.

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1
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.

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1
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 and Other Federal Projects Funds, both 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 and major Special Revenue 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 \$20.9 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. The District had no related debt. 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, however as discussed below, this balance is in a deficit position.

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1
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	\$ 26,621,792	\$ 21,593,637
Capital assets, net	34,631,981	36,365,276
Total assets	<u>61,253,773</u>	<u>57,958,913</u>
Deferred outflows	<u>7,581,628</u>	<u>4,290,152</u>
Current liabilities	2,398,642	1,207,919
Long-term liabilities	44,959,497	39,589,550
Total liabilities	<u>47,358,139</u>	<u>40,797,469</u>
Deferred inflows	<u>555,142</u>	<u>2,220,770</u>
Net position:		
Investment in capital assets	34,631,981	36,277,676
Restricted	5,226,648	5,076,430
Unrestricted	(18,936,509)	(22,123,280)
Total net position	<u>\$ 20,922,120</u>	<u>\$ 19,230,826</u>

At the end of the current fiscal year the District reported a negative unrestricted net position of \$18.9 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 increase of \$5.6 million in pension liabilities.
- The depreciation of existing assets resulting in the addition of \$2.0 million in accumulated depreciation.
- The principal retirement of \$374,319 of capital lease obligations.

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2021**

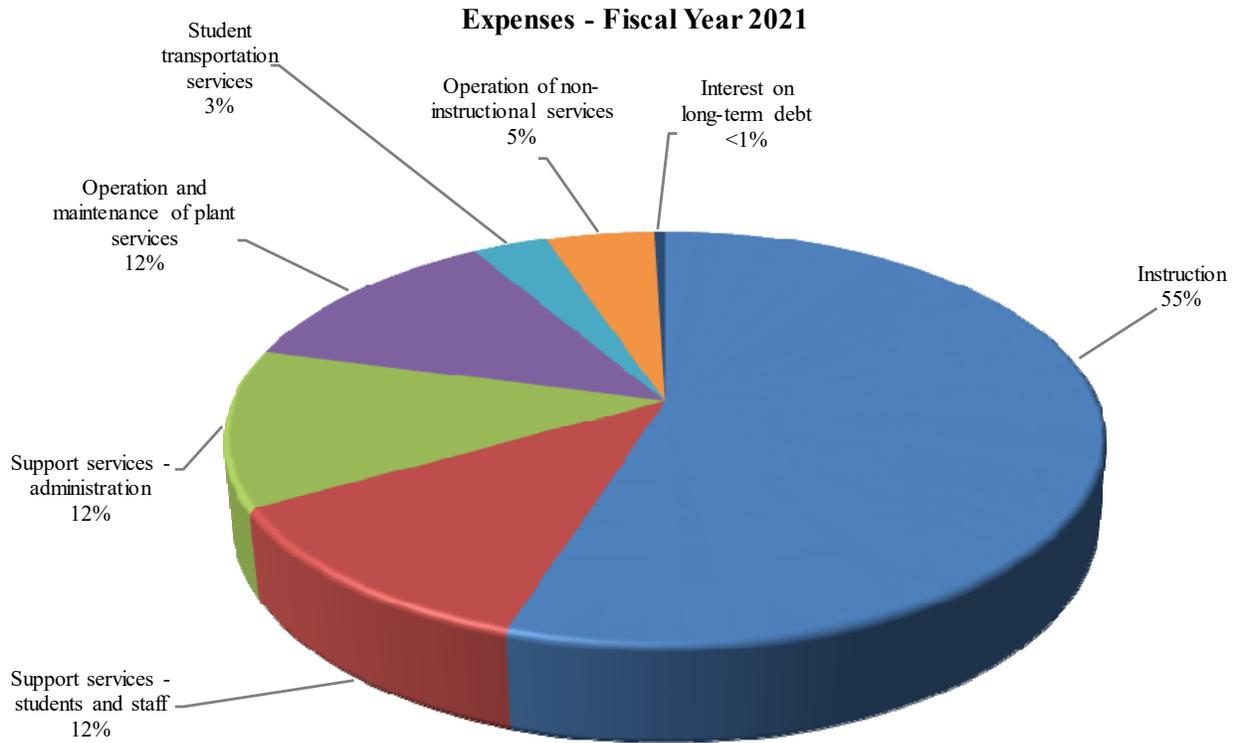
GOVERNMENT-WIDE FINANCIAL ANALYSIS

Changes in net position. The District's total revenues for the current fiscal year were \$55.7 million. The total cost of all programs and services was \$54.0 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 <u>June 30, 2021</u>	Fiscal Year Ended <u>June 30, 2020</u>
Revenues:		
Program revenues:		
Charges for services	\$ 1,076,549	\$ 1,684,705
Operating grants and contributions	13,040,141	10,530,109
Capital grants and contributions	2,780,653	2,090,029
General revenues:		
Property taxes	7,132,574	6,639,283
Investment income	12,134	61,629
Unrestricted county aid	972,647	955,714
Unrestricted state aid	30,451,111	31,212,749
Unrestricted federal aid	191,993	309,693
Total revenues	<u>55,657,802</u>	<u>53,483,911</u>
Expenses:		
Instruction	29,630,330	27,575,779
Support services - students and staff	6,450,527	5,721,212
Support services - administration	6,612,376	5,483,703
Operation and maintenance of plant services	6,694,000	6,826,894
Student transportation services	1,767,730	1,687,890
Operation of non-instructional services	2,564,493	4,088,634
Interest on long-term debt	247,052	247,052
Total expenses	<u>53,966,508</u>	<u>51,631,164</u>
Changes in net position	1,691,294	1,852,747
Net position, beginning,	<u>19,230,826</u>	<u>17,378,079</u>
Net position, ending	<u>\$ 20,922,120</u>	<u>\$ 19,230,826</u>

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2021**

GOVERNMENT-WIDE FINANCIAL ANALYSIS



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

- The increase of \$2.5 million in operating grants and contributions was primarily due to increased grant revenues received from the Education Stabilization Fund Grant.
- Unrestricted state aid decreased \$761,638 as a result of less state equalization from decreased funding for remote instruction.
- Total expenses increased \$2.3 million as a result of increased employee salaries and related 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.

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1
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	\$ 29,630,330	\$ (20,453,369)	\$ 27,575,779	\$ (20,541,575)
Support services - students and staff	6,450,527	(3,648,942)	5,721,212	(3,621,689)
Support services - administration	6,612,376	(6,186,058)	5,483,703	(4,991,177)
Operation and maintenance of plant services	6,694,000	(5,067,522)	6,826,894	(6,481,305)
Student transportation services	1,767,730	(1,594,707)	1,687,890	(1,662,839)
Operation of non-instructional services	2,564,493	(118,567)	4,088,634	(27,736)
Interest on long-term debt	247,052		247,052	
Total	\$ 53,966,508	\$ (37,069,165)	\$ 51,631,164	\$ (37,326,321)

- The cost of all governmental activities this year was \$54.0 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$16.9 million.
- Net cost of governmental activities of \$37.1 million was financed by general revenues, which are made up of primarily property taxes of \$7.1 million and state and county aid of \$31.4 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 \$21.7 million, an increase of \$2.1 million due primarily to increased property taxes.

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2021**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The General Fund comprises 86 percent of the total fund balance. Approximately \$18.3 million, or 99 percent of the General Fund's fund balance is unassigned.

The General Fund is the principal operating fund of the District. The increase in fund balance of \$3.7 million to \$18.6 million as of fiscal year end was a result of fewer instructional expenditures from the utilization of federal COVID grant monies.

General Fund revenues decreased \$854,810 as a result of less state equalization assistance. General Fund expenditures decreased \$2.6 million as a result of fewer instructional expenditures from the utilization of federal COVID grant monies.

The Other Federal Projects Fund's fund balance decreased from a deficit of \$31,059 to a deficit of \$1.8 million at fiscal year end as a result of the timing of federal grant reimbursements. Other Federal Projects Fund revenues increased \$3.8 million and expenditures increased \$5.4 million as a result of grants received in response to the COVID-19 pandemic.

BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the General Fund annual expenditure budget. The difference between the original budget and the final amended budget was a \$1.3 million decrease, or four percent.

Significant variances for the final amended budget and actual revenues resulted from the District not being required by the State of Arizona to prepare a revenue budget. A schedule showing the original and final budget amounts compared to the District's actual financial activity for the General Fund is provided in this report as required supplementary information. The significant favorable variance of \$6.3 million in instruction was a result of the utilization of federal COVID grant monies for instructional expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District had invested \$86.2 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 \$278,542 from the prior fiscal year. Total depreciation expense for the current fiscal year was \$2.0 million.

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2021**

CAPITAL ASSETS AND DEBT ADMINISTRATION

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	\$ 5,000,918	\$ 4,995,468
Capital assets - depreciable, net	29,631,063	31,369,808
Total	\$ 34,631,981	\$ 36,365,276

The estimated cost to complete current construction projects is \$657,380. Additional information on the District’s capital assets can be found in Note 6.

Debt Administration. 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 \$44.5 million and the Class B debt limit is \$29.7 million. At fiscal year end, the District had no outstanding general obligation debt.

The District has \$3.4 million of obligations under leases outstanding at year end, \$374,319 due within one year. Additional information on the District’s long-term debt can be found in Notes 8 and 9.

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 \$5.5 million).
- District student population (estimated 4,925).

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 eight percent to \$39.3 million in fiscal year 2021-22 due to increased carryover from the prior year caused by the utilization federal COVID grant monies. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2021-22 budget.

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2021**

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, Nogales Unified School District No. 1, 310 West Plum Street, Nogales, Arizona 85621.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 15,837,132
Property taxes receivable	499,923
Accounts receivable	13,758
Due from governmental entities	9,997,714
Inventory	273,265
Total current assets	26,621,792
Noncurrent assets:	
Capital assets not being depreciated	5,000,918
Capital assets, net of accumulated depreciation	29,631,063
Total noncurrent assets	34,631,981
Total assets	61,253,773
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Pension plan items	7,581,628
 <u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	1,251,736
Accrued payroll and employee benefits	1,146,906
Compensated absences payable	790,000
Obligations under capital leases	374,319
Total current liabilities	3,562,961
Noncurrent liabilities:	
Non-current portion of long-term obligations	43,795,178
Total noncurrent liabilities	43,795,178
Total liabilities	47,358,139
 <u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension plan items	555,142
 <u>NET POSITION</u>	
Investment in capital assets	34,631,981
Restricted for:	
Instruction	2,854,275
Food service	615,988
Non-instructional purposes	57,082
Capital outlay	1,699,303
Unrestricted	(18,936,509)
Total net position	\$ 20,922,120

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

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
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	\$ 29,630,330	\$ 835,770	\$ 5,599,983	\$ 2,741,208	\$ (20,453,369)
Support services - students and staff	6,450,527		2,801,585		(3,648,942)
Support services - administration	6,612,376		426,318		(6,186,058)
Operation and maintenance of plant services	6,694,000	61,901	1,525,132	39,445	(5,067,522)
Student transportation services	1,767,730		173,023		(1,594,707)
Operation of non-instructional services	2,564,493	178,878	2,267,048		(118,567)
Interest on long-term debt	247,052		247,052		
Total governmental activities	<u>\$ 53,966,508</u>	<u>\$ 1,076,549</u>	<u>\$ 13,040,141</u>	<u>\$ 2,780,653</u>	<u>\$ (37,069,165)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes 6,815,892

Property taxes, levied for capital outlay 316,682

Investment income 12,134

Unrestricted county aid 972,647

Unrestricted state aid 30,451,111

Unrestricted federal aid 191,993

Total general revenues 38,760,459

Changes in net position 1,691,294

Net position, beginning of year 19,230,826

Net position, end of year \$ 20,922,120

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

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FUND FINANCIAL STATEMENTS

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021

	General	Other Federal Projects	Non-Major Governmental Funds
<u>ASSETS</u>			
Cash and investments	\$ 10,393,862	\$	\$ 5,443,270
Property taxes receivable	480,870		19,053
Accounts receivable			13,758
Due from governmental entities	6,912,707	1,831,871	1,253,136
Due from other funds	1,769,047		
Inventory	273,265		
Total assets	\$ 19,829,751	\$ 1,831,871	\$ 6,729,217
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 302,255	\$ 45,827	\$ 903,654
Due to other funds		1,446,033	323,014
Accrued payroll and employee benefits	496,651	335,960	314,295
Total liabilities	798,906	1,827,820	1,540,963
Deferred inflows of resources:			
Unavailable revenues - property taxes	418,894		16,314
Unavailable revenues - intergovernmental		1,780,453	320,390
Total deferred inflows of resources	418,894	1,780,453	336,704
Fund balances (deficits):			
Nonspendable	273,265		
Restricted			5,194,428
Unassigned	18,338,686	(1,776,402)	(342,878)
Total fund balances	18,611,951	(1,776,402)	4,851,550
 Total liabilities, deferred inflows of resources and fund balances	 \$ 19,829,751	 \$ 1,831,871	 \$ 6,729,217

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

Total
Governmental
Funds

\$ 15,837,132
499,923
13,758
9,997,714
1,769,047
273,265
\$ 28,390,839

\$ 1,251,736
1,769,047
1,146,906
4,167,689

435,208
2,100,843
2,536,051

273,265
5,194,428
16,219,406
21,687,099

\$ 28,390,839

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NOGALES UNIFIED SCHOOL DISTRICT NO. 1
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021

Total governmental fund balances		\$ 21,687,099
<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	\$ 86,192,193	
Less accumulated depreciation	<u>(51,560,212)</u>	34,631,981
<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	435,208	
Intergovernmental	<u>2,100,843</u>	2,536,051
<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	7,581,628	
Deferred inflows of resources related to pensions	<u>(555,142)</u>	7,026,486
<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	(1,382,700)	
Obligations under capital leases	(3,368,875)	
Net pension liability	<u>(40,207,922)</u>	<u>(44,959,497)</u>
Net position of governmental activities		<u><u>\$ 20,922,120</u></u>

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

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	General	Other Federal Projects	Non-Major Governmental Funds
Revenues:			
Other local	\$ 1,611,053	\$	\$ 544,863
Property taxes	6,822,018		317,482
State aid and grants	25,843,954		6,017,990
Federal aid, grants and reimbursements	191,993	4,524,981	8,036,364
Total revenues	34,469,018	4,524,981	14,916,699
Expenditures:			
Current -			
Instruction	16,749,577	2,226,264	6,190,744
Support services - students and staff	3,413,012	626,035	2,139,825
Support services - administration	4,672,475	25,262	428,230
Operation and maintenance of plant services	4,822,546	1,217,105	236,208
Student transportation services	778,350	161,548	
Operation of non-instructional services	332,541		1,997,581
Capital outlay	26,249	1,879,463	2,595,490
Debt service -			
Principal retirement			374,319
Interest and fiscal charges			247,052
Total expenditures	30,794,750	6,135,677	14,209,449
Excess (deficiency) of revenues over expenditures	3,674,268	(1,610,696)	707,250
Other financing sources (uses):			
Transfers in	833,282		374,319
Transfers out	(374,319)	(134,647)	(698,635)
Insurance recoveries	53,783		
Total other financing sources (uses)	512,746	(134,647)	(324,316)
Changes in fund balances	4,187,014	(1,745,343)	382,934
Fund balances (deficits), beginning of year	14,885,922	(31,059)	4,715,479
Increase (decrease) in reserve for prepaid items	(464,010)		(246,863)
Increase (decrease) in reserve for inventory	3,025		
Fund balances (deficits), end of year	\$ 18,611,951	\$ (1,776,402)	\$ 4,851,550

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

Total
Governmental
Funds

\$ 2,155,916
7,139,500
31,861,944
12,753,338
53,910,698

25,166,585
6,178,872
5,125,967
6,275,859
939,898
2,330,122
4,501,202

374,319
247,052
51,139,876

2,770,822

1,207,601
(1,207,601)
53,783
53,783

2,824,605

19,570,342

(710,873)
3,025

\$ 21,687,099

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
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 **\$ 2,824,605**

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	\$ 278,542	
Less current year depreciation	<u>(2,011,837)</u>	(1,733,295)

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

Property taxes	(6,926)	
Intergovernmental	<u>1,727,601</u>	1,720,675

Repayments of capital lease principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 374,319

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	3,139,873	
Pension expense	<u>(3,815,671)</u>	(675,798)

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

Prepaid items	(710,873)	
Inventory	3,025	
Compensated absences	<u>(111,364)</u>	<u>(819,212)</u>

Changes in net position in governmental activities **\$ 1,691,294**

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

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Nogales Unified School District No. 1 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

A. Reporting Entity

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

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

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

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

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 amount 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.

Property taxes, 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.

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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

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.

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 fund financial statements.

F. Receivables and Payables

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

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

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.

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

H. Inventory

Inventories of the General Fund are valued at cost using the weighted average method and inventories of the Food Service Fund, a non-major governmental fund, are valued at cost using the first-in/first-out (FIFO) method. Inventories consist of expendable supplies held for consumption. Inventories are recorded as expenses when consumed on the government-wide financial statements and as expenditures when purchased on the fund financial statements.

The United States Department of Agriculture (USDA) commodity portion of the food services inventory consists of food donated by the USDA. It is valued at estimated market prices paid by the USDA.

I. Prepaid Items

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

J. Capital Assets

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

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

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

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

Land improvements	5 – 50 years
Buildings and improvements	20 – 50 years
Vehicles, furniture and equipment	3 – 15 years

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

K. Deferred Outflows/Inflows of Resources

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

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

L. Compensated Absences

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

M. Pensions

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

N. Long-term Obligations

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

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

O. Interfund Activity

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

P. Net Position Flow Assumption

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

Q. Estimates

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

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

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

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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 procedure 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 been restricted, committed, or assigned.

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

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
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	Other Federal Projects Fund	Non-Major Governmental Funds
Fund Balances:			
Nonspendable:			
Inventory	\$ 273,265	\$	\$
Restricted:			
Capital projects			1,682,989
Teacher compensation			1,268,121
Federal and state projects			892,843
Food service			615,988
Civic center			35,999
Community school			20,268
Extracurricular activities			160,985
Gifts and donations			203,108
Student activities			313,212
Other purposes			915
Unassigned	18,338,686	(1,776,402)	(342,878)
Total fund balances	\$ 18,611,951	\$ (1,776,402)	\$ 4,851,550

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
Major Governmental Fund:	
Other Federal Projects	\$1,776,402
Non-Major Governmental Funds:	
Title I Grants	177,126
Limited English and Immigrant Students	1,677
Special Education Grants	23,579
Vocational Education	134,383
Insurance Refund	1,654
Career Technical Education	4,459

The deficits arose because of operations during the year and prior years and/or because of pending grant reimbursements. Additional revenues received in fiscal year 2020-21 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.

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
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 \$725,383 and the bank balance was \$1.8 million. At year end, \$1.1 million of the District’s deposits were covered by collateral held by the pledging financial institution’s trust department or agent but not in the District’s name.

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 State Treasurer’s pools are external investment pools, the Local Government Investment Pool (Pool 5) and Local Government Investment Pool-Government (Pool 7), with no regulatory oversight. The pools as an investment company are not registered with the Securities and Exchange Commission. The activity and performance of the pools are reviewed monthly by the State Board of Investment. The fair value of each participant’s position in the State Treasurer investment pools 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.

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:

	Average Maturities	Fair Value
County Treasurer’s investment pool	Less than a year	\$ 15,055,023
State Treasurer’s investment pool 5	66 days	56,726
Total		\$ 15,111,749

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 – CASH AND INVESTMENTS

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. The State Treasurer’s investment pool 5 was rated AAA by Moody’s at year end.

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

NOTE 5 – RECEIVABLES

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

	General Fund	Other Federal Projects Fund	Non-Major Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Due from other governmental entities:			
Due from federal government	\$ 18,978	\$ 1,831,871	\$ 684,058
Due from state government	6,773,358		523,407
Due from county government			21,674
Due from other districts	120,371		23,997
Net due from governmental entities	<u>\$ 6,912,707</u>	<u>\$ 1,831,871</u>	<u>\$ 1,253,136</u>

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6 – CAPITAL ASSETS

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

Governmental Activities	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 4,905,313	\$	\$	\$ 4,905,313
Construction in progress	90,155	39,045	33,595	95,605
Total capital assets, not being depreciated	<u>4,995,468</u>	<u>39,045</u>	<u>33,595</u>	<u>5,000,918</u>
Capital assets, being depreciated:				
Land improvements	1,602,650			1,602,650
Buildings and improvements	73,607,031			73,607,031
Vehicles, furniture and equipment	5,708,502	273,092		5,981,594
Total capital assets being depreciated	<u>80,918,183</u>	<u>273,092</u>		<u>81,191,275</u>
Less accumulated depreciation for:				
Land improvements	(1,229,244)	(55,614)		(1,284,858)
Buildings and improvements	(44,270,067)	(1,686,701)		(45,956,768)
Vehicles, furniture and equipment	(4,049,064)	(269,522)		(4,318,586)
Total accumulated depreciation	<u>(49,548,375)</u>	<u>(2,011,837)</u>		<u>(51,560,212)</u>
Total capital assets, being depreciated, net	<u>31,369,808</u>	<u>(1,738,745)</u>		<u>29,631,063</u>
Governmental activities capital assets, net	<u>\$ 36,365,276</u>	<u>\$ (1,699,700)</u>	<u>\$ 33,595</u>	<u>\$ 34,631,981</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$1,727,812
Support services – students and staff	1,698
Support services – administration	100,509
Operation and maintenance of plant services	117,551
Student transportation services	25,937
Operation of non-instructional services	38,330
Total depreciation expense – governmental activities	<u>\$2,011,837</u>

Construction Commitments – At year end, the District had contractual commitments related to various building improvements. At year end the District had spent \$95,605 on the projects and had estimated remaining contractual commitments of \$657,380. These projects are being funded by the School Facilities Board.

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 7 – SHORT TERM DEBT – REVOLVING LINE OF CREDIT

The District has a revolving line of credit to provide cash flow during the year to mitigate the impact of timing differences of expenditures and the receipt of state aid and property tax revenues. At year end, the District had \$10.0 million in unused line of credit.

NOTE 8 – OBLIGATIONS UNDER CAPITAL LEASES

The District entered into a long-term lease agreement for the purchase of energy conservation upgrades. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of its 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 obligation when due. The District receives a federal interest subsidy to fund the interest payments for the District-wide energy projects.

The assets acquired through capital leases for construction did not meet the District’s capitalization threshold.

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:	<u>Governmental Activities</u>
2022	\$ 621,371
2023	621,371
2024	621,371
2025	621,371
2026	621,371
2027-30	<u>2,300,179</u>
Total minimum lease payments	5,407,034
Less: amount representing interest	<u>2,038,159</u>
Present value of minimum lease payments	<u><u>3,368,875</u></u>
Due within one year	<u>\$ 374,319</u>

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 9 – CHANGES IN LONG-TERM LIABILITIES

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Obligations under capital leases	\$ 3,743,194	\$	\$ 374,319	\$ 3,368,875	\$ 374,319
Net pension liability	34,575,020	5,632,902		40,207,922	
Compensated absences payable	1,271,336	537,921	426,557	1,382,700	790,000
Governmental activity long-term liabilities	<u>\$ 39,589,550</u>	<u>\$ 6,170,823</u>	<u>\$ 800,876</u>	<u>\$ 44,959,497</u>	<u>\$ 1,164,319</u>

NOTE 10 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At year end, interfund balances were as follows:

Due to/from other fund – At year end, the Other Federal Projects Fund and several non-major governmental funds had negative cash balances of \$1,446,033 and \$323,014, respectively 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 in		
	General Fund	Non-Major Governmental Funds	Total
Transfers out			
General Fund	\$	\$ 374,319	\$ 374,319
Other Federal Projects Fund	134,647		134,647
Non-Major Governmental Funds	698,635		698,635
Total	<u>\$ 833,282</u>	<u>\$ 374,319</u>	<u>\$ 1,207,601</u>

Transfers between funds were used (1) to move federal grant funds restricted for indirect costs and (2) for the repayment of capital lease principal.

NOTE 11 – CONTINGENT LIABILITIES

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

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 12 – RISK MANAGEMENT

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

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

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

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

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

NOTE 13 – PENSIONS

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

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 13 – PENSIONS

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

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

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

*With actuarially reduced benefits

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

Contributions. In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 12.22 percent (12.04 percent for retirement and 0.18 percent for long-term disability) of the members’ annual covered payroll, and the District was required by statute to contribute at the actuarially determined rate of 12.22 percent (11.65 percent for retirement, 0.39 percent for health insurance premium benefit, and 0.18 percent for long-term disability) of the active members’ annual covered payroll. The District’s contributions to the pension plan for the year ended June 30, 2021 were \$3.1 million.

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 13 – PENSIONS

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

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

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

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

Net Liability	District % Proportion	Increase (Decrease)
\$ 40,207,922	0.232	(0.006)

Pension Expense and Deferred Outflows/Inflows of Resources. The District has deferred outflows and inflows of resources related to the net pension liability. Certain changes in the net pension liability are recognized as pension expense over a period of time rather than the year of occurrence. The District’s pension expense for the year ended June 30, 2021 was \$3.8 million.

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 13 – PENSIONS

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 363,750	\$
Net difference between projected and actual earnings on pension investments	3,878,101	
Changes in proportion and differences between contributions and proportionate share of contributions	199,904	555,142
Contributions subsequent to the measurement date	3,139,873	
Total	\$ 7,581,628	\$ 555,142

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	\$ 358,170
2023	926,216
2024	1,402,751
2025	1,199,476

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

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 13 – 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 geometric real rates of return for each major asset class are summarized in the following table:

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

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.

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 13 – 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	\$ 54,983,788	\$ 40,207,922	\$ 27,856,058

Contributions payable. The District’s accrued payroll and employee benefits included \$66,272 of outstanding pension contribution amounts payable to ASRS for the year ended June 30, 2021.

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

REQUIRED SUPPLEMENTARY INFORMATION

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other local	\$	\$	\$ 1,470,777	\$ 1,470,777
Property taxes			6,822,018	6,822,018
State aid and grants			25,843,954	25,843,954
Total revenues			<u>34,136,749</u>	<u>34,136,749</u>
Expenditures:				
Current -				
Instruction	24,232,129	22,889,118	16,624,911	6,264,207
Support services - students and staff	2,659,208	2,659,208	3,413,012	(753,804)
Support services - administration	3,660,455	3,660,455	4,835,176	(1,174,721)
Operation and maintenance of plant services	5,737,303	5,737,303	4,766,026	971,277
Student transportation services	1,304,153	1,304,153	777,627	526,526
Operation of non-instructional services	244,433	244,433	284,848	(40,415)
Total expenditures	<u>37,837,681</u>	<u>36,494,670</u>	<u>30,701,600</u>	<u>5,793,070</u>
Excess (deficiency) of revenues over expenditures	<u>(37,837,681)</u>	<u>(36,494,670)</u>	<u>3,435,149</u>	<u>39,929,819</u>
Other financing sources (uses):				
Transfers out			(374,319)	(374,319)
Total other financing sources (uses)			<u>(374,319)</u>	<u>(374,319)</u>
Changes in fund balances	<u>(37,837,681)</u>	<u>(36,494,670)</u>	<u>3,060,830</u>	<u>39,555,500</u>
Fund balances, beginning of year			9,632,079	9,632,079
Increase (decrease) in reserve for prepaid items			(20,203)	(20,203)
Increase (decrease) in reserve for inventory			3,025	3,025
Fund balances (deficits), end of year	<u>\$ (37,837,681)</u>	<u>\$ (36,494,670)</u>	<u>\$ 12,675,731</u>	<u>\$ 49,170,401</u>

See accompanying notes to this schedule.

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
OTHER FEDERAL PROJECTS
YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues:				
Federal aid, grants and reimbursements	\$	\$	\$ 4,524,981	\$ 4,524,981
Total revenues			<u>4,524,981</u>	<u>4,524,981</u>
Expenditures:				
Current -				
Instruction	2,052,000	9,431,378	2,226,264	7,205,114
Support services - students and staff			626,035	(626,035)
Support services - administration			25,262	(25,262)
Operation and maintenance of plant services			1,217,105	(1,217,105)
Student transportation services			161,548	(161,548)
Capital outlay			1,879,463	(1,879,463)
Total expenditures	<u>2,052,000</u>	<u>9,431,378</u>	<u>6,135,677</u>	<u>3,295,701</u>
Excess (deficiency) of revenues over expenditures	<u>(2,052,000)</u>	<u>(9,431,378)</u>	<u>(1,610,696)</u>	<u>7,820,682</u>
Other financing sources (uses):				
Transfers out			(134,647)	(134,647)
Total other financing sources (uses)			<u>(134,647)</u>	<u>(134,647)</u>
Changes in fund balances	<u>(2,052,000)</u>	<u>(9,431,378)</u>	<u>(1,745,343)</u>	<u>7,686,035</u>
Fund balances (deficits), beginning of year			(31,059)	(31,059)
Fund balances (deficits), end of year	<u>\$ (2,052,000)</u>	<u>\$ (9,431,378)</u>	<u>\$ (1,776,402)</u>	<u>\$ 7,654,976</u>

See accompanying notes to this schedule.

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
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	0.23%	0.24%	0.23%	0.23%
District's proportionate share of the net pension (assets) liability	\$ 40,207,922	\$ 34,575,020	\$ 32,528,772	\$ 35,860,673
District's covered payroll	\$ 25,670,716	\$ 25,044,517	\$ 23,153,440	\$ 22,331,679
District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	156.63%	138.05%	140.49%	160.58%
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	\$ 3,139,873	\$ 2,939,297	\$ 2,799,977	\$ 2,523,725
Contributions in relation to the actuarially determined contribution	<u>3,139,873</u>	<u>2,939,297</u>	<u>2,799,977</u>	<u>2,523,725</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 26,951,700	\$ 25,670,716	\$ 25,044,517	\$ 23,153,440
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
0.24%	0.24%	0.24%
\$ 38,110,526	\$ 36,722,665	\$ 36,176,767
\$ 22,252,378	\$ 21,672,332	\$ 22,007,561
171.26%	169.44%	164.38%
67.06%	68.35%	69.49%

<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 2,407,355	\$ 2,414,383	\$ 2,360,117
<u>2,407,355</u>	<u>2,414,383</u>	<u>2,360,117</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 22,331,679	\$ 22,252,378	\$ 21,672,332
10.78%	10.85%	10.89%

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

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

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

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

	Total Expenditures	Fund Balances End of Year
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	\$ 30,794,750	\$ 18,611,951
Activity budgeted as special revenue funds	(427,493)	(2,881,842)
Current-year prepaid items	443,807	
Employee insurance account	(109,464)	(3,054,378)
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	\$ 30,701,600	\$ 12,675,731

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

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2021

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
<u>ASSETS</u>			
Cash and investments	\$ 3,697,119	\$ 1,746,151	\$ 5,443,270
Property taxes receivable		19,053	19,053
Accounts receivable	13,758		13,758
Due from governmental entities	785,016	468,120	1,253,136
Total assets	<u>\$ 4,495,893</u>	<u>\$ 2,233,324</u>	<u>\$ 6,729,217</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 369,633	\$ 534,021	\$ 903,654
Due to other funds	323,014		323,014
Accrued payroll and employee benefits	314,295		314,295
Total liabilities	<u>1,006,942</u>	<u>534,021</u>	<u>1,540,963</u>
Deferred inflows of resources:			
Unavailable revenues - property taxes		16,314	16,314
Unavailable revenues - intergovernmental	320,390		320,390
Total deferred inflows of resources	<u>320,390</u>	<u>16,314</u>	<u>336,704</u>
Fund balances (deficits):			
Restricted	3,511,439	1,682,989	5,194,428
Unassigned	(342,878)		(342,878)
Total fund balances	<u>3,168,561</u>	<u>1,682,989</u>	<u>4,851,550</u>
 Total liabilities, deferred inflows of resources and fund balances	 <u>\$ 4,495,893</u>	 <u>\$ 2,233,324</u>	 <u>\$ 6,729,217</u>

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
YEAR ENDED JUNE 30, 2021

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
Revenues:			
Other local	\$ 451,817	\$ 93,046	\$ 544,863
Property taxes		317,482	317,482
State aid and grants	4,474,019	1,543,971	6,017,990
Federal aid, grants and reimbursements	7,789,312	247,052	8,036,364
Total revenues	<u>12,715,148</u>	<u>2,201,551</u>	<u>14,916,699</u>
Expenditures:			
Current -			
Instruction	6,190,744		6,190,744
Support services - students and staff	2,139,825		2,139,825
Support services - administration	428,230		428,230
Operation and maintenance of plant services	236,208		236,208
Operation of non-instructional services	1,997,581		1,997,581
Capital outlay	976,154	1,619,336	2,595,490
Debt service -			
Principal retirement		374,319	374,319
Interest and fiscal charges		247,052	247,052
Total expenditures	<u>11,968,742</u>	<u>2,240,707</u>	<u>14,209,449</u>
Excess (deficiency) of revenues over expenditures	<u>746,406</u>	<u>(39,156)</u>	<u>707,250</u>
Other financing sources (uses):			
Transfers in		374,319	374,319
Transfers out	(698,635)		(698,635)
Total other financing sources (uses)	<u>(698,635)</u>	<u>374,319</u>	<u>(324,316)</u>
Changes in fund balances	<u>47,771</u>	<u>335,163</u>	<u>382,934</u>
Fund balances, beginning of year	3,367,653	1,347,826	4,715,479
Increase (decrease) in reserve for prepaid items	(246,863)		(246,863)
Fund balances, end of year	<u>\$ 3,168,561</u>	<u>\$ 1,682,989</u>	<u>\$ 4,851,550</u>

SPECIAL REVENUE FUNDS

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

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

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

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.

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.

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 resources received for broadband internet and telecommunications costs.

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

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

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

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

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.

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

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

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

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

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

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

Career Technical Education - to account for monies received from Career 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.

District Services - to account for the operation of District functions that provide goods or services to other District departments on a cost-reimbursement basis.

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

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
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	\$ 900,011	\$ 368,110	\$
Accounts receivable			
Due from governmental entities			21,674
Total assets	\$ 900,011	\$ 368,110	\$ 21,674
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			21,674
Accrued payroll and employee benefits			
Total liabilities			21,674
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Fund balances (deficits):			
Restricted	900,011	368,110	
Unassigned			
Total fund balances	900,011	368,110	
 Total liabilities, deferred inflows of resources and fund balances	\$ 900,011	\$ 368,110	\$ 21,674

<u>Title I Grants</u>	<u>Limited English & Immigrant Students</u>	<u>Special Education Grants</u>	<u>Vocational Education</u>	<u>E-Rate</u>	<u>College Credit Exam Incentives</u>
\$	\$	\$	\$	\$ 385,275	\$ 27,319
177,126	14,186	23,579	122,182	182,739	
<u>\$ 177,126</u>	<u>\$ 14,186</u>	<u>\$ 23,579</u>	<u>\$ 122,182</u>	<u>\$ 568,014</u>	<u>\$ 27,319</u>
\$ 13,794	\$	\$	\$ 2,282	\$ 182,739	\$
114,843	8,783	23,579	148,022		
48,489	5,403		4,567		
<u>177,126</u>	<u>14,186</u>	<u>23,579</u>	<u>154,871</u>	<u>182,739</u>	
<u>177,126</u>	<u>1,677</u>	<u>23,579</u>	<u>101,694</u>		
(177,126)	(1,677)	(23,579)	(134,383)	385,275	27,319
<u>(177,126)</u>	<u>(1,677)</u>	<u>(23,579)</u>	<u>(134,383)</u>	<u>385,275</u>	<u>27,319</u>
<u>\$ 177,126</u>	<u>\$ 14,186</u>	<u>\$ 23,579</u>	<u>\$ 122,182</u>	<u>\$ 568,014</u>	<u>\$ 27,319</u>

(Continued)

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2021

	<u>Results-based Funding</u>	<u>Other State Projects</u>	<u>Food Service</u>
<u>ASSETS</u>			
Cash and investments	\$ 667,630	\$ 5,485	\$ 620,068
Accounts receivable			
Due from governmental entities	4,103	58,867	164,246
Total assets	<u>\$ 671,733</u>	<u>\$ 64,352</u>	<u>\$ 784,314</u>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$ 168,326
Due to other funds			
Accrued payroll and employee benefits	251,907	3,929	
Total liabilities	<u>251,907</u>	<u>3,929</u>	<u>168,326</u>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental	<u> </u>	<u> </u>	<u> </u>
Fund balances (deficits):			
Restricted	419,826	60,423	615,988
Unassigned			
Total fund balances	<u>419,826</u>	<u>60,423</u>	<u>615,988</u>
 Total liabilities, deferred inflows of resources and fund balances	 <u>\$ 671,733</u>	 <u>\$ 64,352</u>	 <u>\$ 784,314</u>

<u>Civic Center</u>	<u>Community School</u>	<u>Extracurricular Activities Fees Tax Credit</u>	<u>Gifts and Donations</u>	<u>Fingerprint</u>	<u>Textbooks</u>
\$ 35,999	\$ 20,268	\$ 160,985	\$ 191,842 13,758	\$ 815	\$ 100
<u>\$ 35,999</u>	<u>\$ 20,268</u>	<u>\$ 160,985</u>	<u>\$ 205,600</u>	<u>\$ 815</u>	<u>\$ 100</u>
\$	\$	\$	\$ 2,492	\$	\$
			<u>2,492</u>		
35,999	20,268	160,985	203,108	815	100
<u>35,999</u>	<u>20,268</u>	<u>160,985</u>	<u>203,108</u>	<u>815</u>	<u>100</u>
<u>\$ 35,999</u>	<u>\$ 20,268</u>	<u>\$ 160,985</u>	<u>\$ 205,600</u>	<u>\$ 815</u>	<u>\$ 100</u>

(Continued)

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2021

	<u>Insurance Refund</u>	<u>Career Technical Education</u>	<u>Student Activities</u>
<u>ASSETS</u>			
Cash and investments	\$	\$	\$ 313,212
Accounts receivable			
Due from governmental entities		16,314	
Total assets	\$	\$ 16,314	\$ 313,212
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds	1,654	4,459	
Accrued payroll and employee benefits			
Total liabilities	1,654	4,459	
Deferred inflows of resources:			
Unavailable revenues - intergovernmental		16,314	
Fund balances (deficits):			
Restricted			313,212
Unassigned	(1,654)	(4,459)	
Total fund balances	(1,654)	(4,459)	313,212
 Total liabilities, deferred inflows of resources and fund balances	\$	\$ 16,314	\$ 313,212

Totals

\$ 3,697,119
13,758
785,016
\$ 4,495,893

\$ 369,633
323,014
314,295
1,006,942

320,390

3,511,439
(342,878)
3,168,561

\$ 4,495,893

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
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	\$ 576	\$ 111	\$ 21,672
State aid and grants	2,861,755	240,876	
Federal aid, grants and reimbursements			
Total revenues	2,862,331	240,987	21,672
Expenditures:			
Current -			
Instruction	2,880,060	229,775	21,672
Support services - students and staff	119,471	2,445	
Support services - administration			
Operation and maintenance of plant services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	2,999,531	232,220	21,672
Excess (deficiency) of revenues over expenditures	(137,200)	8,767	
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	(137,200)	8,767	
Fund balances (deficits), beginning of year	1,037,211	359,343	
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	\$ 900,011	\$ 368,110	\$

<u>Title I Grants</u>	<u>Promote Informed Parent Choice</u>	<u>Limited English & Immigrant Students</u>	<u>Special Education Grants</u>	<u>Vocational Education</u>	<u>E-Rate</u>
\$	\$	\$	\$	\$	\$
2,902,048	229,357	249,715	1,275,735	422,912	442,497
<u>2,902,048</u>	<u>229,357</u>	<u>249,715</u>	<u>1,275,735</u>	<u>422,912</u>	<u>442,497</u>
1,384,332	149,442	87,107	248,359	356,872	
678,023	16,502	127,315	761,596	23,714	
123,329	2,251		1,942		235,367
					225,803
422,751	43,240		175,957	127,033	20,425
<u>2,608,435</u>	<u>211,435</u>	<u>214,422</u>	<u>1,187,854</u>	<u>507,619</u>	<u>481,595</u>
293,613	17,922	35,293	87,881	(84,707)	(39,098)
(212,920)	(16,883)	(17,424)	(90,551)	(10,857)	
<u>(212,920)</u>	<u>(16,883)</u>	<u>(17,424)</u>	<u>(90,551)</u>	<u>(10,857)</u>	
80,693	1,039	17,869	(2,670)	(95,564)	(39,098)
(10,956)	(1,039)	(19,546)	(20,909)	(38,819)	424,373
(246,863)					
<u>\$ (177,126)</u>	<u>\$</u>	<u>\$ (1,677)</u>	<u>\$ (23,579)</u>	<u>\$ (134,383)</u>	<u>\$ 385,275</u>

(Continued)

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	State Vocational Education	College Credit Exam Incentives	Results-based Funding
Revenues:			
Other local	\$	\$	\$
State aid and grants	243,515	1,937	847,804
Federal aid, grants and reimbursements			
Total revenues	243,515	1,937	847,804
Expenditures:			
Current -			
Instruction	15,832		556,436
Support services - students and staff	196,947		61,895
Support services - administration	11,472		22,929
Operation and maintenance of plant services			4,587
Operation of non-instructional services			
Capital outlay	19,264		10,984
Total expenditures	243,515		656,831
Excess (deficiency) of revenues over expenditures		1,937	190,973
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances		1,937	190,973
Fund balances (deficits), beginning of year		25,382	228,853
Increase (decrease) in reserve for prepaid items			
Fund balances, end of year	\$	\$ 27,319	\$ 419,826

Other State Projects	Food Service	Civic Center	Community School	Extracurricular Activities Fees Tax Credit	Gifts and Donations
\$ 253,393	\$ 179,368	\$ 3,016	\$ 209	\$ 15,910	\$ 83,616
	2,267,048				
<u>253,393</u>	<u>2,446,416</u>	<u>3,016</u>	<u>209</u>	<u>15,910</u>	<u>83,616</u>
54,045	1,320		400	5,116	41,543
123,752	2,444				20,915
	1,997,581	1,091			27,906
	82,977				4,331
<u>37,777</u>	<u>2,084,322</u>	<u>1,091</u>	<u>400</u>	<u>5,116</u>	<u>11,007</u>
<u>215,574</u>					<u>105,702</u>
<u>37,819</u>	<u>362,094</u>	<u>1,925</u>	<u>(191)</u>	<u>10,794</u>	<u>(22,086)</u>
	(350,000)				
	<u>(350,000)</u>				
<u>37,819</u>	<u>12,094</u>	<u>1,925</u>	<u>(191)</u>	<u>10,794</u>	<u>(22,086)</u>
22,604	603,894	34,074	20,459	150,191	225,194
<u>\$ 60,423</u>	<u>\$ 615,988</u>	<u>\$ 35,999</u>	<u>\$ 20,268</u>	<u>\$ 160,985</u>	<u>\$ 203,108</u>

(Continued)

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Fingerprint	Textbooks	Insurance Refund
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	590		
Operation and maintenance of plant services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	590		
Excess (deficiency) of revenues over expenditures	(590)		
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	(590)		
Fund balances (deficits), beginning of year	1,405	100	(1,654)
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	\$ 815	\$ 100	\$ (1,654)

<u>Career Technical Education</u>	<u>Arizona Industry Credentials Incentive</u>	<u>Student Activities</u>	<u>Totals</u>
\$ 58,327	\$ 24,739	\$ 89,012	\$ 451,817
			4,474,019
			7,789,312
<u>58,327</u>	<u>24,739</u>	<u>89,012</u>	<u>12,715,148</u>
63,721		94,712	6,190,744
7,250			2,139,825
			428,230
396			236,208
	24,739		1,997,581
	<u>24,739</u>		<u>976,154</u>
<u>71,367</u>	<u>24,739</u>	<u>94,712</u>	<u>11,968,742</u>
(13,040)		(5,700)	746,406
			(698,635)
			<u>(698,635)</u>
<u>(13,040)</u>		<u>(5,700)</u>	<u>47,771</u>
8,581		318,912	3,367,653
			(246,863)
<u>\$ (4,459)</u>	<u>\$</u>	<u>\$ 313,212</u>	<u>\$ 3,168,561</u>

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
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	\$	\$ 576	\$ 576
State aid and grants		2,861,755	2,861,755
Federal aid, grants and reimbursements			
Total revenues		<u>2,862,331</u>	<u>2,862,331</u>
Expenditures:			
Current -			
Instruction	4,049,417	2,880,060	1,169,357
Support services - students and staff		119,471	(119,471)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>4,049,417</u>	<u>2,999,531</u>	<u>1,049,886</u>
Excess (deficiency) of revenues over expenditures	<u>(4,049,417)</u>	<u>(137,200)</u>	<u>3,912,217</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Insurance recoveries			
Total other financing sources (uses)			
Changes in fund balances	<u>(4,049,417)</u>	<u>(137,200)</u>	<u>3,912,217</u>
Fund balances (deficits), beginning of year		1,037,211	1,037,211
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	<u>\$ (4,049,417)</u>	<u>\$ 900,011</u>	<u>\$ 4,949,428</u>

Instructional Improvement			County, City, and Town Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 111 240,876	\$ 111 240,876	\$	\$ 21,672	\$ 21,672
	<u>240,987</u>	<u>240,987</u>		<u>21,672</u>	<u>21,672</u>
236,250	229,775 2,445	6,475 (2,445)	25,000	21,672	3,328
<u>236,250</u>	<u>232,220</u>	<u>4,030</u>	<u>25,000</u>	<u>21,672</u>	<u>3,328</u>
<u>(236,250)</u>	<u>8,767</u>	<u>245,017</u>	<u>(25,000)</u>		<u>25,000</u>
<u>(236,250)</u>	<u>8,767</u>	<u>245,017</u>	<u>(25,000)</u>		<u>25,000</u>
	359,343	359,343			
<u>\$ (236,250)</u>	<u>\$ 368,110</u>	<u>\$ 604,360</u>	<u>\$ (25,000)</u>	<u>\$</u>	<u>\$ 25,000</u>

(Continued)

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Title I Grants		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		2,902,048	2,902,048
Total revenues		<u>2,902,048</u>	<u>2,902,048</u>
Expenditures:			
Current -			
Instruction	3,094,400	1,384,332	1,710,068
Support services - students and staff		678,023	(678,023)
Support services - administration		123,329	(123,329)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay		422,751	(422,751)
Total expenditures	<u>3,094,400</u>	<u>2,608,435</u>	<u>485,965</u>
Excess (deficiency) of revenues over expenditures	<u>(3,094,400)</u>	<u>293,613</u>	<u>3,388,013</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(212,920)	(212,920)
Insurance recoveries			
Total other financing sources (uses)		<u>(212,920)</u>	<u>(212,920)</u>
Changes in fund balances	<u>(3,094,400)</u>	<u>80,693</u>	<u>3,175,093</u>
Fund balances (deficits), beginning of year		(10,956)	(10,956)
Increase (decrease) in reserve for prepaid items		(246,863)	(246,863)
Fund balances (deficits), end of year	<u>\$ (3,094,400)</u>	<u>\$ (177,126)</u>	<u>\$ 2,917,274</u>

Promote Informed Parent Choice			Limited English & Immigrant Students		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	229,357	229,357		249,715	249,715
	229,357	229,357		249,715	249,715
353,888	149,442	204,446		87,107	(87,107)
	16,502	(16,502)	268,777	127,315	141,462
	2,251	(2,251)			
	43,240	(43,240)			
353,888	211,435	142,453	268,777	214,422	54,355
(353,888)	17,922	371,810	(268,777)	35,293	304,070
	(16,883)	(16,883)		(17,424)	(17,424)
	(16,883)	(16,883)		(17,424)	(17,424)
(353,888)	1,039	354,927	(268,777)	17,869	286,646
	(1,039)	(1,039)		(19,546)	(19,546)
\$ (353,888)	\$	\$ 353,888	\$ (268,777)	\$ (1,677)	\$ 267,100

(Continued)

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
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		1,275,735	1,275,735
Total revenues		<u>1,275,735</u>	<u>1,275,735</u>
Expenditures:			
Current -			
Instruction		248,359	(248,359)
Support services - students and staff	1,365,296	761,596	603,700
Support services - administration		1,942	(1,942)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay		175,957	(175,957)
Total expenditures	<u>1,365,296</u>	<u>1,187,854</u>	<u>177,442</u>
Excess (deficiency) of revenues over expenditures	<u>(1,365,296)</u>	<u>87,881</u>	<u>1,453,177</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(90,551)	(90,551)
Insurance recoveries			
Total other financing sources (uses)		<u>(90,551)</u>	<u>(90,551)</u>
Changes in fund balances	<u>(1,365,296)</u>	<u>(2,670)</u>	<u>1,362,626</u>
Fund balances (deficits), beginning of year		(20,909)	(20,909)
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	<u>\$ (1,365,296)</u>	<u>\$ (23,579)</u>	<u>\$ 1,341,717</u>

Vocational Education			Medicaid Reimbursement		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$ 487	\$ 487
	422,912	422,912		191,993	191,993
	422,912	422,912		192,480	192,480
426,131	356,872 23,714	69,259 (23,714)	250,000	34,175	215,825
	127,033	(127,033)		22,458	(22,458)
426,131	507,619	(81,488)	250,000	56,633	193,367
(426,131)	(84,707)	341,424	(250,000)	135,847	385,847
	(10,857)	(10,857)			
	(10,857)	(10,857)			
(426,131)	(95,564)	330,567	(250,000)	135,847	385,847
	(38,819)	(38,819)		862,362	862,362
\$ (426,131)	\$ (134,383)	\$ 291,748	\$ (250,000)	\$ 998,209	\$ 1,248,209

(Continued)

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
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			
Insurance recoveries			
Total other financing sources (uses)			
Changes in fund balances			
Fund balances (deficits), beginning of year		253,234	253,234
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	\$	\$ 253,234	\$ 253,234

E-Rate			State Vocational Education		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	442,497	442,497		243,515	243,515
	442,497	442,497		243,515	243,515
200,000	235,367	(35,367)	55,000	15,832	(15,832)
	225,803	(225,803)		196,947	(141,947)
				11,472	(11,472)
	20,425	(20,425)		19,264	(19,264)
200,000	481,595	(281,595)	55,000	243,515	(188,515)
(200,000)	(39,098)	160,902	(55,000)		55,000
(200,000)	(39,098)	160,902	(55,000)		55,000
	424,373	424,373			
\$ (200,000)	\$ 385,275	\$ 585,275	\$ (55,000)	\$	\$ 55,000

(Continued)

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Gifted		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues			
Expenditures:			
Current -			
Instruction	5,000		5,000
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	5,000		5,000
Excess (deficiency) of revenues over expenditures	(5,000)		5,000
Other financing sources (uses):			
Transfers in			
Transfers out			
Insurance recoveries			
Total other financing sources (uses)			
Changes in fund balances	(5,000)		5,000
Fund balances (deficits), beginning of year			
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	\$ (5,000)	\$	\$ 5,000

College Credit Exam Incentives			Results-based Funding		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 1,937	\$ 1,937	\$	\$ 847,804	\$ 847,804
	<u>1,937</u>	<u>1,937</u>		<u>847,804</u>	<u>847,804</u>
25,000		25,000	1,076,421	556,436	519,985
				61,895	(61,895)
				22,929	(22,929)
				4,587	(4,587)
				<u>10,984</u>	<u>(10,984)</u>
<u>25,000</u>		<u>25,000</u>	<u>1,076,421</u>	<u>656,831</u>	<u>419,590</u>
<u>(25,000)</u>	<u>1,937</u>	<u>26,937</u>	<u>(1,076,421)</u>	<u>190,973</u>	<u>1,267,394</u>
<u>(25,000)</u>	<u>1,937</u>	<u>26,937</u>	<u>(1,076,421)</u>	<u>190,973</u>	<u>1,267,394</u>
	25,382	25,382		228,853	228,853
<u>\$ (25,000)</u>	<u>\$ 27,319</u>	<u>\$ 52,319</u>	<u>\$ (1,076,421)</u>	<u>\$ 419,826</u>	<u>\$ 1,496,247</u>

(Continued)

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
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			
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			
Insurance recoveries			
Total other financing sources (uses)			
Changes in fund balances			
Fund balances (deficits), beginning of year		62,392	62,392
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	\$	\$ 62,392	\$ 62,392

Other State Projects			School Plant		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	253,393	253,393			
	<u>253,393</u>	<u>253,393</u>			
442,013	54,045 123,752	(54,045) 318,261			
			15,000		15,000
	37,777	(37,777)			
<u>442,013</u>	<u>215,574</u>	<u>226,439</u>	<u>15,000</u>		<u>15,000</u>
<u>(442,013)</u>	<u>37,819</u>	<u>479,832</u>	<u>(15,000)</u>		<u>15,000</u>
<u>(442,013)</u>	<u>37,819</u>	<u>479,832</u>	<u>(15,000)</u>		<u>15,000</u>
	22,604	22,604		33,245	33,245
<u>\$ (442,013)</u>	<u>\$ 60,423</u>	<u>\$ 502,436</u>	<u>\$ (15,000)</u>	<u>\$ 33,245</u>	<u>\$ 48,245</u>

(Continued)

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
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		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 179,368	\$ 179,368
State aid and grants			
Federal aid, grants and reimbursements		2,267,048	2,267,048
Total revenues		<u>2,446,416</u>	<u>2,446,416</u>
Expenditures:			
Current -			
Instruction		1,320	(1,320)
Support services - students and staff			
Support services - administration		2,444	(2,444)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services	4,000,000	1,997,581	2,002,419
Capital outlay		82,977	(82,977)
Total expenditures	<u>4,000,000</u>	<u>2,084,322</u>	<u>1,915,678</u>
Excess (deficiency) of revenues over expenditures	<u>(4,000,000)</u>	<u>362,094</u>	<u>4,362,094</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(350,000)	(350,000)
Insurance recoveries			
Total other financing sources (uses)		<u>(350,000)</u>	<u>(350,000)</u>
Changes in fund balances	<u>(4,000,000)</u>	<u>12,094</u>	<u>4,012,094</u>
Fund balances (deficits), beginning of year		603,894	603,894
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	<u>\$ (4,000,000)</u>	<u>\$ 615,988</u>	<u>\$ 4,615,988</u>

Civic Center			Community School		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 3,016	\$ 3,016	\$	\$ 209	\$ 209
	<u>3,016</u>	<u>3,016</u>		<u>209</u>	<u>209</u>
			130,000	400	129,600
30,000	1,091	28,909			
<u>30,000</u>	<u>1,091</u>	<u>28,909</u>	<u>130,000</u>	<u>400</u>	<u>129,600</u>
<u>(30,000)</u>	<u>1,925</u>	<u>31,925</u>	<u>(130,000)</u>	<u>(191)</u>	<u>129,809</u>
<u>(30,000)</u>	<u>1,925</u>	<u>31,925</u>	<u>(130,000)</u>	<u>(191)</u>	<u>129,809</u>
	34,074	34,074		20,459	20,459
<u>\$ (30,000)</u>	<u>\$ 35,999</u>	<u>\$ 65,999</u>	<u>\$ (130,000)</u>	<u>\$ 20,268</u>	<u>\$ 150,268</u>

(Continued)

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
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	\$	\$ 74,367	\$ 74,367
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		74,367	74,367
Expenditures:			
Current -			
Instruction	500,000	90,491	409,509
Support services - students and staff			
Support services - administration		418	(418)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	500,000	90,909	409,091
Excess (deficiency) of revenues over expenditures	(500,000)	(16,542)	483,458
Other financing sources (uses):			
Transfers in			
Transfers out			
Insurance recoveries			
Total other financing sources (uses)			
Changes in fund balances	(500,000)	(16,542)	483,458
Fund balances (deficits), beginning of year		226,601	226,601
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	\$ (500,000)	\$ 210,059	\$ 710,059

Extracurricular Activities Fees Tax Credit			Gifts and Donations		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 15,910	\$ 15,910	\$	\$ 83,616	\$ 83,616
	<u>15,910</u>	<u>15,910</u>		<u>83,616</u>	<u>83,616</u>
200,000	5,116	194,884	265,800	41,543	224,257
				20,915	(20,915)
				27,906	(27,906)
				4,331	(4,331)
				<u>11,007</u>	<u>(11,007)</u>
<u>200,000</u>	<u>5,116</u>	<u>194,884</u>	<u>265,800</u>	<u>105,702</u>	<u>160,098</u>
<u>(200,000)</u>	<u>10,794</u>	<u>210,794</u>	<u>(265,800)</u>	<u>(22,086)</u>	<u>243,714</u>
<u>(200,000)</u>	<u>10,794</u>	<u>210,794</u>	<u>(265,800)</u>	<u>(22,086)</u>	<u>243,714</u>
	150,191	150,191		225,194	225,194
<u>\$ (200,000)</u>	<u>\$ 160,985</u>	<u>\$ 360,985</u>	<u>\$ (265,800)</u>	<u>\$ 203,108</u>	<u>\$ 468,908</u>

(Continued)

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
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	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues			
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration		590	(590)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures		590	(590)
Excess (deficiency) of revenues over expenditures		(590)	(590)
Other financing sources (uses):			
Transfers in			
Transfers out			
Insurance recoveries			
Total other financing sources (uses)			
Changes in fund balances		(590)	(590)
Fund balances (deficits), beginning of year		1,405	1,405
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	\$	\$ 815	\$ 815

Insurance Proceeds			Textbooks		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 7	\$ 7	\$	\$	\$
	7	7			
15,000		15,000			
15,000		15,000			
(15,000)	7	15,007			
	53,783	53,783			
	53,783	53,783			
(15,000)	53,790	68,790			
	16,172	16,172		100	100
\$ (15,000)	\$ 69,962	\$ 84,962	\$	\$ 100	\$ 100

(Continued)

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Litigation Recovery		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 1,652	\$ 1,652
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>1,652</u>	<u>1,652</u>
Expenditures:			
Current -			
Instruction	40,000		40,000
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>40,000</u>		<u>40,000</u>
Excess (deficiency) of revenues over expenditures	<u>(40,000)</u>	<u>1,652</u>	<u>41,652</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Insurance recoveries			
Total other financing sources (uses)			
Changes in fund balances	<u>(40,000)</u>	<u>1,652</u>	<u>41,652</u>
Fund balances (deficits), beginning of year		4,886	4,886
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	<u>\$ (40,000)</u>	<u>\$ 6,538</u>	<u>\$ 46,538</u>

Indirect Costs			Insurance Refund		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 31,274	\$ 31,274	\$	\$	\$
	<u>31,274</u>	<u>31,274</u>			
			5,000		5,000
470,000	166,032	303,968			
	38,872	(38,872)			
	47,693	(47,693)			
<u>470,000</u>	<u>252,597</u>	<u>217,403</u>	<u>5,000</u>		<u>5,000</u>
<u>(470,000)</u>	<u>(221,323)</u>	<u>248,677</u>	<u>(5,000)</u>		<u>5,000</u>
	833,282	833,282			
	<u>833,282</u>	<u>833,282</u>			
<u>(470,000)</u>	<u>611,959</u>	<u>1,081,959</u>	<u>(5,000)</u>		<u>5,000</u>
	577,283	577,283		(1,654)	(1,654)
<u>\$ (470,000)</u>	<u>\$ 1,189,242</u>	<u>\$ 1,659,242</u>	<u>\$ (5,000)</u>	<u>\$ (1,654)</u>	<u>\$ 3,346</u>

(Continued)

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Advertisement		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
Revenues:			
Other local	\$	\$ 6	\$ 6
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>6</u>	<u>6</u>
Expenditures:			
Current -			
Instruction	15,000		15,000
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>15,000</u>		<u>15,000</u>
Excess (deficiency) of revenues over expenditures	<u>(15,000)</u>	<u>6</u>	<u>15,006</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Insurance recoveries			
Total other financing sources (uses)			
Changes in fund balances	<u>(15,000)</u>	<u>6</u>	<u>15,006</u>
Fund balances (deficits), beginning of year		14,563	14,563
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	<u>\$ (15,000)</u>	<u>\$ 14,569</u>	<u>\$ 29,569</u>

Career Technical Education			Arizona Industry Credentials Incentive		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 58,327	\$ 58,327	\$	\$ 24,739	\$ 24,739
	<u>58,327</u>	<u>58,327</u>		<u>24,739</u>	<u>24,739</u>
900,000	63,721 7,250	836,279 (7,250)			
	396	(396)			
			35,000	24,739	10,261
<u>900,000</u>	<u>71,367</u>	<u>828,633</u>	<u>35,000</u>	<u>24,739</u>	<u>10,261</u>
<u>(900,000)</u>	<u>(13,040)</u>	<u>886,960</u>	<u>(35,000)</u>		<u>35,000</u>
<u>(900,000)</u>	<u>(13,040)</u>	<u>886,960</u>	<u>(35,000)</u>		<u>35,000</u>
	8,581	8,581			
<u>\$ (900,000)</u>	<u>\$ (4,459)</u>	<u>\$ 895,541</u>	<u>\$ (35,000)</u>	<u>\$</u>	<u>\$ 35,000</u>

(Continued)

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	District Services		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 32,483	\$ 32,483
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>32,483</u>	<u>32,483</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration		5,192	(5,192)
Operation and maintenance of plant services	250,000	17,648	232,352
Student transportation services		723	(723)
Operation of non-instructional services			
Capital outlay		<u>3,791</u>	<u>(3,791)</u>
Total expenditures	<u>250,000</u>	<u>27,354</u>	<u>222,646</u>
Excess (deficiency) of revenues over expenditures	<u>(250,000)</u>	<u>5,129</u>	<u>255,129</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Insurance recoveries			
Total other financing sources (uses)			
Changes in fund balances	<u>(250,000)</u>	<u>5,129</u>	<u>255,129</u>
Fund balances (deficits), beginning of year		39,263	39,263
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	<u>\$ (250,000)</u>	<u>\$ 44,392</u>	<u>\$ 294,392</u>

Student Activities			Totals		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 89,012	\$ 89,012	\$	\$ 592,093	\$ 592,093
				4,474,019	4,474,019
				7,981,305	7,981,305
	<u>89,012</u>	<u>89,012</u>		<u>13,047,417</u>	<u>13,047,417</u>
750,000	94,712	655,288	12,362,307	6,315,410	6,046,897
			2,131,086	2,139,825	(8,739)
			670,000	599,872	70,128
			295,000	292,728	2,272
				723	(723)
			4,000,000	2,045,274	1,954,726
			35,000	1,002,403	(967,403)
<u>750,000</u>	<u>94,712</u>	<u>655,288</u>	<u>19,493,393</u>	<u>12,396,235</u>	<u>7,097,158</u>
<u>(750,000)</u>	<u>(5,700)</u>	<u>744,300</u>	<u>(19,493,393)</u>	<u>651,182</u>	<u>20,144,575</u>
				833,282	833,282
				(698,635)	(698,635)
				53,783	53,783
				<u>188,430</u>	<u>188,430</u>
<u>(750,000)</u>	<u>(5,700)</u>	<u>744,300</u>	<u>(19,493,393)</u>	<u>839,612</u>	<u>20,333,005</u>
	318,912	318,912		5,457,654	5,457,654
				(246,863)	(246,863)
<u>\$ (750,000)</u>	<u>\$ 313,212</u>	<u>\$ 1,063,212</u>	<u>\$ (19,493,393)</u>	<u>\$ 6,050,403</u>	<u>\$ 25,543,796</u>

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CAPITAL PROJECTS FUNDS

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

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

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.

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2021

	Unrestricted Capital Outlay	Adjacent Ways	Energy and Water Savings
<u>ASSETS</u>			
Cash and investments	\$ 1,667,321	\$ 6,026	\$ 63,547
Property taxes receivable	19,053		
Due from governmental entities	440,025		
Total assets	\$ 2,126,399	\$ 6,026	\$ 63,547
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES</u>			
<u>AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 505,926	\$ _____	\$ _____
Total liabilities	505,926	_____	_____
Deferred inflows of resources:			
Unavailable revenues - property taxes	16,314		
Fund balances:			
Restricted	1,604,159	6,026	63,547
Total fund balances	1,604,159	6,026	63,547
 Total liabilities, deferred inflows of resources and fund balances	 \$ 2,126,399	 \$ 6,026	 \$ 63,547

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2021

	<u>Unrestricted Capital Outlay</u>	<u>Adjacent Ways</u>	<u>Energy and Water Savings</u>
Revenues:			
Other local	\$ 93,044	\$ 2	\$
Property taxes	317,482		
State aid and grants	1,504,526		
Federal aid, grants and reimbursements			247,052
Total revenues	<u>1,915,052</u>	<u>2</u>	<u>247,052</u>
Expenditures:			
Capital outlay	1,553,941		25,950
Debt service -			
Principal retirement			374,319
Interest and fiscal charges			247,052
Total expenditures	<u>1,553,941</u>	<u></u>	<u>647,321</u>
Excess (deficiency) of revenues over expenditures	<u>361,111</u>	<u>2</u>	<u>(400,269)</u>
Other financing sources (uses):			
Transfers in			374,319
Total other financing sources (uses)			<u>374,319</u>
Changes in fund balances	<u>361,111</u>	<u>2</u>	<u>(25,950)</u>
Fund balances, beginning of year	1,243,048	6,024	89,497
Fund balances, end of year	<u>\$ 1,604,159</u>	<u>\$ 6,026</u>	<u>\$ 63,547</u>

<u>Building Renewal Grant</u>	<u>Totals</u>
\$	\$ 93,046
	317,482
39,445	1,543,971
	247,052
<u>39,445</u>	<u>2,201,551</u>
39,445	1,619,336
	374,319
	247,052
<u>39,445</u>	<u>2,240,707</u>
	<u>(39,156)</u>
	374,319
	<u>374,319</u>
	335,163
9,257	1,347,826
<u>\$ 9,257</u>	<u>\$ 1,682,989</u>

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2021

	Unrestricted Capital Outlay		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 93,044	\$ 93,044
Property taxes		317,482	317,482
State aid and grants		1,504,526	1,504,526
Federal aid, grants and reimbursements			
Total revenues		<u>1,915,052</u>	<u>1,915,052</u>
Expenditures:			
Capital outlay	5,481,136	1,553,941	3,927,195
Debt service - Principal retirement			
Interest and fiscal charges			
Total expenditures	<u>5,481,136</u>	<u>1,553,941</u>	<u>3,927,195</u>
Excess (deficiency) of revenues over expenditures	<u>(5,481,136)</u>	<u>361,111</u>	<u>5,842,247</u>
Other financing sources (uses):			
Transfers in			
Total other financing sources (uses)			
Changes in fund balances	<u>(5,481,136)</u>	<u>361,111</u>	<u>5,842,247</u>
Fund balances, beginning of year		1,243,048	1,243,048
Fund balances (deficits), end of year	<u>\$ (5,481,136)</u>	<u>\$ 1,604,159</u>	<u>\$ 7,085,295</u>

Adjacent Ways			Energy and Water Savings		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 2	\$ 2	\$	\$	\$
				247,052	247,052
	<u>2</u>	<u>2</u>		<u>247,052</u>	<u>247,052</u>
6,000		6,000	100,681	25,950	74,731
			374,319	374,319	
<u>6,000</u>		<u>6,000</u>	<u>475,000</u>	<u>247,052</u>	<u>(247,052)</u>
<u>(6,000)</u>	<u>2</u>	<u>6,002</u>	<u>(475,000)</u>	<u>647,321</u>	<u>(172,321)</u>
				<u>374,319</u>	<u>374,319</u>
				<u>374,319</u>	<u>374,319</u>
<u>(6,000)</u>	<u>2</u>	<u>6,002</u>	<u>(475,000)</u>	<u>(25,950)</u>	<u>449,050</u>
	6,024	6,024		89,497	89,497
<u>\$ (6,000)</u>	<u>\$ 6,026</u>	<u>\$ 12,026</u>	<u>\$ (475,000)</u>	<u>\$ 63,547</u>	<u>\$ 538,547</u>

(Continued)

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2021

	Building Renewal Grant		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
Property taxes			
State aid and grants		39,445	39,445
Federal aid, grants and reimbursements			
Total revenues		39,445	39,445
Expenditures:			
Capital outlay	500,000	39,445	460,555
Debt service - Principal retirement			
Interest and fiscal charges			
Total expenditures	500,000	39,445	460,555
Excess (deficiency) of revenues over expenditures	(500,000)		500,000
Other financing sources (uses):			
Transfers in			
Total other financing sources (uses)			
Changes in fund balances	(500,000)		500,000
Fund balances, beginning of year		9,257	9,257
Fund balances (deficits), end of year	\$ (500,000)	\$ 9,257	\$ 509,257

Totals

Budget	Actual	Variance - Positive (Negative)
\$	\$ 93,046	\$ 93,046
	317,482	317,482
	1,543,971	1,543,971
	247,052	247,052
	<u>2,201,551</u>	<u>2,201,551</u>
6,087,817	1,619,336	4,468,481
374,319	374,319	
	247,052	(247,052)
<u>6,462,136</u>	<u>2,240,707</u>	<u>4,221,429</u>
<u>(6,462,136)</u>	<u>(39,156)</u>	<u>6,422,980</u>
	374,319	374,319
	374,319	374,319
<u>(6,462,136)</u>	<u>335,163</u>	<u>6,797,299</u>
	1,347,826	1,347,826
<u>\$ (6,462,136)</u>	<u>\$ 1,682,989</u>	<u>\$ 8,145,125</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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NOGALES UNIFIED SCHOOL DISTRICT NO. 1
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	\$ 34,631,981	\$ 36,277,676	\$ 36,877,624	\$ 37,486,289	\$ 38,529,030
Restricted	5,226,648	5,076,430	3,889,022	4,178,509	4,883,871
Unrestricted	<u>(18,936,509)</u>	<u>(22,123,280)</u>	<u>(26,426,469)</u>	<u>(30,070,102)</u>	<u>(31,752,175)</u>
Total net position	<u><u>\$ 20,922,120</u></u>	<u><u>\$ 19,230,826</u></u>	<u><u>\$ 14,340,177</u></u>	<u><u>\$ 11,594,696</u></u>	<u><u>\$ 11,660,726</u></u>
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Net Position:					
Net investment in capital assets	\$ 40,119,052	\$ 39,123,617	\$ 43,014,187	\$ 44,433,464	\$ 46,424,928
Restricted	3,693,321	3,633,377	3,309,623	2,945,307	3,291,140
Unrestricted	<u>(33,679,724)</u>	<u>(29,636,142)</u>	<u>5,357,054</u>	<u>5,978,755</u>	<u>6,987,397</u>
Total net position	<u><u>\$ 10,132,649</u></u>	<u><u>\$ 13,120,852</u></u>	<u><u>\$ 51,680,864</u></u>	<u><u>\$ 53,357,526</u></u>	<u><u>\$ 56,703,465</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.

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
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	\$ 29,630,330	\$ 27,575,779	\$ 24,872,368	\$ 24,072,866	\$ 22,408,932
Support services - students and staff	6,450,527	5,721,212	5,229,905	5,449,204	5,276,967
Support services - administration	6,612,376	5,483,703	6,172,924	4,960,490	4,162,846
Operation and maintenance of plant services	6,694,000	6,826,894	5,790,573	5,636,155	5,867,444
Student transportation services	1,767,730	1,687,890	1,801,260	1,636,593	1,450,864
Operation of non-instructional services	2,564,493	4,088,634	3,977,145	4,135,684	3,996,101
Interest on long-term debt	247,052	247,052	247,052	247,052	247,052
Total expenses	<u>53,966,508</u>	<u>51,631,164</u>	<u>48,091,227</u>	<u>46,138,044</u>	<u>43,410,206</u>
Program Revenues					
Charges for services:					
Instruction	835,770	1,367,593	1,303,927	1,372,292	524,312
Operation of non-instructional services	178,878	292,343	363,154	352,739	542,971
Other activities	61,901	24,769	67,601	75,289	72,268
Operating grants and contributions	13,040,141	10,530,109	10,512,461	9,139,458	9,069,827
Capital grants and contributions	2,780,653	2,090,029	1,075,396	454,387	684,547
Total program revenues	<u>16,897,343</u>	<u>14,304,843</u>	<u>13,322,539</u>	<u>11,394,165</u>	<u>10,893,925</u>
Net (Expense)/Revenue	<u>\$ (37,069,165)</u>	<u>\$ (37,326,321)</u>	<u>\$ (34,768,688)</u>	<u>\$ (34,743,879)</u>	<u>\$ (32,516,281)</u>

(Continued)

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
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	\$ 23,525,935	\$ 22,440,680	\$ 22,833,252	\$ 23,435,167	\$ 23,336,434
Support services - students and staff	5,483,484	4,905,221	5,011,712	5,563,174	5,414,032
Support services - administration	4,478,669	4,461,827	5,605,931	4,376,413	4,651,401
Operation and maintenance of plant services	6,604,096	5,936,508	5,942,992	7,416,269	6,417,548
Student transportation services	1,695,230	1,429,372	1,448,341	1,045,587	1,014,229
Operation of non-instructional services	3,766,708	3,467,581	3,290,374	3,467,143	3,167,870
Interest on long-term debt	247,052	185,289			
Total expenses	<u>45,801,174</u>	<u>42,826,478</u>	<u>44,132,602</u>	<u>45,303,753</u>	<u>44,001,514</u>
Program Revenues					
Charges for services:					
Instruction	898,129	819,582	888,926	1,134,003	1,076,381
Operation of non-instructional services	645,256	553,264	541,492	377,753	482,218
Other activities	26,608	9,995	11,552	41,880	43,684
Operating grants and contributions	8,931,060	8,955,372	8,983,843	10,346,138	9,289,318
Capital grants and contributions	430,224	663,486	845,392	836,780	1,405,375
Total program revenues	<u>10,931,277</u>	<u>11,001,699</u>	<u>11,271,205</u>	<u>12,736,554</u>	<u>12,296,976</u>
Net (Expense)/Revenue	<u>\$ (34,869,897)</u>	<u>\$ (31,824,779)</u>	<u>\$ (32,861,397)</u>	<u>\$ (32,567,199)</u>	<u>\$ (31,704,538)</u>

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

(Concluded)

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	2021	2020	2019	2018	2017
Net (Expense)/Revenue	\$ (37,069,165)	\$ (37,326,321)	\$ (34,768,688)	\$ (34,743,879)	\$ (32,516,281)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	6,815,892	6,383,219	6,389,627	6,242,512	6,396,266
Property taxes, levied for capital outlay	316,682	256,064	143,657		701,519
Investment income	12,134	61,629	78,440	102,867	5,960
Unrestricted county aid	972,647	955,714	970,551	979,476	960,056
Unrestricted state aid	30,451,111	31,212,749	29,482,856	27,159,885	25,852,900
Unrestricted federal aid	191,993	309,693	449,038	187,251	127,657
Total general revenues	38,760,459	39,179,068	37,514,169	34,671,991	34,044,358
Changes in Net Position	\$ 1,691,294	\$ 1,852,747	\$ 2,745,481	\$ (71,888)	\$ 1,528,077

(Continued)

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
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	\$ (34,869,897)	\$ (31,824,779)	\$ (32,861,397)	\$ (32,567,199)	\$ (31,704,538)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	6,814,673	6,183,049	6,735,592	5,610,350	5,813,395
Property taxes, levied for capital outlay	183,584	23,704	21,276	724	45,052
Investment income	1,771	2,347	1,882	4,526	14,177
Unrestricted county aid	1,024,971	1,089,235	1,083,233	1,120,660	1,006,745
Unrestricted state aid	25,948,981	24,850,383	23,309,790	22,316,870	22,367,166
Unrestricted federal aid	339,244	285,002	32,962	168,130	159,275
Total general revenues	<u>34,313,224</u>	<u>32,433,720</u>	<u>31,184,735</u>	<u>29,221,260</u>	<u>29,405,810</u>
Changes in Net Position	<u>\$ (556,673)</u>	<u>\$ 608,941</u>	<u>\$ (1,676,662)</u>	<u>\$ (3,345,939)</u>	<u>\$ (2,298,728)</u>

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

(Concluded)

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
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:					
Nondisposable	\$ 273,265	\$ 734,250	\$ 804,452	\$ 777,458	\$ 2,677,571
Unassigned	18,338,686	14,151,672	9,343,595	9,019,027	7,606,015
Total General Fund	\$ 18,611,951	\$ 14,885,922	\$ 10,148,047	\$ 9,796,485	\$ 10,283,586
All Other Governmental Funds:					
Nondisposable	\$	\$ 246,863	\$ 72,939	\$ 41,240	\$ 25,204
Restricted	5,194,428	4,808,402	3,805,170	4,137,269	4,750,952
Unassigned	(2,119,280)	(370,845)	(249,297)	(213,910)	(1,855)
Total all other governmental funds	\$ 3,075,148	\$ 4,684,420	\$ 3,628,812	\$ 3,964,599	\$ 4,774,301

(Continued)

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
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	\$ 2,682,239	\$ 2,865,844	\$ 2,024,019	\$ 2,607,564	\$ 2,679,399
Unassigned	7,221,824	4,302,740	3,807,294	4,451,606	4,586,499
Total General Fund	<u>\$ 9,904,063</u>	<u>\$ 7,168,584</u>	<u>\$ 5,831,313</u>	<u>\$ 7,059,170</u>	<u>\$ 7,265,898</u>
All Other Governmental Funds:					
Nondisposable	\$ 39,488	\$ 9,556	\$ 407,991	\$ 419,728	\$ 378,731
Restricted	3,643,831	6,223,608	2,899,240	2,260,605	2,900,870
Unassigned	(20,365)	(78,437)	(16,262)		(2,004)
Total all other governmental funds	<u>\$ 3,662,954</u>	<u>\$ 6,154,727</u>	<u>\$ 3,290,969</u>	<u>\$ 2,680,333</u>	<u>\$ 3,277,597</u>

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

(Concluded)

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
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	\$ 10,486,290	\$ 6,086,726	\$ 6,548,671	\$ 5,081,466	\$ 5,291,190
National School Lunch Program	2,267,048	3,768,555	3,570,255	3,481,969	3,694,711
Total federal sources	<u>12,753,338</u>	<u>9,855,281</u>	<u>10,118,926</u>	<u>8,563,435</u>	<u>8,985,901</u>
State sources:					
State equalization assistance	27,348,480	27,990,947	26,302,315	24,280,377	23,434,614
State grants	1,371,388	1,097,236	872,869	765,781	211,449
School Facilities Board	39,445	1,260,422	525,762	286,735	270,606
Other revenues	3,102,631	3,221,802	3,180,541	2,817,116	2,418,286
Total state sources	<u>31,861,944</u>	<u>33,570,407</u>	<u>30,881,487</u>	<u>28,150,009</u>	<u>26,334,955</u>
Local sources:					
Property taxes	7,139,500	6,717,609	6,565,472	6,319,994	7,196,232
County aid	972,647	955,714	970,551	979,476	960,056
Food service sales	178,878	292,343	363,154	373,883	342,784
Investment income	12,134	61,629	78,440	102,867	5,960
Other revenues	992,257	1,981,336	1,660,799	1,672,822	1,161,181
Total local sources	<u>9,295,416</u>	<u>10,008,631</u>	<u>9,638,416</u>	<u>9,449,042</u>	<u>9,666,213</u>
Total revenues	<u><u>\$ 53,910,698</u></u>	<u><u>\$ 53,434,319</u></u>	<u><u>\$ 50,638,829</u></u>	<u><u>\$ 46,162,486</u></u>	<u><u>\$ 44,987,069</u></u>

(Continued)

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
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	\$ 5,848,153	\$ 5,936,588	\$ 5,725,910	\$ 7,947,065	\$ 7,688,892
Education Jobs (ARRA)					16,469
National School Lunch Program	3,240,734	2,916,497	2,990,852	2,744,351	2,455,401
Total federal sources	<u>9,088,887</u>	<u>8,853,085</u>	<u>8,716,762</u>	<u>10,691,416</u>	<u>10,160,762</u>
State sources:					
State equalization assistance	23,522,069	22,521,165	21,000,432	20,475,833	20,669,750
State grants	191,545	340,421	191,669	389,872	505,982
School Facilities Board	94,372	578,636	734,523		
Other revenues	2,426,912	2,223,246	2,309,367	1,883,703	1,472,775
Total state sources	<u>26,234,898</u>	<u>25,663,468</u>	<u>24,235,991</u>	<u>22,749,408</u>	<u>22,648,507</u>
Local sources:					
Property taxes	7,076,126	6,239,069	6,246,607	6,139,340	5,838,045
County aid	1,024,971	1,089,235	1,083,233	1,120,660	1,006,745
Food service sales	366,488	321,490	283,342	377,753	482,218
Investment income	1,771	2,347	2,058	4,526	14,177
Other revenues	1,529,229	1,299,041	1,377,686	1,402,977	1,636,735
Total local sources	<u>9,998,585</u>	<u>8,951,182</u>	<u>8,992,926</u>	<u>9,045,256</u>	<u>8,977,920</u>
Total revenues	<u>\$ 45,322,370</u>	<u>\$ 43,467,735</u>	<u>\$ 41,945,679</u>	<u>\$ 42,486,080</u>	<u>\$ 41,787,189</u>

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

(Concluded)

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
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	\$ 25,166,585	\$ 24,304,033	\$ 23,962,674	\$ 21,544,161	\$ 20,533,977
Support services - students and staff	6,178,872	5,511,225	5,552,906	5,435,952	5,343,852
Support services - administration	5,125,967	5,283,451	6,185,603	4,540,920	4,171,939
Operation and maintenance of plant services	6,275,859	5,993,944	5,974,777	5,719,277	5,857,887
Student transportation services	939,898	1,200,552	1,467,980	1,361,996	1,330,052
Operation of non-instructional services	2,330,122	3,862,861	3,953,788	4,033,108	3,917,178
Capital outlay	4,501,202	4,008,996	2,966,909	2,325,749	1,700,991
Debt service -					
Interest and fiscal charges	247,052	247,052	247,052	247,052	247,052
Principal retirement	374,319	374,319	374,319	374,319	374,319
Total expenditures	<u>\$ 51,139,876</u>	<u>\$ 50,786,433</u>	<u>\$ 50,686,008</u>	<u>\$ 45,582,534</u>	<u>\$ 43,477,247</u>
Expenditures for capitalized assets	\$ 278,542	\$ 1,567,921	\$ 1,423,800	\$ 891,137	\$ 332,758
Debt service as a percentage of noncapital expenditures	1%	1%	1%	1%	1%

(Continued)

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
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	\$ 20,410,639	\$ 20,508,378	\$ 20,051,550	\$ 19,979,335	\$ 20,060,538
Support services - students and staff	5,216,378	4,792,224	4,913,457	5,220,032	5,101,760
Support services - administration	4,162,357	4,369,418	4,913,313	4,532,917	4,291,553
Operation and maintenance of plant services	6,138,384	6,348,486	5,814,636	6,942,476	6,013,271
Student transportation services	1,366,153	1,348,739	1,347,043	830,545	798,821
Operation of non-instructional services	3,698,297	3,372,165	3,212,163	3,390,950	3,063,647
Capital outlay	3,847,257	4,400,186	1,715,456	2,362,979	2,776,578
Debt service -					
Interest and fiscal charges	247,052	185,289			
	374,319				
Total expenditures	<u>\$ 45,460,836</u>	<u>\$ 45,324,885</u>	<u>\$ 41,967,618</u>	<u>\$ 43,259,234</u>	<u>\$ 42,106,168</u>
Expenditures for capitalized assets	\$ 264,750	\$ 3,644,827	\$ 746,563	\$ 229,501	\$ 593,639
Debt service as a percentage of noncapital expenditures	1%	0%	0%	0%	0%

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

(Concluded)

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
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	\$ 2,770,822	\$ 2,647,886	\$ (47,179)	\$ 579,952	\$ 1,509,822
Other financing sources (uses):					
Transfers in	1,207,601	1,412,089	846,396	1,256,598	1,958,049
Transfers out	(1,207,601)	(1,412,089)	(846,396)	(1,256,598)	(1,958,049)
Insurance recoveries	53,783	3,973	4,261	7,322	
Total other financing sources (uses)	<u>53,783</u>	<u>3,973</u>	<u>4,261</u>	<u>7,322</u>	
Changes in fund balances	<u>\$ 2,824,605</u>	<u>\$ 2,651,859</u>	<u>\$ (42,918)</u>	<u>\$ 587,274</u>	<u>\$ 1,509,822</u>
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Excess (deficiency) of revenues over expenditures	\$ (138,466)	\$ (1,857,150)	\$ (21,939)	\$ (773,154)	\$ (318,979)
Other financing sources (uses):					
Capital lease agreements		5,614,789			
Transfers in	387,081	296,355	371,284	358,998	378,009
Transfers out	(387,081)	(296,355)	(371,284)	(358,998)	(378,009)
Total other financing sources (uses)	<u></u>	<u>5,614,789</u>	<u></u>	<u></u>	<u></u>
Changes in fund balances	<u>\$ (138,466)</u>	<u>\$ 3,757,639</u>	<u>\$ (21,939)</u>	<u>\$ (773,154)</u>	<u>\$ (318,979)</u>

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

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
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	\$ 78,447,792	\$ 75,579,270	\$ 72,230,527	\$ 69,084,932	\$ 66,414,514
Agricultural and Vacant	7,065,243	7,048,384	6,948,129	7,156,336	7,428,020
Residential (Owner Occupied)	34,185,518	32,056,391	30,421,872	29,020,768	28,047,483
Residential (Rental)	12,235,133	11,996,396	11,686,260	11,480,384	11,349,489
Railroad, Private Cars and Airlines	769,635	821,785	850,875	873,388	795,164
Historical Property	270,541	264,024	254,776	245,531	248,289
Certain Government Property Improvements	19,096	18,238	17,832	18,555	
Total	\$ 132,992,958	\$ 127,784,488	\$ 122,410,271	\$ 117,879,894	\$ 114,282,959
Gross Full Cash Value	\$ 1,258,180,850	\$ 1,205,033,427	\$ 1,177,223,148	\$ 1,073,727,883	\$ 1,054,465,130
Ratio of Net Limited Assessed Value to Gross Full Cash Value	11%	11%	10%	11%	11%
Total Direct Rate	5.89	5.66	5.87	5.90	6.82

<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	\$ 67,698,388	\$ 67,274,676	\$ 66,475,415	\$ 72,052,584	\$ 72,946,427
Agricultural and Vacant	8,189,154	8,276,709	8,278,123	9,055,481	8,891,678
Residential (Owner Occupied)	27,808,387	28,267,349	32,454,833	37,472,296	44,495,621
Residential (Rental)	11,024,605	10,906,594	12,627,106	14,015,251	11,086,477
Railroad, Private Cars and Airlines	837,159	878,574	750,161	717,725	613,981
Historical Property	256,823	260,756	277,052	302,603	308,149
Certain Government Property Improvements					
Total	\$ 115,814,516	\$ 115,864,658	\$ 120,862,690	\$ 133,615,940	\$ 138,342,333
Gross Full Cash Value	\$ 1,035,334,466	\$ 1,024,131,950	\$ 1,057,679,595	\$ 1,164,547,766	\$ 1,222,714,962
Ratio of Net Limited Assessed Value to Gross Full Cash Value	11%	11%	11%	11%	11%
Total Direct Rate	6.55	5.88	5.61	5.16	4.68

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.

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
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	\$ 82,073,937	\$ 79,605,505	\$ 78,209,448	\$ 70,732,495	\$ 67,826,278
Agricultural and Vacant	10,542,598	10,274,247	10,232,040	10,002,370	10,594,148
Residential (Owner Occupied)	40,554,276	37,633,238	36,257,926	32,499,584	31,478,951
Residential (Rental)	13,885,205	13,550,308	13,010,260	12,187,749	12,297,971
Railroad, Private Cars and Airlines	968,305	1,010,197	1,020,838	1,013,199	849,064
Historical Property	286,447	272,491	268,421	251,330	260,191
Certain Government Property Improvements	29,581	27,965	27,933	18,555	
Total	\$ 148,340,349	\$ 142,373,951	\$ 139,026,866	\$ 126,705,282	\$ 123,306,603
Gross Full Cash Value	\$ 1,258,180,850	\$ 1,205,033,427	\$ 1,177,223,148	\$ 1,073,727,883	\$ 1,054,465,130
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	12%	12%	12%	12%	12%
Estimated Net Full Cash Value	\$ 1,070,509,489	\$ 1,023,464,523	\$ 997,177,042	\$ 908,206,646	\$ 883,500,051
Total Direct Rate	5.89	5.66	5.87	5.90	6.82

<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	\$ 68,357,520	\$ 68,652,936	\$ 66,827,731	\$ 73,252,740	\$ 75,382,901
Agricultural and Vacant	8,281,629	8,410,864	8,413,798	9,413,432	9,587,128
Residential (Owner Occupied)	28,456,853	28,286,701	32,481,625	37,589,237	45,117,397
Residential (Rental)	11,228,475	10,916,924	12,659,089	14,111,982	11,344,063
Railroad, Private Cars and Airlines	852,453	886,339	756,856	730,503	680,959
Historical Property	263,094	260,756	273,458	304,839	314,080
Certain Government Property Improvements			3,594		2,354
Total	\$ 117,440,024	\$ 117,414,520	\$ 121,416,151	\$ 135,402,733	\$ 142,428,882
Gross Full Cash Value	\$ 1,035,334,466	\$ 1,024,131,950	\$ 1,057,679,595	\$ 1,164,547,766	\$ 1,222,714,962
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	11%	11%	11%	12%	12%
Estimated Net Full Cash Value	\$ 811,634,791	\$ 801,405,009	\$ 839,759,842	\$ 935,073,952	\$ 992,856,504
Total Direct Rate	6.55	5.88	5.61	5.16	4.68

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.

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1
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.

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Overlapping Rates								
	State Equalization	County	Nogales Suburban F.D.	Flood Control District	Community College District	Fire District Assistance	District Direct Rates		
							Primary	Secondary	Total
2021	0.44	3.98	3.25	0.80	0.47	0.10	3.92	1.96	5.89
2020	0.46	3.98	3.25	0.80	0.48	0.10	4.06	1.60	5.66
2019	0.47	3.88	3.25	0.78	0.49	0.10	4.23	1.64	5.87
2018	0.49	3.83	3.25	0.77	0.50	0.10	4.35	1.55	5.90
2017	0.50	3.81	3.25	0.76	0.49	0.10	5.24	1.58	6.82
2016	0.51	3.81	3.25	0.76	0.47	0.10	5.07	1.49	6.55
2015	0.51	3.65	3.25	0.73	0.00	0.10	4.47	1.40	5.88
2014	0.51	3.42	3.25	0.68	0.00	0.10	4.25	1.36	5.61
2013	0.47	2.82	3.25	0.56	0.00	0.10	3.92	1.24	5.16
2012	0.00	2.82	3.25	0.56	0.00	0.10	3.50	1.18	4.68

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

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1
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	\$ 20,575,000	15.47 %	\$ 6,918,394	4.86 %
Delta Properties LLP	13,060,000	9.82	2,611,888	1.83
Union Pacific Railroad	3,626,000	2.73		
Crisantes Properties LLC	3,365,000	2.53		
Wal-Mart Stores Inc.	2,480,000	1.86	1,741,259	1.22
Alta Real Estate, LLC	2,131,000	1.60		
Acacia Land & Storage LLC	2,041,000	1.53		
Mariposa Shopping Center LP	1,949,000	1.47	1,803,447	1.27
SOAC Properties Corporation	1,575,000	1.18		
Tubac Management Co. LLC	1,558,000	1.17	1,859,196	1.31
Qwest Corporation			2,036,651	1.43
Rio Rico Utilities Inc.			1,591,398	1.12
Lawyers Title Agency of AZ LLC			1,337,038	0.94
Rio Rico Properties			1,215,178	0.85
Vatere LLC			1,037,604	0.73
Nogales Plaza Shopping Center			995,005	0.70
Total	<u>\$ 52,360,000</u>	<u>39.36 %</u>	<u>\$ 23,147,058</u>	<u>16.26 %</u>

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

Note: 1) 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.

2) Information for principal property taxpayers is presented county-wide as this is the most accurate information currently available.

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1
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	\$ 6,983,006	\$ 6,586,231	94.32 %	\$	\$ 6,586,231	94.32 %
2020	6,451,725	6,057,904	93.90	376,661	6,434,565	99.73
2019	6,455,083	6,038,250	93.54	403,408	6,441,658	99.79
2018	6,164,627	5,814,024	94.31	338,754	6,152,778	99.81
2017	7,215,860	6,798,942	94.22	404,736	7,203,678	99.83
2016	7,560,396	7,149,410	94.56	399,045	7,548,455	99.84
2015	6,302,910	5,866,725	93.08	426,435	6,293,160	99.85
2014	6,207,635	5,732,278	92.34	466,143	6,198,421	99.85
2013	6,305,308	5,844,337	92.69	453,002	6,297,339	99.87
2012	5,878,054	5,421,345	92.23	447,051	5,868,396	99.84

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.

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1
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	\$	\$	\$	%	\$	\$ 3,368,875	\$ 3,368,875	0.27 %	\$ 155	0.17 %
2020						3,743,194	3,743,194	0.31	172	0.20
2019						4,117,513	4,117,513	0.35	190	0.23
2018						4,491,832	4,491,832	0.42	220	0.27
2017						4,866,151	4,866,151	0.46	243	0.30
2016						5,240,470	5,240,470	0.51	256	0.34
2015						5,614,789	5,614,789	0.55	269	0.40
2014										
2013										
2012										

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

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
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:			
City of Nogales	\$ 1,853,126	100.00 %	\$ 1,853,126
Subtotal, Overlapping Debt			<u>1,853,126</u>
Direct:			
Nogales Unified School District No. 1			<u>3,368,875</u>
Total Direct and Overlapping Governmental Activities Debt			<u><u>\$ 5,222,001</u></u>

DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation		0 %
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 85	
As a Percentage of Net Limited Assessed Valuation		1.39 %
As a Percentage of Gross Full Cash Value		0.15 %

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

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

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

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

Net full cash assessed valuation	\$ 148,340,349
Debt limit (20% of assessed value)	29,668,070
Debt applicable to limit	
Legal debt margin	<u><u>\$ 29,668,070</u></u>

Total Legal Debt Margin Calculation for Fiscal Year 2021:

Net full cash assessed valuation	\$ 148,340,349
Debt limit (30% of assessed value)	44,502,105
Debt applicable to limit	
Legal debt margin	<u><u>\$ 44,502,105</u></u>

Fiscal Year Ended June 30

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Debt Limit	\$ 44,502,105	\$ 42,712,185	\$ 41,708,060	\$ 38,011,585	\$ 36,991,981
Total net debt applicable to limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u><u>\$ 44,502,105</u></u>	<u><u>\$ 42,712,185</u></u>	<u><u>\$ 41,708,060</u></u>	<u><u>\$ 38,011,585</u></u>	<u><u>\$ 36,991,981</u></u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Debt Limit	\$ 35,232,007	\$ 35,224,356	\$ 36,424,845	\$ 40,620,820	\$ 42,728,665
Total net debt applicable to limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u><u>\$ 35,232,007</u></u>	<u><u>\$ 35,224,356</u></u>	<u><u>\$ 36,424,845</u></u>	<u><u>\$ 40,620,820</u></u>	<u><u>\$ 42,728,665</u></u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

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.

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1
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 %	21,797
2019	53,161	1,833,258	39,427	7.7	21,768
2018	52,390	1,816,567	39,057	9.3	21,618
2017	51,507	1,681,736	36,392	9.5	20,456
2016	50,581	1,611,877	35,052	9.9	20,000
2015	50,270	1,563,237	33,646	11.5	20,456
2014	49,554	1,408,494	30,164	13.2	20,837
2013	46,768	1,297,082	27,734	18.2	20,456
2012	47,303	1,322,797	27,964	19.2	20,751
2011	47,676	1,193,646	25,037	18.9	20,948

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.

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1
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 %	430	2.64 %
Javid LLC	1,000	5.22		
Bureau of Customs and Border Patrol	670	3.50		
Nogales Unified School District	670	3.50	562	3.45
Becton Dickinson and Company	430	2.25		
Santa Cruz County	420	2.19	419	2.57
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		
U.S. Border Patrol			751	4.61
U.S. Customs and Border Protection			482	2.96
Super Wal-Mart			466	2.86
City of Nogales			275	1.69
McDonald's			250	1.53
Mariposa Community Health Center, Inc.			228	1.40
Carondelet Health Network - Holy Cross Hospital			175	1.07
Total	<u>6,000</u>	<u>31.33</u> %	<u>4,038</u>	<u>24.78</u> %
Total employment	<u>19,150</u>		<u>16,296</u>	

Source: The source of this information is the Maricopa Association of Governments, Arizona Employer Map.

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
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	10	10	10	10	10
Principals	10	10	10	10	10
Assistant principals	4	4	4	4	4
Total supervisory	<u>24</u>	<u>24</u>	<u>24</u>	<u>24</u>	<u>24</u>
Instruction					
Teachers	281	281	281	281	281
Other professionals (instructional)	15	15	15	15	13
Aides	77	77	77	77	77
Total instruction	<u>373</u>	<u>373</u>	<u>373</u>	<u>373</u>	<u>371</u>
Student Services					
Librarians	3	3	3	3	3
Other	20	20	20	20	20
Total student services	<u>23</u>	<u>23</u>	<u>23</u>	<u>23</u>	<u>23</u>
Support and Administration					
Clerical/secretarial/other workers	53	53	53	53	53
Custodial/maintenance/mechanic workers	56	56	62	62	62
Technicians	6	6	6	6	6
Security guard/truancy officer	18	18	18	18	18
Total support and administration	<u>133</u>	<u>133</u>	<u>139</u>	<u>139</u>	<u>139</u>
Total	<u><u>553</u></u>	<u><u>553</u></u>	<u><u>559</u></u>	<u><u>559</u></u>	<u><u>557</u></u>

(Continued)

NOGALES UNIFIED SCHOOL DISTRICT NO. 1
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	10	10	10	10	10
Principals	10	10	10	10	10
Assistant principals	4	4	4	4	4
Total supervisory	<u>24</u>	<u>24</u>	<u>24</u>	<u>24</u>	<u>24</u>
Instruction					
Teachers	281	278	276	276	273
Other professionals (instructional)	13	13	13	14	14
Aides	77	77	77	77	75
Total instruction	<u>371</u>	<u>368</u>	<u>366</u>	<u>367</u>	<u>362</u>
Student Services					
Librarians	3	3	3	3	3
Other	35	35	35	37	37
Total student services	<u>38</u>	<u>38</u>	<u>38</u>	<u>40</u>	<u>40</u>
Support and Administration					
Clerical/secretarial/other workers	53	53	53	52	52
Custodial/maintenance/mechanic workers	62	62	62	62	61
Technicians	6	6	7	16	8
Security guard/truancy officer	18	18	18	8	15
Total support and administration	<u>139</u>	<u>139</u>	<u>140</u>	<u>138</u>	<u>136</u>
Total	<u><u>572</u></u>	<u><u>569</u></u>	<u><u>568</u></u>	<u><u>569</u></u>	<u><u>562</u></u>

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

(Concluded)

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1
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	5,282	\$ 46,017,303	\$ 8,712	2.30 %	\$ 53,966,508	\$ 10,217	7.25 %	373	14.2	83.0 %
2020	5,420	46,156,066	8,516	(0.44)	51,631,164	9,526	9.06	373	14.5	83.0
2019	5,506	47,097,728	8,554	13.22	48,091,227	8,734	6.84	373	14.8	83.0
2018	5,644	42,635,414	7,555	2.52	46,138,044	8,175	5.18	373	15.1	83.0
2017	5,585	41,154,885	7,369	(0.70)	43,410,206	7,773	(6.26)	371	15.1	83.0
2016	5,524	40,992,208	7,421	1.57	45,801,174	8,291	7.95	371	14.9	83.1
2015	5,576	40,739,410	7,306	2.68	42,826,478	7,681	(1.55)	368	15.2	83.0
2014	5,657	40,252,162	7,116	(2.15)	44,132,602	7,802	(3.15)	366	15.5	83.0
2013	5,624	40,896,255	7,272	3.17	45,303,753	8,055	2.15	367	15.3	81.5
2012	5,580	39,329,590	7,048	(2.30)	44,001,514	7,886	5.64	362	15.4	82.0

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

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

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1
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	56	56	56	56	56	56	56	56	56	56
Square feet	268,715	268,715	268,715	268,715	268,715	268,715	268,715	268,715	268,715	268,715
Enrollment	2,314	2,314	2,266	2,366	2,391	2,581	2,678	2,355	2,355	2,545
Middle										
Buildings	14	14	14	14	14	14	14	14	14	14
Square feet	160,113	160,113	160,113	160,113	160,113	160,113	160,113	160,113	160,113	160,113
Enrollment	1,415	1,415	1,372	1,347	1,298	1,282	1,298	1,390	1,390	1,379
High										
Buildings	36	36	36	36	36	36	36	36	36	36
Square feet	260,935	260,935	260,935	260,935	260,935	260,935	260,935	260,935	260,935	260,935
Enrollment	1,887	1,887	1,868	1,930	1,896	1,800	1,810	1,880	1,880	1,807
<u>Administrative</u>										
Buildings	7	7	7	7	7	7	7	7	7	7
Square feet	47,417	47,417	47,417	47,417	47,417	47,417	47,417	47,417	47,417	47,417
<u>Transportation</u>										
Garages	2	2	2	2	2	2	2	2	2	2
<u>Athletics</u>										
Football fields	4	4	4	4	4	4	4	4	4	4
Soccer fields	9	9	9	9	9	9	9	9	9	9
Running tracks	4	4	4	4	4	4	4	4	4	4
Baseball/softball	11	11	11	11	11	11	11	11	11	11
Swimming pools	1	1	1	1	1	1	1	1	1	1
Playgrounds	13	13	13	13	13	13	13	13	13	13

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

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