

TUCSON UNIFIED SCHOOL DISTRICT



ANNUAL
COMPREHENSIVE
FINANCIAL REPORT
FISCAL YEAR ENDED
JUNE 30, 2022

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
OF THE
TUCSON UNIFIED SCHOOL DISTRICT NO. 1
TUCSON, ARIZONA
FOR THE YEAR ENDED JUNE 30, 2022**



ISSUED BY:
FINANCIAL SERVICES DEPARTMENT

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INTRODUCTORY SECTION

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March 28, 2023

Citizens and Governing Board
Tucson Unified School District No. 1
1010 E. Tenth Street
Tucson, Arizona 85719

State law mandates that school districts undergo an annual single audit and to publish a complete set of audited financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted government auditing standards (GAGAS) 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 Tucson Unified School District No. 1 (District) for the fiscal year ended June 30, 2022.

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

The District's financial statements have been audited by CliftonLarsonAllen, LLP, a certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2022, 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, 2022, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report. The independent audit of the financial statements of the District was part of a broader, federally mandated Single Audit as required by the provisions of the Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the District's internal controls and compliance with legal requirements, with special



emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in a separately issued Single Audit Reporting Package.

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

PROFILE OF THE DISTRICT

Everything Under the Sun Video about District Programs

<https://tinyurl.com/TUSD4ALL>

Tucson Unified School District is very proud that it is the oldest district in Arizona and was created by the Pima County Board of Supervisors on November 18, 1867, before Arizona was admitted as a state. Tucson Unified is one of 18 public school districts located in Pima County. It was formed by the unification of Tucson Elementary School District No. 1 and Tucson High School District No. 1 on July 1, 1976. The District provides public education services to over 43,000 students from Pre-Kindergarten through grade 12. District schools are spread over 230 square miles of the metropolitan Tucson area and unincorporated areas of the County. The average age of school structures is 49 years.

As the second largest school district in Arizona (over 100 school and specialty programs) and among the largest districts in the United States, Tucson Unified's 2021-22 student enrollment is approximately 81 percent from diverse racial and ethnic groups and more than 90 world languages are spoken in the District. The District offers extensive educational programs, such as advanced learning experiences (ALE), career and technical education (CTE), gifted and talented education (GATE), award-winning fine arts, bilingual and multicultural education. The District is composed of traditional comprehensive schools, magnet schools, and flexible alternative programs customized to meet our students' needs, including the Tucson Unified Virtual Academy program. The District is also a member of the Pima JTED, a career and technical education district that provides students with hands-on skills for their career or college path.

Each school district is a separate political subdivision of the state with geographic boundaries organized for the purpose of the administration, support and maintenance of public schools. The District's purpose and responsibility is to provide a educational programs and services for the children enrolled in public schools within its boundaries.

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 local governments. The County Treasurer collects property taxes for the District but exercises no control over the District's expenditures/expenses. The Governing Board consists of five, elected members who serve staggered four-year terms. 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 that align with the Uniform System of Financial Records for Arizona School District (U.S.F.R) issued by the Arizona Auditor General.

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. Workers' compensation insurance and certain employee health insurance benefits are provided through legally separate trusts, which function in essence as departments of the District and therefore are included as an integral part of the District financial statements. 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 extracurricular activities.

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

FACTORS AFFECTING FINANCIAL CONDITION

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

Local Economy. The economy of the District is centered on Pima County, which has a population of approximately 1.1 million. The City of Tucson encompasses approximately 227 square miles. Principal economic activities within the District include healthcare, aerospace and defense, tourism, manufacturing, and service industries. Some of Tucson's largest employers are listed in the Statistical Section of this Annual Comprehensive Financial Report. Tucson is home to many family-friendly events each year including the Tucson Gem, Mineral and Fossil Show, the Tucson Festival of Books, El Tour de Tucson, La Fiesta de Los Vaqueros, and the Tucson International Mariachi Conference. Since 1975, the Tucson Metropolitan area has grown by an average of 2.24 percent per year. There have been only two instances within the reported period where population growth fell below 1 percent. The Tucson Metropolitan Statistical Area (MSA) is home to approximately 1 million people. According to the Eller Economic and Business Research Center, the Tucson MSA was significantly impacted by the Great Recession in 2008, with a decline of 6.6%. Tucson GDP growth rebounded in 2010 but remained below national rates until 2016 when Tucson exceeded the national rate. However, a significant decline was posted during the first year of the COVID-19 pandemic in 2020, which was higher than the national rate. In



FY22, employment figures have shown that Tucson's economy continues to recover job losses that lent to the decline of local economy.

State funding. The State budget for FY2021-22 included an increase to the Base Support Level of 1.74% for inflation, in addition to an increase of \$83.08 targeted specifically for the final installment of teacher salary increases as part of a three-year plan to increase teacher salaries a total of 20% over the base year FY16-17. Capital budget funding reductions continued through FY21. The District has reached a cumulative total capital reduction of \$159 million over 12 years. This has caused a strain on the District's ability to sustain capital and deferred maintenance needs such as building improvements, school buses and technology equipment. In 2020-2021, \$64 million was restored to capital funding, which reduced the amount of capital funding that was withheld from 32% down to 16%. The Capital funding formula was restored as part of the 2021-2022 budget.

Effect of COVID-19. The District established a COVID-19 task force on March 2, 2020 that consisted of 32 team members from all functional areas and departments. The team began developing the District's pandemic protocols, online education plan, and disinfection plan in addition to reviewing online curriculum needs, food distribution, and communication methods.

On, March 15, 2020, the governor mandated a state-wide school closure. The District swiftly procured approximately \$4 million in student technology devices and distributed to families across the district to enable students to work from home and complete the 2019-2020 school year remotely.

On March 27, 2020, House Bill 2910 was signed into law. It mandated the District continue to pay all employees through the remainder of the closure. The continued payment of salaries in the certain areas posed a hardship due to the loss of revenue during the school closures. Therefore, the district was able to fund some of these losses with the \$18.5 million in relief funding received through the CARES Act in addition to monies funded by the Enrollment Stability Grant. The District began a remote instructional model in the 4th quarter of the 2019-2020 school year.

On June 29, 2020, the governor signed executive order 2020-44 *Protecting Public Health for Students and Teachers* which delayed the opening of in-person school until August 17, 2020. Districts that opted to offer distance learning models were funded at a lower rate consistent with Arizona Online Instruction Programs (AOI). Full-time students are funded at 95% and part-time students are funded at 85%.

On July 23, 2020, the governor signed executive order 2020-51 *Arizona: Open for Learning* which required schools to offer on-site learning opportunities. The District offered on-site learnings spaces as it relied upon and monitored public health metrics. The District remained in a remote instructional model for the first three quarters of the school year.

On March 3, 2021, the governor signed executive order 2021-04 *Open for In-Person Learning* which required all school districts to return to In-Person Learning by the start of the fourth quarter. The District opened full in-person learning on March 22, 2021, while continuing to offer a remote instructional model to accommodate students who opted not to attend in person.



The impact on the District’s average daily membership resulted in a loss of 2,767 or -6.6%. The District was able to offset the revenue reduction with funding from the Enrollment Stability Grant (ESG) and Elementary and Secondary School Emergency Relief (ESSER) grants.

The District received a total award of \$15.2 million from the Enrollment Stability Grant which covers expenditures from March 1, 2020 through December 30, 2020. The District received a total award of \$18.5 million from ESSER I, \$76.4 million from ESSER II grants, and \$173 million from ESSER III. The ESSER I grant expires on September 30, 2022, ESSER II will expire on September 30, 2023, and ESSER III will expire on September 30, 2024. The District received the largest allocation of ESSER funding of all Arizona school districts.

District Plans. Tucson Unified School District is poised to realize its full potential as a high-performing school district delivering a college- and career-ready education for every student in every school in every part of Tucson.

A. Five-Year Strategic Plan:

In February 2014, the Governing Board approved a Five-Year Strategic Plan that included strategic priorities in five key areas: curriculum, diversity, finance, operations, and communication. The plan was formed with input from more than 400 community members. For each year, each category in the plan contains five strategic priorities and five SMART (specific, measurable, achievable, realistic, time-bound) goals. In all, the five-year plan contains 125 goals designed to serve as a road map for achieving high performance and tight alignment. The plan was informed by key studies: a curriculum audit, an efficiency audit, a demographic study and a boundary review. These audits and plans were used to form the basis for understanding where Tucson Unified needs to grow and improve.

In Fiscal Year 2019-20, the District began the process of developing a new strategic plan. However, due to the COVID-19 pandemic, the process was delayed, but the work continued with input from community members and District stakeholders. The new Five-Year Strategic Plan was approved by the Governing Board in Fiscal Year 2021-22. The new plan will focus on five key pillars: Excellence, Innovation, Integrity, Diversity, and Caring Community. Each will be driven by six strategic goals that will support these key areas. The implementation of goals and key performance indicators will begin in Fiscal Year 2022-23.

B. Comprehensive Curriculum:

The Curriculum Department continues to develop a comprehensive curriculum in each subject area. This work began in 2013-14 with an aggressive push to develop a written curriculum aligned to standards and appropriate for systematic deployment. The Curriculum Department started the process with an emphasis on the core subjects of English Language Arts and Mathematics, developing curriculum maps and a written scope and sequence to ensure that students at all sites – regardless of race, ethnicity, ELL status, or socio-economic background – would be exposed to teaching which reflects an underlying curriculum assigned to consistent standards. Instructional improvement was tailored to Charlotte Danielson’s Framework for Teaching (which also underlies the District’s teacher evaluation instrument). The District’s curriculum includes a Multicultural Framework for Student Academic Success. This multicultural curriculum uses the Anti-Bias Framework, developed by the Southern Poverty Law Center, and culturally responsive teaching as a basis for effective anti-bias education at every grade level. The curriculum, which is inclusive of the histories, cultures, and contributions of diverse groups of people,



enriches learning for all students, preparing them to work toward structural equality and equity by engaging them in critical thinking around issues of racism, sexism, classism, linguisticism, ageism, genderism, and more.

As a result of COVID and the need to support additional online curriculum, the District has procured a learning management system which facilitates the management, delivery and measurement of the district's learning programs and will complete the implementation in the 2021-2022 school year.

Technology:

Technology acquisitions, training and support were crucial throughout the transition to remote instruction in the 4th quarter of FY20 as well as throughout the entire 2020-2021 school year. In addition to the deployment of over 20,000 student devices, the District also made hotspot devices available to families in need of Internet access. Infrastructure improvements on district campuses were completed to accommodate the new technology and added load on existing systems. The District developed a multi-year plan that was completed in School Year 2021-22, culminating in a 1-to-1 device for all 40,000+ students and over 4,000 teaching staff. The initiative was primarily funded using federal ESSER dollars.

C. Desegregation Order:

The District continues to operate under a Unitary Status Plan (USP) that serves as a guide to achieving Unitary Status as required by the court in 2013. The District had been under a federal desegregation order (Stipulation of Settlement) from 1978 until 2008, when it was declared unitary, removed from federal court supervision and placed under a Post-Unitary Status Plan. The plaintiffs in the case appealed, won, and in 2011, the District was placed back under federal court supervision. The Unitary Status Plan (USP) contains 20 implementation plans in areas such as advanced learning opportunities, marketing and outreach, and professional development. The District looks forward to reaching Unitary Status in the near future based on its demonstrated commitment to diversity, equity, and inclusion.

Currently, under A.R.S. §15-910(G), local property taxes fund TUSD efforts to comply with desegregation orders and agreements with the Office for Civil Rights (OCR) at the U.S. Department of Education. Because some desegregation compliance activities overlap with OCR compliance activities, the USP has been developed in a way that attempts to harmonize those overlapping activities into a single document. Other OCR compliance activities continue to be funded and tracked separately.

D. General Fund Efficiency Measures:

The District utilizes a staffing and allocation standard to fund schools. The standards have been further refined to include standard and supplemental allocations from all funding sources. These new standards reallocated the available resources in a more equitable manner and focused on student achievement and improving the student learning experience at all schools.



Initiatives that either began in the 2021-22 year or are currently underway are as follows:

- As a result of the COVID-19 pandemic, the District expanded its enrollment taskforce, which was formed in 2018-2019, into the Enrollment *Recovery* taskforce to address the impact of declining enrollment due to COVID-19. The results of the taskforce included a completed districtwide implementation of online registration via the ParentVue portal on EduPoint.
- The District expanded upon the concept of summer enrollment specialists by creating enrollment ambassadors. These positions were assigned to each of the 5 regions of the District to provide personalized support to District families related to enrollment, registration, and onboarding. These positions also provide a strong feedback loop for families who are choosing to leave the District. This information gather processing will allow the District to focus its resources and efforts in areas where enrollment losses can be mitigated.
- In Fiscal Year 2021-22, the District anticipated a continued loss of students from the prior fiscal year. However, average daily membership grew by 1% from FY2021 to FY2022, further showing that enrollment in the District remains stable and efforts from enrollment ambassadors have been positive.
- The District continued its expanded Summer School program available to all enrolled TUSD students to help reduce learning loss from the COVID-19 pandemic.
- The Procurement Card (pCard) initiative continues to be a success for the District. The pCard allowed the District to continue to streamline complex accounts payable operations and reduce the overhead costs within Financial Services. By the close of FY2021-22, the program has generated approximately \$3.1 million in rebate revenue in the last 5 years. Proceeds from these revenues are allocated to the District's fine arts, athletics, and other extracurricular activities that benefit students directly.
- The District's fiscal policy to maintain a minimum carry forward contingency in Maintenance and Operations and Capital funds has produced positive results. Carryforward reserves continued to exceed the 1% minimum capacity to ensure proper fiscal health for the District.
- In November 2021, the voters of the City of Tucson approved the *Tucson Minimum Wage Act*, with the goal to annually increase the minimum wage within the Tucson city limits until the minimum reaches \$15.00 per hour by January 1, 2025. The Act required the first increase to \$13.00 to go into effect on April 1, 2022. The Governing Board approved an increase to the minimum wage to \$13.50 by July 1, 2022.



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- The District performed a salary and wage adjustment for all classifications, as well as providing increases to target hard-to-fill positions. A compression adjustment for impacted classifications, as well as a market wage adjustment for essential positions, like bus drivers, effective July 1, 2022 – a nearly \$8 million investment.
 - In Spring 2021, the Pima County Board of Supervisors committed \$10 million to fund the *Pima Early Education Program Scholarships* (PEEPS) for high quality preschool education across Pima County for low-income families. TUSD signed a 3-year agreement up to 8 new preschool classrooms totaling over \$3.1 million. In FY22, TUSD open 4 of the 8 new classrooms

G. Other Major Initiatives:

The primary focuses across the District are proficiency and growth. Key initiatives will focus on:

- Intervention, reading and math support during the day
- A 7-period day was implemented at select schools to increase the effectiveness of Professional Learning Communities
- Tier 1 highly effective teaching strategies
- MTSS
- Expansion of Two-Way Dual Language and AVID programs
- School Safety and classroom management
- Professional development during the workday
- Principal support
- Recruitment and retention of highly qualified teachers
- K-3 literacy
- Participation in CTE courses
- Full rollout of the Tucson Unified Virtual Academy (TUVA) for all students as an online instruction option

AWARDS AND ACKNOWLEDGMENTS

Awards

Tucson Unified is proud to create excellent learning opportunities for all of our students who choose to be a part of the District. The District has established numerous programs in our schools to embrace and challenge all of our kindergarten through 12th grade students. For SY 2021-22 the following recognitions have been awarded to our schools:

- Fruchthendler Elementary School was named a 2021 National Blue Ribbon School
- Mansfeld Middle Magnet School – Certified National Magnet School; Magnet School of Excellence Merit Award, A+ School of Excellence



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- Davis Bilingual Elementary Magnet School – Certified National Magnet School; Magnet Schools of America – School of Distinction Award
 - Carrillo K-5 Magnet School – Magnet Schools of America – School of Excellence Award
 - Tucson High Magnet School – Magnet Schools of America – School of Distinction Award
 - Opening of Innovation Tech High School in partnership with the Pima JTED
 - Verizon Technology Awards: Mansfeld Middle School, Lawrence Intermediate School, Utterback Middle School, Secrist Middle School and Vail Middle School
 - Mary Anderson, Fruchthendler Elementary Principal: Terrel Bell Leadership Award
 - Madellina Shepper, Borton Magnet Elementary: Arizona Science Teacher of the Year
 - Tucson High Magnet School: Emmy Award Nominees for Student Short Films
 - Sabino HS Sabercats Marching Band was awarded 1st place at the ABODA State Marching Band Division III Championships
 - 2022 Promoting Bilingualism Award, Association of Two-Way Dual Language Education
 - Davidson Elementary wins the Arizona Department of Education (ADE) Health and Nutrition Services 2022 Farm Fresh Challenge Award
 - Nine TUSD Selected as National Board Certified Teachers
 - University High School Students Nominated as United States Presidential Scholars
 - National Merit Scholars – 15 Students Selected
 - Lindsay Aguilar, Food Services Director, Appointed to National School Nutrition Association Board
 - 2021 – Best Communities for Music Education from the National Association of Music Merchants (NAMM) Foundation for its outstanding commitment to music education. Acknowledged for the third consecutive year, TUSD is the only school district in Arizona to receive this recognition.
 - 2021 Arizona School Public Relations Association Excellence Award for New Online Option for Enrollment - Tucson Unified Virtual Academy, Multimedia
 - 2021 Arizona School Public Relations Association Excellence Award for Mes De La Cultura 2021, Photo
 - Arizona School Public Relations Association Excellence Award for Tucson High WWII Alumni Memorial, Video
 - Arizona School Public Relations Association Excellence Award for Fruchthendler National Blue-Ribbon School 2021, Video
 - Arizona School Public Relations Association Merit Award for the Newsletter- In Tune with TUSD
 - Arizona School Public Relations Association Merit Award for the Pima County "Safer Together", Special Purpose Publication
 - Arizona School Public Relations Association Merit Award for the Tucson Unified Olympics Campaign, Multicultural Campaign



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- Arizona School Public Relations Association Merit Award for the Tucson Unified Everyday Hero, Video
 - Arizona School Public Relations Association Merit Award for the Sports Compilation, Video
 - Association of School Business Officials International (ASBO) Certificate of Excellence in Financial Reporting (COE), 2021
 - Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting, 2021
 - TUSD Food Services Gold Award from AZ Department of Education Farm to Summer Challenge
 - Gold Award for the 2021 Farm to Summer Challenge

Students and families are experiencing many positive impacts due to the focus and hard work within the District. Some of the “Big Wins” include:

- Updated the Code of Conduct that is user and mobile friendly, while increasing classroom autonomy and control for teachers.
- Over the last 4 years, a 66% reduction in teacher vacancies has been achieved.
- School letter grades have increased 21% over last year.
- Issuance of new letter grades shows strong academic growth across TUSD
 - 89% of TUSD Schools rated as Grades A, B or C
 - 64 schools either increased their letter grade or remained stable from FY2019
 - 7 schools improved by 2 grades; 1 school (Magee MS) improved by 3 grades
- State achievement testing successes
 - TUSD showed greater learning gains in SY2021-22 than the State
 - In English language arts, TUSD showed a gain of 6% vs. 2% statewide
 - In Math, TUSD showed a gain of 7% vs. 3% statewide
 - English language arts had a 10% learning loss, and rebounded by 4%
 - Math had a 17% learning loss, and rebounded by 6%
- All schools have installed Keyless entry systems with cameras.
- Establish Extended Day Learning Academy in all District High Schools to help with student credit recovery.
- Expanded the Career and Technical Education (CTE) programs throughout the District.
- Conversion of Santa Rita High School to a CTE Academy focus with new Dental Assistant and Diesel Mechanics programs.
- Expansion of the Dual Enrollment program opportunities throughout the District, which has more than doubled the amount of Dual enrollment courses in 2 years from 16 to 41.
- Student support services are available during the day for drug and alcohol offenders.
- Expanded, “Talk It Out” Counseling Services program with the University of Arizona.



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- TalkSpace and Palo Verde Behavioral Health were offered as FREE support programs to TUSD students
 - TUSD began the Tucson Unified Connect App available on all mobile devices.
 - Innovation Tech High School Opened to students and graduated its first class.
 - Wakefield Middle School Opened for 6th and 7th grade students

Over the past few years, Tucson Unified has developed numerous specialized programs to fit all levels of student needs. We are excited to see the programs grow and have a positive impact on how Tucson Unified is preparing students to be well-educated and successful members of the community. The program options that our students can choose from are:

Magnet – Specializing in STEAM/STEM and the Arts.

Gifted and Talented Education (GATE) – Classes are available in most schools, as well as full-day programs are available.

Dual Language – Spanish /English classes are growing, and students are achieving higher than average test scores as each year.

Dual Credit – Enables students to receive simultaneous academic credit from both the college and high school, saving students thousands of dollars.

International Baccalaureate Program (IB) – Aims to develop inquiring, knowledgeable and caring young people who help to create a better and more peaceful world through intercultural understanding and respect.

Career and Technical Education (CTE) – Prepares students for workforce success and continuous learning.

Advancement Via Individual Determination (AVID) – A school-wide college- and career- readiness system.

Alternative (On-line learning) – Provides a TUITION-FREE* online education alternative for middle and high school students.

Teenage Parent High School (TAP) – Supporting pregnant and parenting teens to continue their education and graduate from high school.

Exceptional Education – Developing special education support programs to ensure the success of all levels of learners. Tucson Unified has one of the largest coordinated programs in Arizona.

Innovation Tech High School – a High School Partnership with Pima County JTED where students can receive their High School Diploma while taking career and technical education courses and receive certifications.

Tucson Unified Virtual Academy program (TUVA)- Tucson Unified Virtual Academy is a new program supporting students in kindergarten through 12th grade that prefer a remote (virtual) learning environment, while supporting a stronger instructional presence.



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

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

Respectfully submitted,

Dr. Gabriel Trujillo
Superintendent

Ricardo Hernández
Chief Financial Officer

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

Tucson Unified School District 1

**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2021.**

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



A handwritten signature in black ink, appearing to read 'William A. Sutter'.

William A. Sutter
President

A handwritten signature in black ink, appearing to read 'David J. Lewis'.

David J. Lewis
Executive Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

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

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

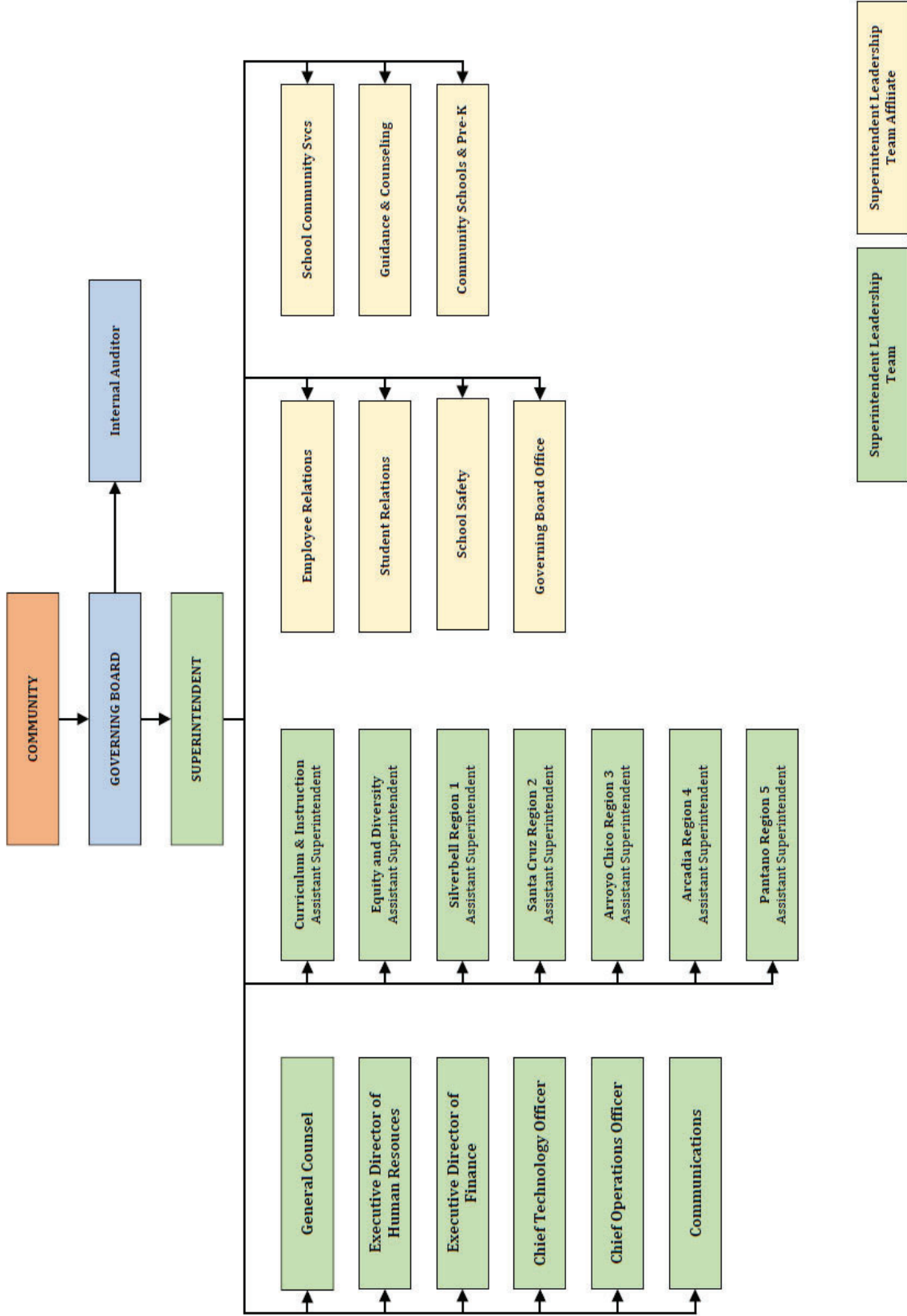
June 30, 2021

Christopher P. Morill

Executive Director/CEO

DISTRICT ORGANIZATIONAL CHART 2021-2022

TUCSON UNIFIED
SCHOOL DISTRICT



TUCSON UNIFIED SCHOOL DISTRICT NO. 1
PRINCIPAL OFFICIALS

GOVERNING BOARD

Adelita Grijalva, President

Natalie Luna Rose, Clerk

Leila Counts, Member

Dr. Ravi Shah, Member

Sadie Shaw, Member

DISTRICT ADMINISTRATION

Gabriel Trujillo, Ed.D, Superintendent

REGIONAL ASSISTANT SUPERINTENDENTS

Mark Alvarez, Santa Cruz Region

Brian Lambert, Silverbell Region

Holly Leman Hammel, Pantano Region

Shawna Rodriguez, Arcadia Region

Richard Sanchez, Arroyo Chico Region

ASSISTANT SUPERINTENDENTS

Frank Armenta, Leadership & Student Success

Kinasha Brown, Equity, Diversity & Inclusiveness

Flori Huitt, Curriculum and Instruction

BUSINESS AND OPERATIONS

Maricela Meza, Director of Employee Relations

Ricardo (Ricky) Hernández, Chief Financial Officer

Renee Heusser, Executive Director of Human Resources

Leslie Lenhart, Director of Communications & Media Relations

Blaine Young, Chief Operations Officer

LEGAL SERVICES

Robert S. Ross, Jr., General Counsel

FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

Governing Board
Tucson Unified School District No. 1
Tucson, Arizona

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Tucson Unified School District No. 1 (the District), as of and for the year ended June 30, 2022, 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 District, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows 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 (GAAS) 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District 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.

Emphasis of Matter – Change in Accounting Principle

As discussed in Note 1 to the financial statements, effective July 1, 2021, the District adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-to-use asset and corresponding lease liability and lessors to recognize a lease receivable and corresponding deferred inflow of resources for all leases with lease terms greater than twelve months. Our opinions are not modified with respect to this matter.

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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' 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 auditors' 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 GAAS 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 GAAS 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 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 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required management's discussion and analysis, budgetary comparison schedules, and pension and other post employment benefits schedules, 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 GAAS, 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 nonmajor fund financial statements and budgetary comparison 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. The 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 GAAS. In our opinion, the combining and individual fund financial statements and schedules 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 of the introductory and statistical sections but does not include the basic financial statements and our auditors' 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 the 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 March 28, 2023, on our consideration of the District'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 District'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 the District's internal control over financial reporting and compliance.

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

CliftonLarsonAllen LLP

Tucson, Arizona
March 28, 2023

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MANAGEMENT'S DISCUSSION AND ANALYSIS
(Required Supplementary Information)

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**TUCSON UNIFIED SCHOOL DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

As management of the Tucson Unified School District No. 1 (the 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, 2022. 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 assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$310.7 million (net position).
- The District's total net position increased by \$68.5 million. This increase was a net result of increased grants received by the District, pension liability and internal service operating gain.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$112.9 million, an increase of \$13.0 million in comparison to the prior year. The increase was substantially due to an increase in both property tax revenue and intergovernmental support.
- At the end of the current fiscal year, unassigned fund balance in the General Fund was \$48.7 million, or 15.0% of total general fund expenditures.
- Net position for the Internal Service Funds increase \$4.0 million from the prior fiscal year. The increase was a net result of more contributions the fund from prior years. Operating revenues of \$42.0 million exceeded operating expenses of \$37.9 million at the end of the current fiscal year.

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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.

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

OVERVIEW OF FINANCIAL STATEMENTS (CONTINUED)

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 noninstructional 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 can be divided into two categories: governmental funds and proprietary 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.

For external financial reporting purposes, the District aggregates and maintains twelve individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Special Projects Fund, Other Special Revenue, and Debt Service Fund, all of which are considered to be a major funds. Data from the other eight governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements and schedules.

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

OVERVIEW OF FINANCIAL STATEMENTS (CONTINUED)

Proprietary funds. The District maintains one type of proprietary fund. The internal service fund is an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses internal service funds to account for its employee benefits self-insurance and worker's compensation self-insurance programs. As the District does not operate any business-type activities, and the internal service funds solely benefit the governmental functions, they have been included within governmental activities in the government-wide financial statements. The internal service funds are combined into a single column on the proprietary fund statements. Additional detail of the internal service funds can be found in the combining statements.

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.

Required Supplementary Information Other than the MD&A. Governments have the option of presenting budgetary comparison schedules for the General Fund and major Special Revenue Funds as part of the basis financial statements or as required supplementary information (RSI) other than the MD&A. The District has elected to present the General Fund and Special Project Fund budgetary comparison schedules as RSI other than MD&A, which can be found on pages 73 through 78. Accounting standards also require the District reports schedules of its proportionate share net pension and other postemployment benefit (OPEB) liabilities (assets) and contributions for its cost-sharing pension and OPEB plans as RSI, which can be found immediately following the budgetary comparison schedules.

Government-Wide Financial Analysis As noted earlier, 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 \$310.7 million at the current fiscal year-end.

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

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

OVERVIEW OF FINANCIAL STATEMENTS (CONTINUED)

The following table presents a summary of the District's net position for the fiscal years ended June 30:

	Net Position		
	<u>Governmental Activities</u>		
	2022	2021	Percent Change
Current and Other Assets	\$ 237,342,569	\$ 181,759,006	30.6 %
Capital and Lease Assets	616,953,180	607,684,590	1.5
Total Assets	<u>854,295,749</u>	<u>789,443,596</u>	8.2
 Deferred Outflows of Resources	 85,912,443	 84,816,943	 1.3
Current Liabilities	50,728,456	38,231,269	32.7
Noncurrent Liabilities	446,356,164	576,923,957	(22.6)
Total Liabilities	<u>497,084,620</u>	<u>615,155,226</u>	(19.2)
 Deferred Inflows of Resources	 <u>132,432,705</u>	 <u>16,905,504</u>	 683.4
Net Position (Deficit):			
Net Investment in Capital Assets	501,423,914	431,989,628	16.1
Restricted	69,842,910	49,820,194	40.2
Unrestricted	(260,575,957)	(239,610,013)	(8.8)
Total Net Position	<u>\$ 310,690,867</u>	<u>\$ 242,199,809</u>	28.3

At the end of the current fiscal year the District reported a negative unrestricted net position of \$260.6 million as a result of the District's net pension and OPEB liabilities. 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 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:

- An increase in cash and investments of \$24.9 million due to an increase in operating grants and contributions.
- Capital and lease assets additions in excess of depreciation and amortization expense, as well as the sale of capital assets, resulted in a net addition in capital and lease assets of \$9.3 million (net of accumulated depreciation and amortization). This is as a result of significant capital investment across the District from the increase in federal funding.
- The net decrease in bonds payable of \$14.6 million due to the payment on outstanding bonds.
- An decrease in net pension liability of \$112.2 million due to a change in actuarial assumptions and contributions to the plan.
- A net income of \$4.0 million in Internal Service from contributions to the fund due to an increase in contributions compared to prior year.

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

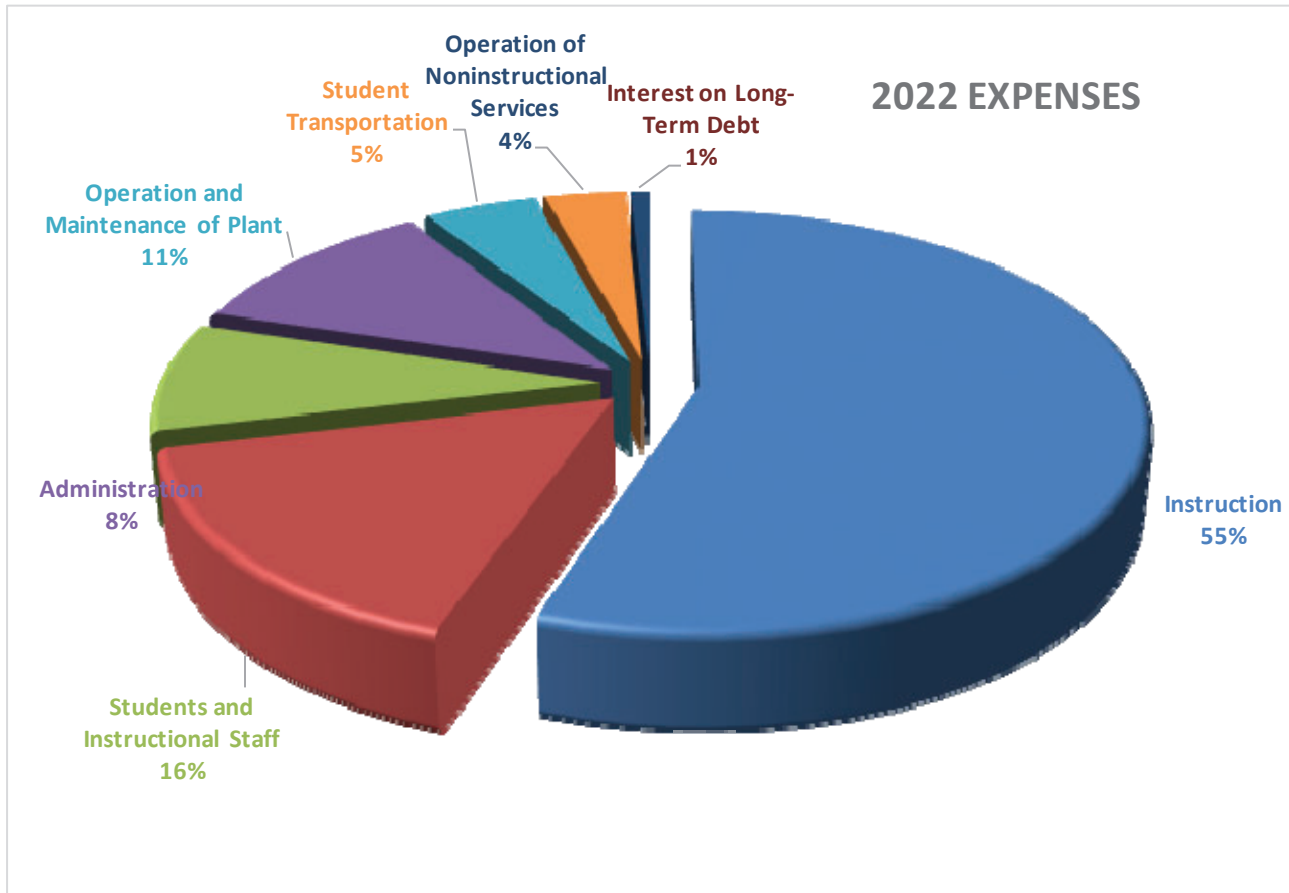
GOVERNMENT-WIDE FINANCIAL ANALYSIS

Changes in net position. Overall, net position increased \$68.5 million or 28.3%. Key elements of this increase are as follows:

	Change in Net Position		
	Governmental Activities		
	2022	2021	Percent Change
REVENUES			
Program Revenues:			
Charges for Services	\$ 10,728,390	\$ 10,474,679	2.4 %
Operating Grants and Contributions	194,453,946	134,520,989	44.6
Capital Grants and Contributions	5,623,970	10,241,412	(45.1)
General Revenues:			
Property Taxes	205,357,795	192,224,010	6.8
Grants and Contributions Not Restricted to Specific Programs:			
Unrestricted State and County Aid	161,802,252	156,447,407	3.4
Federal Grants and Aid	5,665,941	5,240,801	8.1
Investment Earnings (Loss)	(67,131)	888,750	(107.6)
Other	3,016,162	1,441,938	109.2
Gain on the Sale of Assets	-	(1,456,286)	(100.0)
Total Revenues	<u>586,581,325</u>	<u>510,023,700</u>	15.0
EXPENSES			
Instruction	286,371,418	254,769,001	12.4
Support Services:			
Students and Instructional Staff	83,090,999	74,676,328	11.3
Administration	43,638,490	42,869,234	1.8
Operation and Maintenance of Plant	58,210,084	58,478,061	(0.5)
Student Transportation	24,822,279	16,874,014	47.1
Operation of Noninstructional Services	17,975,571	18,770,717	(4.2)
Interest on Long-Term Debt	3,981,426	4,657,824	(14.5)
Total Expenses	<u>518,090,267</u>	<u>471,095,179</u>	10.0
Change in Net Position	68,491,058	38,928,521	75.9
Net Position - Beginning of Year	<u>242,199,809</u>	<u>203,271,288</u>	28.3
Net Position - End of Year	<u>\$ 310,690,867</u>	<u>\$ 242,199,809</u>	28.3

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)



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

- The increase in operating grants and contributions of \$59.9 million in revenues was due to the additional COVID-19 pandemic relief funds from the Elementary and Secondary Schools Emergency Relief (ESSER III) funds that were awarded. While capital grants and contributions decreased by \$4.6 million due to the winding down of ESSER I pandemic relief funds received in the prior year.
- The increase in property taxes of \$11.1 million in revenues was due to the increase in taxes collected from prior year. The State's increase to the qualifying tax rate decreased the amount of State Aid received to fund the annual budget thus collecting more from the local tax base.
- The increase of instruction and student transportation of \$31.6 and \$7.9 million, respective, was due to post COVID-19 pandemic was the result of re-opening schools for in-person instruction and providing students transportation at full capacity for the first time since the start of the pandemic.
- The increase in state and county equalization and additional state aid of \$5.4 million due to higher district membership.

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

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.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$112.9 million, an increase of \$13.1 million in comparison to the prior year. Approximately 43.1% of this total amount (\$48.7 million) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is either nonspendable, which reflects resources of the district that are not in spendable form, or restricted, which reflects resources of the District upon which external restrictions have been placed upon their use.

At fiscal year-end 2021-22, governmental fund balances were as follows:

Fund	Balance	Increase (Decrease) From 21-22
General Fund	\$ 53,543,998	\$ 2,025,546
Special Projects Fund	7,248,842	456,353
Other Special Revenue Fund	12,573,845	(91,745)
Debt Service Fund	10,420,145	727,799
Nonmajor Governmental Funds	29,072,598	9,894,449

The General Fund increased \$2.0 million primarily due to the continued lower spending due to school closures related to COVID-19 pandemic, increased intergovernmental revenues, property taxes, and increased carry forward contingency built into the fiscal year 2022 budget.

The increase in the Special Projects Funds is largely due to the District receiving additional grant revenues related to COVID-19 pandemic funding.

The decrease in Other Special Revenues Fund is primarily due to post COVID-19 pandemic activities in expenses exceeding revenues in the year.

The increase in the Debt Service Fund is largely due to receiving more property tax revenue than was paid out as payments on related debt.

The increase in Nonmajor Governmental Funds is largely due lower spending due to school closures related to COVID-19 pandemic, increased property tax revenues and increased intergovernmental revenues.

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (CONTINUED)

Proprietary funds. During the current fiscal year, the District's contributions to the internal service funds were \$37.0 million to fund current year claims expense and administrative costs. Unrestricted net position of the internal service funds at the end of the fiscal year amounted to \$22.7 million. Net position increase \$3.7 million from the prior fiscal year as the District's contributions for the current year increase from the prior year.

BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the General Fund annual expenditure budget for changes in student enrollment. The difference between the original budget and the final amended budget was a \$8.0 million increase, an increase of 2.4%.

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 variances are summarized as follows:

- The favorable variance of \$19.9 million in instruction was the result of lower spending during the year than anticipated.
- The favorable variance of \$1.2 million in central services was the result of lower spending during the year than anticipated.
- The favorable variance of \$4.4 million in operations and maintenance of plant was a result of lower spending during the year than anticipated.
- The favorable variance of \$2.1 million in student transportation was primarily the result of school closures during the fiscal year due to COVID-19 pandemic.

CAPITAL AND LEASE ASSETS AND DEBT ADMINISTRATION

Capital and Lease Assets. At year-end, the District had invested \$617.0 million (net of accumulated depreciation and amortization) in capital and lease assets, including school buildings, athletic facilities, buses and other vehicles, computers, right-to-use leases, and other equipment. This amount represents a net increase after depreciation and amortization of \$9.3 million from the prior fiscal year, primarily due to additions and the restatement of right-to-use assets of over \$26.9 and \$4.3 million, respectively, during the year.

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

CAPITAL AND LEASE ASSETS AND DEBT ADMINISTRATION (CONTINUED)

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30:

Capital and Lease Assets at Year-End
(Net of Accumulated Depreciation and Amortization)

	Governmental Activities	
	2022	2021
Land	\$ 15,057,776	\$ 15,057,776
Construction in Progress	12,705,583	9,028,784
Land Improvements	30,700,320	30,231,167
Buildings and Building Improvements	524,428,199	529,413,405
Furniture, Equipment, and Vehicles	30,617,913	23,953,458
Right-to-Use Lease Assets	3,443,389	4,277,909
Total Capital Assets, Net	\$ 616,953,180	\$ 611,962,499

Additional information on the District's capital assets can be found in Note 5.

Debt Administration. At the end of the current fiscal year, the District had bonded debt outstanding of \$108.5 million. All this debt is back by the full faith and credit of the District.

	Governmental Activities	
	2022	2021
General Obligation Bonds	\$ 88,340,000	\$ 100,605,000
Premiums on Bonds	10,440,018	12,802,758
Total Outstanding Debt	\$ 98,780,018	\$ 113,407,758

The District's total bonded debt decreased by \$14.6 million, representing \$12.3 million in principal payments and a decrease of \$2.4 million in bond premiums.

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% of the total net full cash assessed valuation) and the statutory debt limit on Class B bonds (the greater of 20% of the net full cash assessed valuation or \$1,500 per student). The current total debt margin for the District is \$1.2 billion and the Class B debt limit is \$726.3 million, which are more than the District's total outstanding general obligation and Class B debt, respectively. Additional information on the District's long-term debt can be found in Notes 6 through 8.

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

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 2022-23 budget. Among them:

- Fiscal year 2022-23 budget balance carry forward minimum of 1.0%.
- Projected student enrollment used to allocate resources to the sites (estimated 39,091 without Pre-K).
- Average Daily Membership estimated flat to FY22 due to the enrollment loss experienced in FY22 that is expected to repeat in FY23.
- The aggregate budget limit increased by \$149 million due to expected inflation and teacher compensation.
- District additional assistance state and federal expected budgets was fully funded, and the capital reduction was eliminated.

Budgeted expenditures in the General Fund increased to \$371 million in fiscal year 2022-23.

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 Financial Services Department, Tucson Unified School District No. 1, 1010 East Tenth Street, Tucson, Arizona 85719.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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TUCSON UNIFIED SCHOOL DISTRICT NO. 1
STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities
ASSETS	
Cash and Investments	\$ 97,396,298
Receivables, Net	
Property Taxes	23,462,302
Accounts	1,937,606
Intergovernmental	87,630,353
Lease Receivable	11,388,249
Prepays and Other Assets	4,194,715
Net Other Postemployment Benefit Asset	11,333,046
Capital and Lease Assets:	
Non-Depreciable	27,763,359
Depreciable and Amortization, Net	589,189,821
Total Assets	854,295,749
DEFERRED OUTFLOWS OF RESOURCES	
Related to Debt Refunding	3,395,057
Related to Pensions	80,493,719
Related to Other Postemployment Benefits	2,023,667
Total Deferred Outflows of Resources	85,912,443
LIABILITIES	
Accounts Payable	20,560,742
Accrued Wages and Benefits	21,531,273
Unearned Revenue	8,636,441
Noncurrent Liabilities	
Claims Payable, Due Within One Year	1,203,802
Net Pension Liability, Due in More Than One Year	311,600,629
Net Other Postemployment Benefit Liability, Due in More Than One Year	483,989
Claims Payable, Due in More Than One Year	5,005,193
Due Within One Year	20,180,310
Due in More Than One Year	107,882,241
Total Liabilities	497,084,620
DEFERRED INFLOWS OF RESOURCES	
Related to Pensions	111,563,688
Related to Other Postemployment Benefits	9,680,706
Lease Related	11,188,311
Total Deferred Inflows of Resources	132,432,705
NET POSITION (DEFICIT)	
Net Investment in Capital Assets	501,423,914
Restricted for:	
Instructional Purposes	7,438,788
Food Services	9,271,581
Student Clubs and Organizations	1,871,138
Capital Projects	11,705,502
Debt Service	15,649,010
Noninstructional Services	12,573,845
Other Postemployment Benefits	11,333,046
Unrestricted (Deficit)	(260,575,957)
Total Net Position	\$ 310,690,867

See accompanying Notes to Financial Statements.

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**TUCSON UNIFIED SCHOOL DISTRICT NO. 1
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	
Primary Governmental:			Capital Grants and Contributions	Governmental Activities
Governmental Activities:				
Instruction	\$ 286,371,418	\$ 5,960,316	\$ 121,626,686	\$ (153,160,446)
Support Services:				
Students	45,238,435	-	12,356,689	(32,881,746)
Instructional Staff	37,852,564	-	16,316,232	(21,536,332)
General Administration	1,992,863	-	158,639	(1,834,224)
School Administration	20,814,186	-	1,938,617	(18,875,569)
Business and Other Support Services	20,831,441	1,357,639	1,556,106	(17,917,696)
Operation and Maintenance of Plant	58,210,084	1,192,259	5,620,246	(51,397,579)
Student Transportation	24,822,279	25,220	7,742,742	(17,054,317)
Operation of Noninstructional Services	17,975,571	2,192,956	26,385,804	10,603,189
Interest on Long-Term Debt	3,981,426	-	752,185	(3,229,241)
Total	\$ 518,090,267	\$ 10,728,390	\$ 194,453,946	\$ (307,283,961)
General Revenues:				
Property Taxes				205,357,795
Grants and Contributions Not Restricted to Specific Programs				161,802,252
State and County Equalization and Additional State Aid				5,665,941
Federal Grants-in-Aid				(67,131)
Investment Loss				3,016,162
Other				375,775,019
Total General Revenues				68,491,058
Change in Net Position				242,199,809
Net Position - Beginning of Year				\$ 310,690,867
Net Position - End of Year				

See accompanying Notes to Financial Statements.

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FUND FINANCIAL STATEMENTS

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2022

	General Fund	Special Projects	Other Special Revenue
ASSETS			
Cash and Investments	\$ 15,525,821	\$ -	\$ 12,131,500
Receivables			
Accounts Receivable	203,305	294,418	90,910
Property Taxes	20,515,122	-	-
Intergovernmental	38,477,317	44,015,240	1,038,174
Lease Receivable		-	11,388,249
Prepays and Other Assets	2,779,614	-	-
Due from Other Funds	20,425,165	-	-
 Total Assets	 \$ 97,926,344	 \$ 44,309,658	 \$ 24,648,833
 LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES			
Liabilities			
Accounts Payable	\$ 6,900,799	\$ 6,214,375	\$ 633,055
Accrued Wages and Benefits	18,010,711	2,746,689	230,597
Due to Other Funds	-	19,513,311	23,025
Unearned Revenue	50,000	8,586,441	-
Total Liabilities	24,961,510	37,060,816	886,677
 Deferred Inflows of Resources			
Lease Related	-	-	11,188,311
Unavailable Revenue	19,420,836	-	-
Total Deferred Inflows of Resources	19,420,836	-	11,188,311
 Fund Balances			
Nonspendable	2,779,614	-	-
Restricted	2,094,387	7,248,842	12,573,845
Unassigned	48,669,997	-	-
Total Fund Balances	53,543,998	7,248,842	12,573,845
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 97,926,344	\$ 44,309,658	\$ 24,648,833

See accompanying Notes to Financial Statements.

Debt Service	Nonmajor	Totals
\$ 10,335,422	\$ 30,446,676	\$ 68,439,419
-	1,348,973	1,937,606
2,852,758	94,422	23,462,302
-	4,099,622	87,630,353
-	-	11,388,249
-	1,415,101	4,194,715
-	-	20,425,165
<u>\$ 13,188,180</u>	<u>\$ 37,404,794</u>	<u>\$ 217,477,809</u>
\$ -	\$ 6,812,513	\$ 20,560,742
-	543,276	21,531,273
-	888,829	20,425,165
-	-	8,636,441
<u>-</u>	<u>8,244,618</u>	<u>71,153,621</u>
-	-	11,188,311
2,768,035	87,578	22,276,449
<u>2,768,035</u>	<u>87,578</u>	<u>33,464,760</u>
-	1,415,101	4,194,715
10,420,145	29,193,142	61,530,361
-	(1,535,645)	47,134,352
<u>10,420,145</u>	<u>29,072,598</u>	<u>112,859,428</u>
<u>\$ 13,188,180</u>	<u>\$ 37,404,794</u>	<u>\$ 217,477,809</u>

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TUCSON UNIFIED SCHOOL DISTRICT NO. 1
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

Total Fund Balances for Governmental Funds		\$ 112,859,428
Total net position reported for governmental activities in the statement of net position is different because:		
Property taxes not collected within 60 days subsequent to fiscal year-end are reported as deferred inflows of resources in the governmental funds.		
		22,276,449
Capital and lease assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:		
Governmental Capital and lease Assets	\$ 1,119,649,468	
Less: Accumulated Depreciation and Amortization	<u>(502,696,288)</u>	616,953,180
Deferred Inflows and Outflows reported on the statement of net position represent the acquisition and consumption of net position applicable to future periods and therefore are not reported in the funds.		
Deferred Outflows of Resources	85,912,443	
Deferred Inflows of Resources	<u>(121,244,394)</u>	(35,331,951)
Internal service funds are used by management to charge the costs of insurance services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		
		22,747,884
Long-term liabilities that pertain to governmental funds, including bonds payable and capital leases are not due and payable in the current period and therefore are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position.		
General Obligation Bonds	(88,340,000)	
Unamortized Premiums	(10,440,018)	
Capital Leases	(16,700,916)	
Lease Liability	(3,444,807)	
Net Pension Liability	(311,600,629)	
Compensated Absences Payable	(9,136,810)	
Net Other Postemployment Asset, Net	<u>10,849,057</u>	<u>(428,814,123)</u>
Total Net Position of Governmental Activities		<u>\$ 310,690,867</u>

See accompanying Notes to Financial Statements.

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	General Fund	Special Projects	Other Special Revenue
Revenues			
Property Taxes	\$ 165,850,070	\$ -	\$ -
Intergovernmental	156,595,027	130,337,276	332,017
Tuition	-	-	5,278,400
Food Service Sales	-	-	-
Charges for Services	3,152,884	-	2,052,718
Contributions and Donations	852,525	-	2,115,040
Investment Earnings (Losses)	(16,142)	6	71,856
Miscellaneous	1,515,895	1,765	256,292
Total Revenues	<u>327,950,259</u>	<u>130,339,047</u>	<u>10,106,323</u>
Expenditures			
Current			
Instruction	159,170,840	80,906,214	5,063,737
Support Services			
Students	34,127,307	10,881,715	357,111
Instructional Staff	21,899,448	15,314,501	553,974
General Administration	3,528,703	144,900	68,341
School Administration	19,990,668	1,829,764	117,754
Business and Other Support Services	14,504,729	1,468,513	161,334
Operations and Maintenance of Plant	52,566,774	5,318,424	361,897
Student Transportation	17,441,882	7,467,273	188,870
Operation of Noninstructional Services	787,220	3,118,335	2,582,521
Debt Service			
Principal Retirement	-	-	-
Interest on Long-Term Debt	-	-	-
Capital Outlay	1,594,700	1,927,830	742,529
Total Expenditures	<u>325,612,271</u>	<u>128,377,469</u>	<u>10,198,068</u>
Excess (Deficiency) of Revenues Over Expenditures	2,337,988	1,961,578	(91,745)
Other Financing Sources (Uses)			
Transfers In	2,505,225	-	-
Transfers Out	(2,386,737)	(1,505,225)	-
Total Other Financing Sources (Uses)	<u>118,488</u>	<u>(1,505,225)</u>	<u>-</u>
Net Change in Fund Balances	2,456,476	456,353	(91,745)
Fund Balances			
Beginning of Year	51,518,452	6,792,489	12,665,590
Increase (Decrease) in Nonspendable for Inventories	(430,930)	-	-
End of Year	<u>\$ 53,543,998</u>	<u>\$ 7,248,842</u>	<u>\$ 12,573,845</u>

See accompanying Notes to Financial Statements.

Debt Service	Nonmajor	Totals
\$ 17,555,139	\$ 16,687,491	\$ 200,092,700
-	77,314,224	364,578,544
-	-	5,278,400
-	244,388	244,388
-	-	5,205,602
-	-	2,967,565
35,281	62,326	153,327
-	1,242,210	3,016,162
<u>17,590,420</u>	<u>95,550,639</u>	<u>581,536,688</u>
-	39,920,231	285,061,022
-	1,635,131	47,001,264
-	1,671,838	39,439,761
-	70,029	3,811,973
-	6,594	21,944,780
5,871	5,145,826	21,286,273
-	1,485,655	59,732,750
-	85,551	25,183,576
-	18,601,741	25,089,817
12,265,000	2,739,823	15,004,823
4,591,750	821,688	5,413,438
-	14,298,671	18,563,730
<u>16,862,621</u>	<u>86,482,778</u>	<u>567,533,207</u>
727,799	9,067,861	14,003,481
-	2,403,921	4,909,146
-	(1,017,184)	(4,909,146)
-	<u>1,386,737</u>	<u>-</u>
727,799	10,454,598	14,003,481
9,692,346	19,178,149	99,847,026
-	(560,149)	(991,079)
<u>\$ 10,420,145</u>	<u>\$ 29,072,598</u>	<u>\$ 112,859,428</u>

TUCSON 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, 2022

Net Change in Fund Balances-Total Governmental Funds \$ 14,003,481

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Expenditure for Capital and Lease Assets, Net	\$ 30,521,039	
Net Book Value of Assets Disposed	(183,456)	
Depreciation and Amortization Expense	<u>(25,360,168)</u>	4,977,415

The governmental funds report the issuance of bonds as financing sources, while repayment of bond principal is reported as an expenditure. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities and repayment of principal reduces the liability. The net effect of these differences in the treatment of general obligation bonds and related items is as follows:

Principal Payments on Long-Term Debt	12,265,000	
Principal Payments on Finance Purchases	2,739,823	
Principal on Leases	833,102	
Amortization of Premium	2,362,740	
Amortization of Deferred Amount on Refunding	<u>(930,728)</u>	17,269,937

Delinquent property taxes and grants and other receivables that will be collected subsequent to year-end, but are not available soon enough to pay for the current period's expenditures are reported as deferred inflows of resources in the governmental funds.

Property Taxes		5,265,095
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Governmental funds report pension contributions as expenditures when made. However, in the statement of activities, pension expense is the cost of benefits earned, adjusted for member contributions, the recognition of changes in deferred outflows and inflows or resources related to pensions, and the investment experience.

Pension and OPEB Contributions	36,322,770	
Pension and OPEB Expense	<u>(15,393,798)</u>	20,928,972

(Continued)

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
(CONTINUED)
YEAR ENDED JUNE 30, 2022

(Concluded)

Internal service funds are used by management to charge the costs of insurance services to individual funds. The changes in net position of the internal service funds is reported with governmental activities in the statement of activities.

\$ 3,967,741

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

Change in Compensated Absences

\$ 3,069,496

Change in Inventory Balances

(991,079)

2,078,417

Change in Net Position of Governmental Activities

\$ 68,491,058

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022

	<u>Governmental Activities - Internal Service Funds</u>
ASSETS	
Current Assets:	
Cash and Investments	\$ 28,956,879
Total Assets	<u>28,956,879</u>
LIABILITIES	
Current Liabilities	
Claims Payable	<u>1,203,802</u>
Noncurrent Liabilities	
Claims Payable	<u>5,005,193</u>
Total Liabilities	<u>6,208,995</u>
NET POSITION	
Unrestricted	<u>22,747,884</u>
Total Net Position	<u>\$ 22,747,884</u>

See accompanying Notes to Financial Statements.

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

	<u>Governmental Activities - Internal Service Funds</u>
OPERATING REVENUES	
Contributions	\$ 37,086,140
Miscellaneous	4,957,553
Total Operating Revenue	<u>42,043,693</u>
OPERATING EXPENSES	
Claims	32,493,295
Premiums	2,638,941
Administrative Fees	1,799,377
Other	923,881
Total Operating Expenses	<u>37,855,494</u>
Operating Income	4,188,199
NONOPERATING REVENUES	
Investment Earnings (Losses)	<u>(220,458)</u>
Change in Net Position	<u>3,967,741</u>
Total Net Position - Beginning of Year	<u>18,780,143</u>
TOTAL NET POSITION - END OF YEAR	<u><u>\$ 22,747,884</u></u>

See accompanying Notes to Financial Statements.

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

	<u>Governmental Activities - Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Users	\$ 37,170,379
Cash Received from Other Sources	4,957,553
Payments to Suppliers	(2,539,949)
Payments to Employees	(183,309)
Payments for Claims and Premiums	(35,117,802)
Net Cash Provided by Operating Activities	<u>4,286,872</u>
 CASH FLOWS FROM INVESTING ACTIVITIES	
Investment Income (Losses)	<u>(220,458)</u>
 NET INCREASE IN CASH AND CASH EQUIVALENTS	 4,066,414
Cash and Cash Equivalents at Beginning of the Year	<u>24,890,465</u>
 CASH AND CASH EQUIVALENTS AT END OF THE YEAR	 <u>\$ 28,956,879</u>
 RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES	
Operating Loss	\$ 4,188,199
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities	
Effect of Changes in Assets/Liabilities:	
Other Receivable	84,239
Claims Payable	<u>14,434</u>
Net Cash Used by Operating Activities	<u>\$ 4,286,872</u>

See accompanying Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

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TUCSON UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Tucson Unified School District No. 1 (the 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.

Adoption of New Accounting Standards

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principles that leases are financing of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The Entity adopted the requirements of the guidance effective July 1, 2021 and has applied the provisions of this standard to the beginning of the period of adoption.

The significant District accounting policies are described below:

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 expenses/expenditures.

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 Governing 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. 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. The District is not included in any other governmental reporting entity. The accompanying financial statements present the District's component units, entities for which the District is considered financially accountable. Blended component units are, in substance, part of the District's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the District. The District's major operations include education, student transportation, construction, and maintenance of District facilities, food services, and athletic functions.

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

Blended Component Unit – The Tucson Unified School District No. 1 Employee Benefit Trust is responsible for providing fringe benefits for the District employees. The District's Governing Board appoints the Trust's board of directors. The Tucson Unified School District No. 1 Employee Benefit Trust provides services entirely to the District and therefore has been included as an Internal Service Fund in accordance with the criteria established by GASB.

The Tucson Unified School District No. 1 Workers' Compensation Trust is responsible for providing workers' compensation insurance to District employees. The District's Governing Board appoints the Trust's board of directors. The Tucson Unified School District No. 1 Workers' Trust provides services entirely to the District and therefore has been included as an internal service fund in accordance with the criteria established by GASB.

Separate financial statements for the Employee Benefit and Workers' Compensation Trusts are not prepared.

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. 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.

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.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Fund Financial Statements – Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 75 days of the end of the current fiscal period, or within 60 days for property tax revenues. 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, federal, state and county aid, tuition and investment income associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Food services and miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash. Grants and similar awards are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. Unearned revenues arise when resources are received by the District before it has legal claim to them, as when grant monies are received prior to meeting all eligibility requirements imposed by the provider.

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

The focus of governmental fund financial statements is on major funds rather than reporting funds by type. The major funds are presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The Internal Service Funds are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by fund type.

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 operations 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.

Special Projects Fund – The Fund accounts for the revenues and expenditures of state and federally funded grants and projects received by the District.

Other Special Revenue Fund – The Fund accounts for the revenues and expenditures of the following activities or objectives: civic center, community school, extracurricular activities fee tax credit, insurance refunds, litigation recovery, and textbooks.

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

Additionally, the District reports the following fund types:

Proprietary Funds – The Proprietary Funds are Internal Service Funds that account for the activities related to the District’s self-insurance programs for employee benefits and workers’ compensation.

The Proprietary Fund financial statements are reported using the *economic resources measurement focus* and *accrual basis of accounting* and are presented in a single column.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the District’s internal service fund are contributions to finance the District’s self-insurance programs for employee benefits and workers’ compensation. Operating expenses for the internal service fund includes the cost of the employees’ benefit claims and the workers’ compensation claims. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Investments

For purposes of the statement of cash flows, the District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents at year-end were cash in bank, certificates of deposit, and cash and investments held by the County Treasurer.

A.R.S. requires 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 Fund 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. All investments are stated at fair value.

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

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

Statute does not include any requirements for credit risk, concentration of credit risk, interest rate risk, or foreign currency risk. Statute requires collateral for deposits of Bond Building and Debt Service Funds monies in interest bearing savings accounts and certificates of deposit at 101% of all deposits not covered by federal depository insurance.

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% of the public deposits, less any applicable deposit 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.

Certain resources set aside for future purchases related to capital improvement projects and those resources received from the issuance of bonds for the purpose of refinancing existing bonds are classified as cash and investments – restricted on the statements of net position and balance sheet because their use is limited by bond trust agreements and a capital lease financing agreement. Trust accounts, recorded in the Unrestricted Capital Outlay Fund and Debt Service Fund, are used to segregate the restricted cash.

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment Income

Investment income is composed of interest, dividends, and net changes in the fair value of applicable investments. Investment income is included in investment earnings in the governmental fund financial statements and in nonoperating revenues in the proprietary fund financial statements.

Property Tax Receivable

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.

Intergovernmental Receivables

Intergovernmental receivables account for federal and state grants earned, but not received at year-end and include federal grants-in-aid (\$42,891,003), state building renewal grants (\$1,267,073), state equalization and other state assistance (\$40,035,117), and other miscellaneous receivables (\$3,437,160).

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

Short-Term Interfund Receivables/Payables

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

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Prepaid and Other Assets

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

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

Lease Receivable

As the lessor, the District recognizes lease receivables with an initial, individual value of \$5,000 or more. If there is no stated interest rate in the lease contract (or if the stated rate is not the rate the District charges the lessee) and the implicit rate cannot be determined, the District uses its own estimated incremental borrowing rate as the discount rate to measure lease receivables. The District's estimated incremental borrowing rates the discount rate to measure lease receivable. The District's used the Arizona's General Accounting Office lease template, which identified what rates to use if the explicit rate and implicit rate are unknown. These rates are based on the number of years remaining in the lease term as of July 1, 2021.

Capital and Lease Assets

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

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

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

Lease assets are initially recorded as the sum of 1) the amount of the initial measurement of the lease liability, 2) lease payments made at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, 3) initial direct costs that are ancillary charges necessary to place the asset into service. Lease assets are amortized on a straight-line basis over the shorter of the lease term or useful life of the underlying asset.

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

Land Improvements	20 to 25 Years
Buildings and Improvements	15 to 80 Years
Vehicles, Furniture, and Equipment	3 to 25 Years
Leased Assets	3 to 6 Years

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows of Resources

The District recognizes the consumption of net position that is applicable to a future period as deferred outflows of resources. Reported amounts in the government-wide financial statements reflect amounts for the amortization of the accounting loss on refunding of bonds, and changes in the actuarial valuations of the District's pension and OPEB liabilities and contributions made to the plans after the measurement date.

Compensated Absences

The District's employee and sick leave policies generally provide for granting vacation and sick leave with pay. The amount and type of leave earned is based on the employee's bargaining unit classification and agreement. Upon separation from the District, an employee is reimbursed at varying rates and amounts based on employee's bargaining unit classification and agreement. The current and long-term liabilities, including related benefits, for accumulated vacation and sick leave are reported on 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.

Pension and OPEB

For purposes of measuring the net pension and OPEB assets and liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB income and 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.

Long-Term Obligations

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

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

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflows of Resources

The District recognizes the acquisition of net position that is applicable to a future period as deferred inflows of resources. Reported amounts in the government-wide financial statements represent changes in the District's pension and OPEB liabilities.

The deferred inflows of resources reported in the governmental fund financial statements represent resources that are not available to the District as of June 30, 2022 or within 60 days of fiscal year-end. The deferred inflows of resources represent a reconciling item between the governmental fund financial statements and the government-wide financial statements.

Interfund Activity

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

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

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, committed, assigned, and unassigned fund balance classifications.

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

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

Committed. The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action of the Governing Board through a resolution approved at a board meeting. Those committed amounts cannot be used for any other purpose unless the Governing Board removes or changes the specified use by taking the same action.

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Classifications (Continued)

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.

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

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

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

	General Fund	Special Projects Funds	Other Special Revenue	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances:						
Nonspendable:						
Inventory Supplies	\$ 2,779,614	\$ -	\$ -	\$ -	\$ 1,415,101	\$ 4,194,715
Restricted:						
Voter Approved Initiatives:						
Instructional Purposes	-	-	-	-	7,433,638	7,433,638
Debt Service	-	-	-	10,420,145	2,460,830	12,880,975
Federal and State Projects	-	7,248,842	-	-	-	7,248,842
Food Services	-	-	-	-	7,861,630	7,861,630
Student Activities	-	-	-	-	1,871,138	1,871,138
Capital Projects	2,094,387	-	-	-	9,565,906	11,660,293
Enabling Legislation:						
Noninstructional Services	-	-	12,573,845	-	-	12,573,845
Total Restricted	2,094,387	7,248,842	12,573,845	10,420,145	29,193,142	61,530,361
Unassigned						
	48,669,997	-	-	-	(1,535,645)	47,134,352
Total Fund Balance	<u>\$ 53,543,998</u>	<u>\$ 7,248,842</u>	<u>\$ 12,573,845</u>	<u>\$ 10,420,145</u>	<u>\$ 29,072,598</u>	<u>\$ 112,859,428</u>

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

The District adopts an annual operating budget for expenditures for all governmental fund types on essentially the same modified accrual basis of accounting used to record actual expenditures. The Governing Board presents a proposed budget to the Superintendent of Public Instruction and County School Superintendent on or by July 5. The Governing Board legally adopts the final budget by July 15, after a public hearing has been held. Once adopted the budget can be increased or decreased only for specific reasons set forth in the A.R.S. All appropriations lapse at year-end. An annual budget of revenue from all sources is not prepared.

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

None of the District's funds had expenditures exceed appropriations for the fiscal year ended June 30, 2022.

NOTE 3 DEPOSITS AND INVESTMENTS

Deposits and Investments at June 30, 2022 consisted of the following:

Deposits	
Cash on Hand	\$ 20,000
Cash in Bank	21,398,346
Cash with Trustee	3,145,220
Investments	
Cash on Deposit with County Treasurer	54,597,014
County Treasurer's Investment Pool	8,336,407
State Treasurer's Investment Pool	427,841
Employee Benefits Trust Investments	7,252,875
Worker's Compensation Trust Investments	2,218,595
Total Deposits and Investments	<u>\$ 97,396,298</u>

Custodial Credit Risk -- 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 \$24,543,566 and the bank balance was \$31,887,337, which includes \$3,145,220 held with the trustee. At year-end, all of the District's deposits were insured or covered by collateral held by the pledging financial institution in the District's name.

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. In accordance with the District policy and state statutes, the District limits its investments to obligations of the U.S. Treasury and U.S. agencies, certificates of deposit in eligible depositories, obligations of the State of Arizona (or any political subdivision thereof), the State Treasurer's Local Government Investment Pool, commercial paper of prime quality, or bonds and notes of corporations organized and doing business within the United States of America that are of a high rating. Investments are stated at fair value.

Fair Value Measurements. The District uses fair value measurements to record fair value adjustments to certain assets and liabilities to determine fair value disclosures.

The District follows accounting principles generally accepted in the United States of America that define fair value, establish a framework for measuring fair value, establish a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements.

In accordance with these requirements, the District has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs the inputs used to measure the financial instruments falls within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Financial assets and liabilities recorded on the statement of net position are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities. The inputs include those traded on an active exchange, such as the New York Stock Exchange, as well as U.S. Treasury and other U.S. government and agency mortgage-backed securities that are traded by dealers or brokers in active over-the-counter markets.

Level 2 – Financial assets and liabilities are valued based on quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data using matrix pricing models.

Level 3 – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset.

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

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 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.

The District’s investments at June 30, 2022, categorized within the fair value hierarchy established by accounting principles generally accepted in the United States of America, were as follows:

	June 30, 2022	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Observable Inputs (Level III)
Investments by Fair Value Level				
Debt Securities				
Corporate Bond Issues	\$ 6,230,474	\$ -	\$ 6,230,474	\$ -
Total Debt Securities	<u>6,230,474</u>	<u>-</u>	<u>6,230,474</u>	<u>-</u>
Total Investments by Fair Value Level	6,230,474	<u>\$ -</u>	<u>\$ 6,230,474</u>	<u>\$ -</u>
External Investments Pools				
Measured at Fair Value				
County Treasurer’s Investment Pool	62,933,421			
State Treasurer’s Investment Pool	<u>427,841</u>			
Total Investments Measured at Fair Value	63,361,262			
Investments at Amortized Cost				
Money Market Mutual Funds	<u>3,240,996</u>			
Total Investments at Amortized Cost	<u>3,240,996</u>			
Total Investments	<u>\$ 72,832,732</u>			

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

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, however, this risk can be reduced through diversification of the duration of fixed-income investments that are held at a given time.

A schedule of the District's investment maturities is as follows:

Investment	Maturity			Total
	Less than 1 Year	1-3 Years	More than 3 Years	
Money Market Mutual Funds	\$ 3,240,996	\$ -	\$ -	\$ 3,240,996
Corporate Bonds	1,668,480	3,229,788	1,332,206	6,230,474
County Treasurer's Investment Pool	62,933,421	-	-	62,933,421
State Treasurer's Investment Pool	427,841	-	-	427,841
Total	\$ 68,270,738	\$ 3,229,788	\$ 1,332,206	\$ 72,832,732

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 and State Treasurers' investment pools did not receive a credit quality rating from a national rating agency. The State Treasurer's investment pool 7 had a weighted average rating of AAA at year-end as it was invested in obligations of the U.S. Government or obligations guaranteed by the U.S. Government. Government Agencies Investments had a weighted average rating of AA+ by Standard and Poors (S&P) and Corporate Bonds have a weighted average rating of AA- by S&P.

Concentration of Credit Risk. The District places no limit on the amount the District may invest in any one issuer. At year-end, the District did not hold investments in any one issuer that represented 5% or more of the District's total investments.

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 RECEIVABLES

Property taxes are recognized as revenues in the fiscal year they are levied in the government-wide financial statements and represent a reconciling item between the government-wide and fund financial statements. In the fund financial statements, property taxes are recognized as revenues in the fiscal year levied and collected or if they are collected within 60 days subsequent to fiscal year-end. Property taxes not collected within 60 days subsequent to fiscal year-end are reported as unavailable revenues. Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unavailable and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent Property Taxes Receivable		
General Fund	\$ 19,420,836	\$ -
Debt Service Fund	2,768,035	-
Nonmajor Governmental Funds	87,578	-
Government Grant Revenues		
General Fund	-	50,000
Special Projects Fund	-	8,586,441
Total	<u>\$ 22,276,449</u>	<u>\$ 8,636,441</u>

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 5 CAPITAL AND LEASE ASSETS

A summary of capital and lease asset activity for the current fiscal year-end follows:

	Beginning Balance (Restated)	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Being Depreciated and Amortized:				
Land	\$ 15,057,776	\$ -	\$ -	\$ 15,057,776
Construction in Progress	9,028,784	21,513,488	(17,836,689)	12,705,583
Total Capital Assets, Not Being Depreciated and Amortized	24,086,560	21,513,488	(17,836,689)	27,763,359
Capital Assets, Being Depreciated and Amortized:				
Land Improvements	77,229,815	2,936,077	-	80,165,892
Buildings and Improvements	907,092,245	14,239,470	(213,275)	921,118,440
Furniture, Equipment, and Vehicles	78,887,973	9,681,959	(2,246,064)	86,323,868
Right-to-Use Lease Assets	4,277,909	-	-	4,277,909
Total Capital Assets, Being Depreciated and Amortized	1,067,487,942	26,857,506	(2,459,339)	1,091,886,109
Accumulated Depreciation and Amortization for:				
Land Improvements	(46,998,648)	(2,466,924)	-	(49,465,572)
Buildings and Improvements	(377,678,840)	(19,190,059)	178,658	(396,690,241)
Furniture, Equipment, and Vehicles	(54,934,515)	(2,868,665)	2,097,225	(55,705,955)
Right-to-Use Lease Assets	-	(834,520)	-	(834,520)
Total Accumulated Depreciation and Amortization	(479,612,003)	(25,360,168)	2,275,883	(502,696,288)
Total Capital Assets, Being Depreciated and Amortized, Net	587,875,939	1,497,338	(183,456)	589,189,821
Governmental Activities Capital Assets, Net	\$ 611,962,499	\$ 23,010,826	\$ (18,020,145)	\$ 616,953,180

Depreciation expense was charged to governmental functions as follows:

Governmental Activities:	
Instruction	\$ 21,208,298
Support Services:	
Students	74,769
Instructional Staff	262,917
General Administration	228,959
School Administration	4,104
Business and Other Support Services	317,070
Operations and Maintenance of Plant	777,872
Student Transportation	2,343,141
Operation of Noninstructional Services	143,038
Total Depreciation and Amortization Expense	<u>\$ 25,360,168</u>

During the year ended June 30, 2022, the District implemented the provision of GASB 87 Statement No. 87, *Leases*, as amended. As a result, \$4,277,909 of right-to-use lease assets were added as of July 1, 2021.

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 5 CAPITAL AND LEASE ASSETS (CONTINUED)

At year-end, the District had contractual commitments related to various capital projects as follows:

Project	Governmental Activities	
	Spent-to-Date	Estimated Remaining
JTED Student Kitchen Remodel	\$ 585,422	\$ 216,434

NOTE 6 OBLIGATIONS UNDER FINANCE PURCHASES AND LEASES

Finance Purchases

The District has acquired building improvements, vehicles, and equipment under the provisions of long-term agreements classified as finance purchases agreements. These agreements qualify as financed purchases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. Revenues from the Unrestricted Capital Outlay Fund, a nonmajor governmental fund, and the Food Service Fund, a nonmajor governmental fund, will be used to pay the capital lease obligations for the vehicles and equipment. Revenue from the General Fund, as well as the federal interest subsidy received to fund the interest payments, are transferred to the Energy and Water Savings Fund, a nonmajor governmental fund, to pay the finance purchase obligations on the energy efficiency equipment and building upgrades. Amortization of assets recorded related to the agreements are included in depreciation expense.

Assets acquired through financed purchases that meet the District's definition of capital assets are as follows:

	Governmental Activities
Asset:	
Buildings and Improvements	\$ 29,466,812
Vehicles and Equipment	567,139
Less:	
Accumulated Depreciation	(8,635,112)
Total	\$ 21,398,839

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 6 OBLIGATIONS UNDER FINANCE PURCHASES AND LEASES (CONTINUED)

Finance Purchases (Continued)

The future minimum financed obligations, and the net present value of these minimum payments.

<u>Year Ending June 30.</u>	<u>Governmental Activities</u>
2023	\$ 2,899,118
2024	2,805,398
2025	2,774,158
2026	2,774,158
2027	2,774,158
2028-29	<u>5,548,316</u>
Total Minimum Lease Payments	19,575,306
Less: Amount Representing Interest Present Value of Minimum Lease Amounts	<u>(2,833,491)</u>
	<u><u>\$ 16,741,815</u></u>

Leases

The District leases equipment as well as certain operating office facilities for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2027 and provide for renewal options ranging from various years.

Total future minimum lease payments under lease agreements are as follows:

<u>Year Ending June 30.</u>	<u>Governmental Activities</u>		Totals
	<u>Principal</u>	<u>Interest</u>	
2023	\$ 812,666	\$ 35,265	\$ 847,931
2024	794,884	26,721	821,605
2025	797,463	18,187	815,650
2026	630,162	10,265	640,427
2027	409,632	4,288	413,920
Totals	<u>\$ 3,444,807</u>	<u>\$ 94,726</u>	<u>\$ 3,539,533</u>

Right-to-use assets acquired through outstanding leases are shown below, by underlying asset class.

	<u>Governmental Activities</u>
Asset:	
Buildings	\$ 2,426,236
Equipment	1,851,673
Less:	
Accumulated Depreciation	<u>(834,520)</u>
Total	<u><u>\$ 3,443,389</u></u>

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7 GENERAL OBLIGATION BONDS PAYABLE

Bonds payable at year-end, consisted of the following outstanding general obligation bonds. The bonds are both callable and noncallable with interest payable semiannually. Property taxes from the Debt Service Fund, a major governmental fund, are used to pay the bonded debt.

Purpose	Original Amount Issued	Interest Rates (%)	Maturity Dates	Amount Outstanding
Governmental Activities:				
Refunding Bonds, Series 2011 (Nontaxable)	28,115,000	4.00-5.00%	7/1/19-24	\$ 4,505,000
Refunding Bonds, Series 2016	63,000,000	4.00-5.00%	7/1/19-27	42,975,000
Refunding Bonds, Series 2017 (2020 Crossover)	48,520,000	3.00-5.00%	7/1/21-30	40,860,000
Total				<u>\$ 88,340,000</u>

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

Year Ending June 30,	Governmental Activities		Totals
	Principal	Interest	
2023	\$ 12,985,000	\$ 3,979,150	\$ 16,964,150
2024	11,530,000	3,329,900	14,859,900
2025	14,965,000	2,763,850	17,728,850
2026	16,325,000	2,015,600	18,340,600
2027	15,155,000	1,199,350	16,354,350
2028-2031	17,380,000	1,192,700	18,572,700
Totals	<u>\$ 88,340,000</u>	<u>\$ 14,480,550</u>	<u>\$ 102,820,550</u>

In prior years, the District defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the defeased bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At year-end, the District had zero defeased bonds outstanding.

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7 GENERAL OBLIGATION BONDS PAYABLE (CONTINUED)

Legal Debt Margin

The legal debt margin of the District at June 30, 2022 is as follows:

Net Full Cash Assessed Value \$ 4,308,913,329

Legal Debt Margin:

General Obligation Bonds

Debt Limitation - 30% of Assessed Value 1,292,673,999

Amount of Debt Applicable to Debt Limit:

General Obligation and Refunding Bonds Outstanding	\$	88,340,000
Less: Assets in Debt Service Fund Available for Payment of Principal		<u>(10,420,145)</u>

Total Amount of Debt Applicable to Debt Limit 77,919,855

Legal Debt Margin \$ 1,214,754,144

Class B General Obligation Bonds

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

20% of secondary net assessed valuation	\$	861,782,665
\$1,500 per student (ADM) (\$1,500 * 39,293)		59,002,500

Amount of Debt Applicable to Debt Limit:

General Obligation and Refunding Bonds Outstanding	\$	88,340,000
Less: Assets in Debt Service Fund Available for Payment of Principal		<u>(10,420,145)</u>

Total Amount of Debt Applicable to Debt Limit 77,919,855

Legal Debt Margin \$ 783,862,810

NOTE 8 CHANGES IN LONG-TERM LIABILITIES

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

	<u>Beginning of Year</u>	<u>Increases</u>	<u>Decreases</u>	<u>End of Year</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 100,605,000	\$ -	\$ (12,265,000)	\$ 88,340,000	\$ 12,985,000
Premium	12,802,758	-	(2,362,740)	10,440,018	-
Total Bonds Payable	<u>113,407,758</u>	<u>-</u>	<u>(14,627,740)</u>	<u>98,780,018</u>	<u>12,985,000</u>
Other Liabilities:					
Finance Purchases	19,440,739	-	(2,739,823)	16,700,916	2,186,784
Lease Liability	4,277,909	-	(833,102)	3,444,807	812,666
Compensated Absences	12,206,306	5,302,816	(8,372,312)	9,136,810	4,195,860
Total Other Liabilities	<u>35,924,954</u>	<u>5,302,816</u>	<u>(11,945,237)</u>	<u>29,282,533</u>	<u>7,195,310</u>
Total Debt	<u><u>\$ 149,332,712</u></u>	<u><u>\$ 5,302,816</u></u>	<u><u>\$ (26,572,977)</u></u>	<u><u>\$ 128,062,551</u></u>	<u><u>\$ 20,180,310</u></u>

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At year-end, interfund balances were as follows:

Due to/from other funds – Due to/from other funds, representing short-term interfund borrowing, consisted of the following at June 30, 2022:

Due To	Due From				Total
	General Fund	Special Projects Fund	Other Special Revenue	Nonmajor Governmental Funds	
General Fund	\$ -	\$ 19,513,311	\$ 23,025	\$ 888,829	\$ 20,425,165
Total	<u>\$ -</u>	<u>\$ 19,513,311</u>	<u>\$ 23,025</u>	<u>\$ 888,829</u>	<u>\$ 20,425,165</u>

All interfund balances are expected to be paid within one year.

Interfund transfers:

Transfer In	Transfer Out				Total
	General Fund	Special Projects Fund	Other Special Revenue	Nonmajor Governmental Funds	
General Fund	\$ -	\$ 1,505,225	\$ -	\$ 1,000,000	\$ 2,505,225
Nonmajor Governmental Funds	2,386,737	-	-	17,184	2,403,921
Total	<u>\$ 2,386,737</u>	<u>\$ 1,505,225</u>	<u>\$ -</u>	<u>\$ 1,017,184</u>	<u>\$ 4,909,146</u>

Transfers between funds were used (1) to move federal grant funds restricted for indirect costs, and (2) to move utility savings to the Energy and Water Savings Fund for lease payments.

NOTE 10 COMMITMENTS AND CONTINGENCIES

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.

Lawsuits

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the District's counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the District.

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 10 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Intergovernmental Agreement

The District and Pima County (County) are involved in litigation with the State of Arizona related to state aid not paid to the District. In May 2020, the District entered into an Intergovernmental Agreement (IGA) with the County for the investment of County funds in District warrants registered for properly budgeted expenses. The IGA extends County funds to the District should the District experience cash shortfalls as a result of the loss of the state aid. As of June 30, 2022, the District has not utilized the IGA to cover cash shortfalls.

NOTE 11 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 established an Employee Benefit Trust (an Internal Service Fund) to account for and finance its uninsured risks of loss related to employee health claims. Under this program, the Fund provides coverage for up to a maximum of \$1,000,000 for each claim. The Fund purchases commercial insurance for claims in excess of this coverage. Settled claims did not exceed this coverage in the past three fiscal years. The related plan changed their fiscal year-end from August 31 to June 30 during the current fiscal year to align with the District's year-end. Therefore, there is only 10 months of activity reported for the year ending June 30, 2022.

The District established the Workers' Compensation Trust (an Internal Service Fund) to account for and finance its uninsured risks of loss related to employee work related accidents. However, effective July 1, 2014, 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 will continue to operate the Workers' Compensation Trust for claims that were incurred in prior reporting periods, until all outstanding claims have been settled.

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 RISK MANAGEMENT (CONTINUED)

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors.

The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate.

Changes in the balances of claims liabilities during the past two years are as follows:

	Employee Benefits		Workers' Compensation	
	2022	2021	2022	2021
Unpaid Claims and Claim Adjustment Expenses at Beginning of the Fiscal Year	\$ 4,475,730	\$ 4,347,647	\$ 1,718,831	\$ 2,063,017
Incurred Claims and Claim Adjustment Expenses:				
Provision for Insured Events of the Current Fiscal Year	32,728,400	29,216,603	2,403,836	1,970,569
Total Incurred Claims and Claim Adjustment Expenses	37,204,130	33,564,250	4,122,667	4,033,586
Payments:				
Claims and Claim Adjustment Expenses Attributable to Insured Events of the Current Fiscal Year	33,310,944	29,088,520	1,806,858	2,314,755
Total Unpaid Claims and Claim Adjustment Expenses at End of the Fiscal Year	\$ 3,893,186	\$ 4,475,730	\$ 2,315,809	\$ 1,718,831

The District joined the Arizona School Risk Retention Trust, Inc. (ASRRT) for claims in excess of the stated amounts. 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 retains the risk of loss for general property claims up to \$100,000 and carries commercial insurance for claims in excess of \$100,000. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

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

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Plan Description

District employees participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiemployer defined benefit pension plan, a cost-sharing multiemployer defined benefit health insurance premium benefit (OPEB) plan, and a cost-sharing multiemployer 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.

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:

	Before July 1, 2011	On or After July 1, 2011
Years of Service and Age Required to Receive Benefit	Sum of Years and Age Equals 80 10 Years, Age 62 5 Years, Age 50* Any Years, Age 65	30 Years, Age 55 25 Years, Age 60 10 Years, Age 62 5 Years, Age 50* Any Years, Age 65
Final Average Salary is Based on	Highest 36 Consecutive Months of Last 120 Months	Highest 60 Consecutive Months of Last 120 Months
Benefit Percentage Per Year of Service	2.1% to 2.3%	2.1% to 2.3%

* With Actuarially Reduced Benefits

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

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Benefits Provided (Continued)

Health insurance premium benefits are available to retired or disabled members with five years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. For members with 10 or more years of service, benefits range from \$100 per month to \$260 per month depending on the age of the member and dependents. For members with five to nine years of service, the benefits are the same dollar amounts as above multiplied by a vesting fraction based on completed years of service.

Active members are eligible for a monthly long-term disability benefit equal to two-thirds of monthly earnings. Members receiving benefits continue to earn service credit up to their normal retirement dates. Members with long-term disability commencement dates after June 30, 1999, are limited to 30 years of service or the service on record as of the effective disability date if their service is greater than 30 years.

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 12.41% (12.22% for retirement and 0.19% 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 12.41% (12.01% for retirement, 0.21% for health insurance premium benefit, and 0.19% for long-term disability) of the active members' annual covered payroll.

In addition, the District was required by statute to contribute at the actuarially determined rate of 10.22% (10.13% for retirement and .09% for long-term disability) of annual covered payroll of retired members who worked in positions that would typically be filled by an employee who contributes to ASRS.

The District's contributions to the pension, health insurance premium benefit, and long-term disability plans for the year ended June 30, 2022, were \$35,186,341, \$1,136,429, and \$-0-, respectively. The contributions were paid 69% from the General Fund and 31% from other funds.

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Liability

At June 30, 2022, the District reported the following asset and liabilities for its proportionate share of the ASRS; net pension/OPEB asset or liability.

	Net Pension/OPEB (Asset) Liability
Pension	\$ 311,600,629
Health Insurance Premium Benefit	(11,333,046)
Long-Term Disability	483,989

The net asset and net liabilities were measured as of June 30, 2021. The total liability used to calculate the net asset or net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2020, to the measurement date of June 30, 2021. The total pension liability as of June 30, 2021 reflects a change in actuarial assumption related to changes in loads for future potential permanent benefit increases.

The District's proportion of the net asset or net liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2021, and the change from its proportions measured as of June 30, 2020 were:

	Proportion June 30, 2021	Increase (Decrease) from June 30, 2020
Pension	2.37147%	(0.00075)
Health Insurance Premium Benefit	2.32612%	(0.00067)
Long-Term Disability	2.34463%	(0.00067)

The net asset and net liabilities measured as of June 30, 2021, will reflect changes of actuarial assumptions based on the results of an actuarial experience study for the five-year period ended June 30, 2020. The change in the District's net asset and net liabilities as a result of these changes is not known.

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Expense

For the year ended June 30, 2022, the District recognized the following pension and OPEB expense.

	<u>Pension/OPEB Expense</u>
Pension	<u>\$ 16,349,966</u>
Health Insurance Premium Benefit	\$ (1,300,293)
Long-Term Disability	344,125
Total OPEB	<u>\$ (956,168)</u>

Deferred Outflows/Inflows of Resources

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	<u>Pension</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 4,750,065	\$ -
Changes of Assumptions or Other Inputs	40,557,313	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	98,726,041
Changes in Proportion and Differences Between District's Contributions and Proportionate Share of Contributions	-	12,837,647
Contributions Subsequent to the Measurement Date	35,186,341	-
Total	<u>\$ 80,493,719</u>	<u>\$ 111,563,688</u>

	<u>Health Insurance Premium Benefit</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ -	\$ 3,930,321
Changes of Assumptions	561,859	458,200
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	4,203,988
Changes in Proportion and Differences Between District's Contributions and Proportionate Share of Contributions	30,789	1,844
Contributions Subsequent to the Measurement Date	1,136,429	-
Total	<u>\$ 1,729,077</u>	<u>\$ 8,594,353</u>

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Deferred Outflows/Inflows of Resources (Continued)

	<u>Long-Term Disability</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 139,804	\$ 39,441
Changes of Assumptions or Other Inputs	154,786	609,835
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	335,194
Changes in Proportion and Differences Between District's Contributions and Proportionate Share of Contributions	-	101,883
Total	<u>\$ 294,590</u>	<u>\$ 1,086,353</u>

The amounts reported as deferred outflows of resources related to pensions and OPEB resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as a reduction of the net pension and OPEB liabilities in the year ending 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:

<u>Year Ending June 30.</u>	<u>Pension</u>	<u>Health Insurance Premium Premium Benefit</u>	<u>Long-Term Disability</u>
2022	\$ (7,981,460)	\$ (1,876,413)	\$ (109,640)
2023	(2,489,081)	(1,798,090)	(103,812)
2024	(21,764,034)	(1,971,757)	(115,929)
2025	(34,021,735)	(2,180,810)	(166,645)
2026	-	(174,635)	(72,727)
Thereafter	-	-	(223,010)

Actuarial Assumptions

The significant actuarial assumptions used to measure the total pension/OPEB liability are as follows:

Actuarial Valuation Date	June 30, 2020
Actuarial Roll Forward Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal
Discount Rate	7.0%
Projected Salary Increases	2.7 - 8.4% for pensions/not applicable for OPEB
Inflation	2.3%
Permanent Benefit Increase	Included for pensions/not applicable for OPEB
Mortality Rates	2017 SRA Scale U-MP for pensions and health insurance premium benefit
Recovery Rates	2012 GLDT for long-term disability
Healthcare Cost Trend Rate	Not applicable

Actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial study for the 5-year period ended June 30, 2020.

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Actuarial Assumptions (Continued)

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

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Geometric Real Rate of Return
Equity	50 %	4.90 %
Fixed Income - Credit	20	5.20
Fixed Income - Interest Rate Sensitive	10	0.70
Real Estate	20	5.70
Total	<u>100 %</u>	

Discount Rate

The discount rate used to measure the ASRS total pension/OPEB liability was 7.0%, which was a decrease of 0.5% from the discount rate used as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statutes. Based on those assumptions, the plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. The long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension/OPEB liability.

Sensitivity of the Proportionate Share of the Net Pension/OPEB Liability (Asset) to Changes in the Discount Rate

The following table presents the District's proportionate share of the net pension/OPEB (asset) liability calculated using the discount rate of 7.0%, as well as what the District's proportionate share of the net pension/OPEB (asset) liability would be if it were calculated using a discount rate that is one percentage point lower (6.0%) or one percentage point higher (8.0%) than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
District's Proportionate Share of the			
Net Pension Liability	\$ 490,121,690	\$ 311,600,629	\$ 162,763,458
Net Insurance Premium Benefit Asset	(7,503,657)	(11,333,046)	(14,589,296)
Net Long-term Disability Liability	630,220	483,989	342,506

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Plan Fiduciary Net Position

Detailed information about the plans' fiduciary net position is available in the separately issued ASRS financial report. The report is available on the ASRS website at www.azasrs.gov.

NOTE 13 SUBSEQUENT EVENTS

We have evaluated subsequent events through March 28, 2023, the date the financial statements were available to be issued.

On June 14, 2022, the District Governing Board approved the sale of two properties to the Pascua Yaqui Tribe for \$2,200,000. The sale was completed on August 5, 2022.

On January 30, 2023, the District was the victim of a significant cyberattack. The cyberattack affected major components of the District's network. However, as of the date of these financial statements, access to these systems has been safely restored. The District has cyber liability coverage, providing financial protection for expenses and damages related to this event. At this time, management cannot quantify the financial impact to the District's operations.

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**REQUIRED SUPPLEMENTARY INFORMATION
OTHER THAN MD&A**

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – GENERAL FUND (BUDGETARY BASIS)
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance from Final Budget
	Original	Final		
Revenues				
Property Taxes	\$ -	\$ -	\$ 165,850,070	\$ 165,850,070
Intergovernmental	-	-	150,929,086	150,929,086
Investment Earnings (Loss)	-	-	(66,441)	(66,441)
Miscellaneous	-	-	505,890	505,890
Total Revenues	-	-	317,218,605	317,218,605
Expenditures				
Regular Education				
Instruction	89,413,875	102,324,972	87,474,847	14,850,125
Support Services				
Students	14,341,987	14,363,391	16,570,743	(2,207,352)
Instructional Staff	6,836,880	6,833,062	8,621,907	(1,788,845)
General Administration	2,167,966	2,169,966	2,121,348	48,618
School Administration	19,009,078	19,011,143	19,714,224	(703,081)
Central Services	10,095,044	10,076,054	8,899,157	1,176,897
Operations and Maintenance of Plant	56,251,638	55,518,274	51,131,749	4,386,525
Operation of Noninstructional Services	-	-	481,449	(481,449)
School-Sponsored Cocurricular Activities	427,752	625,254	443,520	181,734
School-Sponsored Athletics	2,926,574	2,888,384	2,552,636	335,748
Total Regular Education	201,470,794	213,810,500	198,011,580	15,798,920
Special Education				
Instruction	42,339,154	42,247,893	37,245,738	5,002,155
Support Services - Students	13,378,424	13,478,873	11,543,801	1,935,072
Support Services - Instructional Staff	2,021,148	1,966,620	1,788,686	177,934
Support Services - School Administration	163,240	-	161,231	(161,231)
Support Services - Business	114,674	114,524	40,578	73,946
Operations and Maintenance of Plant	121,287	121,347	96,835	24,512
Total Special Education	58,137,927	57,929,257	50,876,869	7,052,388
Pupil Transportation	11,584,379	11,364,181	9,182,674	2,181,507
Desegregation	61,034,230	57,153,032	57,559,560	(406,528)
Dropout Prevention	767,410	767,410	752,783	14,627
K-3 Reading Program	219,375	184,275	124,401	59,874
Total Expenditures	333,214,115	341,208,655	316,507,867	24,700,788
Excess (Deficiency) of Revenues Over Expenditures	(333,214,115)	(341,208,655)	710,738	341,919,393
Other Financing Sources (Uses)				
Transfers In	-	-	-	-
Transfers Out	-	-	(2,386,737)	(2,386,737)
Total Other Financing Sources (Uses)	-	-	(2,386,737)	(2,386,737)
Net Change in Fund Balance	(333,214,115)	(341,208,655)	(1,675,999)	339,532,656
Fund Balance				
Beginning of Year	(331,005,061)	(315,933,631)	28,771,910	344,705,541
Decrease in Nonspendable for Inventories	-	-	(430,930)	(430,930)
End of Year	<u>\$ (664,219,176)</u>	<u>\$ (657,142,286)</u>	<u>\$ 26,664,981</u>	<u>\$ 683,807,267</u>

See accompanying Notes to Required Supplementary Information Other Than MD&A.

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – SPECIAL PROJECTS FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ -	\$ 130,337,276	\$ 130,337,276
Investment Earnings	-	-	6	6
Miscellaneous	-	-	1,765	1,765
Total Revenues	-	-	130,339,047	130,339,047
Expenditures				
Current				
Instruction	58,123,880	81,736,082	80,906,214	829,868
Support Services				
Students	7,817,539	10,993,330	10,881,715	111,615
Instructional Staff	11,002,100	15,471,584	15,314,501	157,083
General Administration	104,098	146,386	144,900	1,486
School Administration	1,314,522	1,848,532	1,829,764	18,768
Business and Other Support Services	1,054,995	1,483,576	1,468,513	15,063
Operations and Maintenance of Plant	3,820,812	5,372,976	5,318,424	54,552
Student Transportation	5,364,568	7,543,866	7,467,273	76,593
Operation of Noninstructional Services	2,240,245	3,150,320	3,118,335	31,985
Facilities Acquisition	1,384,973	1,947,604	1,927,830	19,774
Total Expenditures	92,227,733	129,694,256	128,377,469	1,316,788
Excess (Deficiency) of Revenues Over Expenditures	(92,227,733)	(129,694,256)	1,961,578	131,655,834
Other Financing Sources (Uses)				
Transfers In	-	-	-	-
Transfers Out	-	-	(1,505,225)	(1,505,225)
Total Other Finance Sources (Uses)	-	-	(1,505,225)	(1,505,225)
Net Change in Fund Balance	(92,227,733)	(129,694,256)	456,353	130,150,609
Fund Balance				
Beginning of Year	(74,026,101)	(94,458,094)	6,792,489	101,250,583
End of Year	\$ (166,253,834)	\$ (224,152,350)	\$ 7,248,842	\$ 231,401,192

See accompanying Notes to Required Supplementary Information Other Than MD&A.

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – OTHER SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
Revenues				
Intergovernmental	\$ -	\$ -	\$ 332,017	\$ 332,017
Tuition	-	-	5,278,400	5,278,400
Contributions and Donations	-	-	2,115,040	2,115,040
Charges for Services	-	-	2,052,718	2,052,718
Investment Earnings	-	-	71,856	71,856
Miscellaneous	-	-	256,292	256,292
Total Revenues	-	-	10,106,323	10,106,323
Expenditures				
Current				
Instruction	8,836,173	33,578,195	5,063,737	28,514,458
Support Services				
Students	623,155	2,368,042	357,111	2,010,931
Instructional Staff	966,679	3,673,462	553,974	3,119,488
General Administration	119,254	453,177	68,341	384,836
School Administration	205,480	780,840	117,754	663,086
Business and Other Support Services	281,526	1,069,823	161,334	908,489
Operations and Maintenance of Plant	631,507	2,399,779	361,897	2,037,882
Student Transportation	329,576	1,252,418	188,870	1,063,548
Operation of Noninstructional Services	4,506,475	17,124,980	2,582,521	14,542,459
Facilities Acquisition	1,295,706	4,923,791	742,529	4,181,262
Total Expenditures	17,795,532	67,624,507	10,198,068	57,426,439
Net Change in Fund Balance	(17,795,532)	(67,624,507)	(91,745)	67,532,762
Other Financing Sources (Uses)				
Transfers Out	-	-	-	-
Net Change in Fund Balance	(17,795,532)	(67,624,507)	(91,745)	67,532,762
Fund Balance				
Beginning of Year	(24,627,879)	(22,278,765)	12,665,590	34,944,355
End of Year	\$ (42,423,411)	\$ (89,903,272)	\$ 12,573,845	\$ 102,477,117

See accompanying Notes to Required Supplementary Information Other Than MD&A.

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
NET PENSION AND OPEB ASSET/LIABILITY
COST SHARING PENSION AND OPEB PLANS
LAST TEN YEARS**

	Reporting Fiscal Year (Measurement Date)									
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 (2013)	
ASRS - Pension										
District's Proportion of the Net Pension Liability	2.37147%	2.44622%	2.55685%	2.60893%	2.63076%	2.55567%	2.57435%	2.62166%	2.93952%	
District's Proportionate Share of the Net Pension Liability	\$ 311,600,629	\$ 423,844,799	\$ 372,051,424	\$ 363,853,920	\$ 409,821,128	\$ 412,510,812	\$ 400,992,229	\$ 387,916,386	\$ 488,674,938	
District's Covered Payroll	\$ 245,516,094	\$ 243,346,001	\$ 257,123,313	\$ 225,428,219	\$ 233,458,184	\$ 230,508,476	\$ 225,906,271	N/A	N/A	
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	126.92%	174.17%	144.70%	161.41%	175.54%	178.96%	177.50%	N/A	N/A	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.58%	69.33%	73.24%	73.00%	69.92%	67.06%	68.35%	N/A	N/A	

	Reporting Fiscal Year (Measurement Date)									
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 (2013)	
ASRS - Health Insurance Premium Benefit										
District's Proportion of the Net OPEB Liability (Asset)	2.32612%	2.39359%	2.50792%	2.56702%	2.60208%	2.60208%				
District's Proportionate Share of the Net OPEB Liability (Asset)	\$ (11,333,046)	\$ (1,694,653)	\$ (693,073)	\$ (924,360)	\$ (1,416,572)	\$ 752,406				
District's Covered Payroll	\$ 245,516,094	\$ 243,346,001	\$ 257,123,313	\$ 225,428,219	\$ 233,458,184	\$ 230,508,476				
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-4.62%	-0.70%	-0.27%	-0.41%	-0.61%	0.33%				
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	130.24%	104.33%	101.62%	102.00%	103.57%	N/A				

	Reporting Fiscal Year (Measurement Date)									
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 (2013)	
ASRS - Long-Term Disability										
District's Proportion of the Net OPEB Liability (Asset)	2.34463%	2.41203%	2.51924%	2.60851%	2.61688%	2.61688%				
District's Proportionate Share of the Net OPEB Liability (Asset)	\$ 483,989	\$ 1,829,794	\$ 1,641,147	\$ 1,362,958	\$ 948,559	\$ 940,411				
District's Covered Payroll	\$ 245,517,328	\$ 253,887,629	\$ 257,123,313	\$ 255,428,219	\$ 233,458,184	N/A				
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	0.20%	0.72%	0.64%	0.53%	0.41%	N/A				
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	90.38%	68.01%	72.85%	78.00%	84.44%	N/A				

See accompanying Notes to Required Supplementary Information Other Than MD&A.

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
COST SHARING PENSION AND OPEB PLANS
LAST TEN YEARS**

	2022	2021	2020	2019	2018	2017	2016	2015	2014
ASRS - Pension									
Statutorily Required Contribution	\$ 35,186,341	\$ 30,761,535	\$ 30,558,140	\$ 30,105,384	\$ 28,232,555	\$ 27,661,624	\$ 25,963,519	\$ 25,821,534	\$ 25,286,682
Contributions in Relation to the Statutorily Required Contribution									
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 280,671,484	\$ 245,516,094	\$ 243,346,001	\$ 257,123,313	\$ 225,428,219	\$ 233,458,184	\$ 230,508,476	\$ 225,906,271	N/A
Contributions as a Percentage of Covered Payroll	12.54%	12.53%	12.56%	11.71%	12.52%	11.85%	11.26%	11.43%	N/A

	2022	2021	2020	2019	2018	2017
ASRS - Health Insurance Premium Benefit						
Statutorily Required Contribution	\$ 1,136,429	\$ 1,331,009	\$ 1,307,728	\$ 1,238,624	\$ 1,139,663	\$ 1,400,798
Contributions in Relation to the Statutorily Required Contribution						
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 280,671,484	\$ 245,516,094	\$ 243,346,001	\$ 257,123,313	\$ 225,428,219	\$ 233,458,184
Contributions as a Percentage of Covered Payroll	0.40%	0.54%	0.54%	0.48%	0.51%	0.60%

	2022	2021	2020	2019	2018	2017
ASRS - Long-Term Disability						
Statutorily Required Contribution	\$ 468,365	\$ 442,136	\$ 453,702	\$ 430,905	\$ 414,423	\$ 355,901
Contributions in Relation to the Statutorily Required Contribution						
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 280,547,823	\$ 245,517,328	\$ 253,887,629	\$ 257,123,313	\$ 255,428,219	\$ 233,458,184
Contributions as a Percentage of Covered Payroll	0.17%	0.18%	0.18%	0.17%	0.16%	0.15%

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A
JUNE 30, 2022

NOTE 1 BUDGETARY BASIS OF ACCOUNTING

The General Fund budgetary comparison schedule is prepared on the budgetary basis of accounting. For external reporting purposes, the General Fund includes revenues, expenditures, other financing sources, and uses and fund balances of other internally maintained funds. The General Fund, however, is budgeted based on the internally maintained General Fund and does not include the other internally maintained funds.

Consequently, the following reconciliation is necessary to reconcile the General Fund Budgetary Comparison Schedule to the Statements of Revenues, Expenditures, and Changes in Fund Balances.

	<u>Total Revenues</u>	<u>Total Expenditures</u>	<u>Other Financing Sources and Uses</u>	<u>Fund Balance Beginning of Year</u>	<u>Fund Balance End of Year</u>
Statement of Revenues, Expenditures, and Changes in Fund Balance	\$ 327,950,259	\$ 325,612,271	\$ 118,488	\$ 51,518,452	\$ 53,543,998
Non Maintenance and Operation Activity Included in General Fund	<u>(10,731,654)</u>	<u>(9,104,404)</u>	<u>(2,505,225)</u>	<u>(22,746,542)</u>	<u>(26,879,017)</u>
Budgetary Comparison Schedule - General Fund	<u>\$ 317,218,605</u>	<u>\$ 316,507,867</u>	<u>\$ (2,386,737)</u>	<u>\$ 28,771,910</u>	<u>\$ 26,664,981</u>

NOTE 2 COST SHARING PLANS

Information prior to the measurement date June 30, 2013 was not available for the pension information. GASB Statement No. 68, Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement No. 27, and GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB), as amended by GASB Statement No. 85, Omnibus 2017, adopted fiscal year ended June 30, 2019, requires the District to present ten years of pension and OPEB information as required supplementary information. However, until a full ten years of trend data is compiled, the District will present information for only those years for which information is available.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Classroom Site – to account for the revenues and expenditures of State apportioned education sales tax monies.

Instructional Improvement – accounts for the revenues and expenditures for State apportioned Indian Gaming monies.

Food Service Fund – accounts for the financial operations of preparing and serving regular and incidental meals and snacks in connection with school functions.

Student Activities – to account for monies raised with the approval of the governing board by students to finance student clubs, organizations and other student entertainment other than auxiliary operations fund monies.

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.

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.

DEBT SERVICE FUNDS

Energy and Water Savings – to account for accumulation of funds for repayment of outstanding debt issue to fund energy and water savings projects completed by the District.

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

	Special Revenue				
	Classroom Site	Instructional Improvement	Food Service	Student Activities	Total Special Revenue Funds
ASSETS					
Cash and Investments	\$ 7,347,079	\$ 426,746	\$ 7,448,318	\$ 2,025,628	\$ 17,247,771
Receivables					
Accounts Receivable	-	-	772,444	210,521	982,965
Property Taxes	-	-	-	-	-
Intergovernmental	-	-	82,260	-	82,260
Prepays and Other Assets	5,150	-	1,409,951	-	1,415,101
Total Assets	<u>\$ 7,352,229</u>	<u>\$ 426,746</u>	<u>\$ 9,712,973</u>	<u>\$ 2,236,149</u>	<u>\$ 19,728,097</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 2,425	\$ -	\$ 235,883	\$ 365,011	\$ 603,319
Accrued Wages and Benefits	337,569	193	205,509	-	543,271
Due to Other Funds	-	-	-	-	-
Total Liabilities	<u>339,994</u>	<u>193</u>	<u>441,392</u>	<u>365,011</u>	<u>1,146,590</u>
Deferred Inflows of Resources					
Unavailable Revenue	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances					
Nonspendable	5,150	-	1,409,951	-	1,415,101
Restricted	7,007,085	426,553	7,861,630	1,871,138	17,166,406
Unassigned	-	-	-	-	-
Total Fund Balances	<u>7,012,235</u>	<u>426,553</u>	<u>9,271,581</u>	<u>1,871,138</u>	<u>18,581,507</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 7,352,229</u>	<u>\$ 426,746</u>	<u>\$ 9,712,973</u>	<u>\$ 2,236,149</u>	<u>\$ 19,728,097</u>

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2022**

Capital Projects				Debt Service		Total Nonmajor Governmental Funds
Unrestricted Capital Outlay	Adjacent Ways	Building Renewal	Total Capital Projects Funds	Energy & Water Savings		
\$ 8,914,780	\$ 2,169,260	\$ -	\$ 11,084,040	\$ 2,114,865	\$ 30,446,676	
-	-	-	-	366,008	1,348,973	
45,209	49,213	-	94,422	-	94,422	
2,750,289	-	1,267,073	4,017,362	-	4,099,622	
-	-	-	-	-	1,415,101	
<u>\$ 11,710,278</u>	<u>\$ 2,218,473</u>	<u>\$ 1,267,073</u>	<u>\$ 15,195,824</u>	<u>\$ 2,480,873</u>	<u>\$ 37,404,794</u>	
\$ 4,264,688	\$ 10,574	\$ 1,913,889	\$ 6,189,151	\$ 20,043	\$ 6,812,513	
5	-	-	5	-	543,276	
-	-	888,829	888,829	-	888,829	
<u>4,264,693</u>	<u>10,574</u>	<u>2,802,718</u>	<u>7,077,985</u>	<u>20,043</u>	<u>8,244,618</u>	
45,209	42,369	-	87,578	-	87,578	
<u>45,209</u>	<u>42,369</u>	<u>-</u>	<u>87,578</u>	<u>-</u>	<u>87,578</u>	
-	-	-	-	-	1,415,101	
7,400,376	2,165,530	-	9,565,906	2,460,830	29,193,142	
-	-	(1,535,645)	(1,535,645)	-	(1,535,645)	
<u>7,400,376</u>	<u>2,165,530</u>	<u>(1,535,645)</u>	<u>8,030,261</u>	<u>2,460,830</u>	<u>29,072,598</u>	
<u>\$ 11,710,278</u>	<u>\$ 2,218,473</u>	<u>\$ 1,267,073</u>	<u>\$ 15,195,824</u>	<u>\$ 2,480,873</u>	<u>\$ 37,404,794</u>	

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Special Revenue				
	Classroom Site	Instructional Improvement	Food Service	Student Activities	Total Special Revenue Funds
Revenues					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	35,377,128	1,586,458	23,173,807	-	60,137,393
Food Service Sales	-	-	244,388	-	244,388
Investment Earnings (Loss)	8,217	(33)	13,153	2,439	23,776
Miscellaneous	4,422	-	2,384	1,228,149	1,234,955
Total Revenues	<u>35,389,767</u>	<u>1,586,425</u>	<u>23,433,732</u>	<u>1,230,588</u>	<u>61,640,512</u>
Expenditures					
Current					
Instruction	30,347,598	1,273,817	-	-	31,621,415
Support Services					
Students	941,832	-	-	-	941,832
Instructional Staff	424,265	-	-	-	424,265
General Administration	-	-	-	-	-
School Administration	-	-	-	-	-
Business and Other Support Services	-	-	3,230	-	3,230
Operations and Maintenance of Plant	-	-	-	-	-
Student Transportation	-	-	-	-	-
Operation of Noninstructional Services	-	-	17,480,635	1,121,106	18,601,741
Debt Service					
Principal Retirement	-	-	116,607	-	116,607
Interest on Long-Term Debt	-	-	8,353	-	8,353
Capital Outlay					
Facilities Acquisition	-	-	62,256	-	62,256
Total Expenditures	<u>31,713,695</u>	<u>1,273,817</u>	<u>17,671,081</u>	<u>1,121,106</u>	<u>51,779,699</u>
Excess (Deficiency) of Revenues Over Expenditures	3,676,072	312,608	5,762,651	109,482	9,860,813
Other Financing Sources (Uses)					
Transfers In	-	-	-	17,184	17,184
Transfers Out	-	-	(1,000,000)	(17,184)	(1,017,184)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(1,000,000)</u>	<u>-</u>	<u>(1,000,000)</u>
Net Change in Fund Balances	3,676,072	312,608	4,762,651	109,482	8,860,813
Fund Balances					
Beginning of Year	3,336,163	113,945	5,069,079	1,761,656	10,280,843
Increase in Nonspendable for Inventories	-	-	(560,149)	-	(560,149)
End of Year	<u>\$ 7,012,235</u>	<u>\$ 426,553</u>	<u>\$ 9,271,581</u>	<u>\$ 1,871,138</u>	<u>\$ 18,581,507</u>

Capital Projects				Debt Service	Total Nonmajor Governmental Funds
Unrestricted Capital Outlay	Adjacent Ways	Building Renewal	Total Capital Projects Funds	Energy & Water Savings	
\$ 15,695,501	\$ 991,990	\$ -	\$ 16,687,491	\$ -	\$ 16,687,491
10,800,676	-	5,623,970	16,424,646	752,185	77,314,224
-	-	-	-	-	244,388
25,112	6,828	-	31,940	6,610	62,326
7,255	-	-	7,255	-	1,242,210
<u>26,528,544</u>	<u>998,818</u>	<u>5,623,970</u>	<u>33,151,332</u>	<u>758,795</u>	<u>95,550,639</u>
8,298,816	-	-	8,298,816	-	39,920,231
693,299	-	-	693,299	-	1,635,131
1,247,573	-	-	1,247,573	-	1,671,838
70,029	-	-	70,029	-	70,029
6,594	-	-	6,594	-	6,594
5,142,596	-	-	5,142,596	-	5,145,826
1,126,923	-	297,573	1,424,496	61,159	1,485,655
85,551	-	-	85,551	-	85,551
-	-	-	-	-	18,601,741
645,733	-	-	645,733	1,977,483	2,739,823
16,660	-	-	16,660	796,675	821,688
<u>7,363,381</u>	<u>10,992</u>	<u>6,862,042</u>	<u>14,236,415</u>	<u>-</u>	<u>14,298,671</u>
<u>24,697,155</u>	<u>10,992</u>	<u>7,159,615</u>	<u>31,867,762</u>	<u>2,835,317</u>	<u>86,482,778</u>
1,831,389	987,826	(1,535,645)	1,283,570	(2,076,522)	9,067,861
-	-	-	-	2,386,737	2,403,921
-	-	-	-	-	(1,017,184)
-	-	-	-	<u>2,386,737</u>	<u>1,386,737</u>
1,831,389	987,826	(1,535,645)	1,283,570	310,215	10,454,598
5,568,987	1,177,704	-	6,746,691	2,150,615	19,178,149
-	-	-	-	-	(560,149)
<u>\$ 7,400,376</u>	<u>\$ 2,165,530</u>	<u>\$ (1,535,645)</u>	<u>\$ 8,030,261</u>	<u>\$ 2,460,830</u>	<u>\$ 29,072,598</u>

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance from Final Budget
	Original	Final		
Revenues				
Property Taxes	\$ -	\$ -	\$ 17,555,139	\$ 17,555,139
Investment Earnings	-	-	35,281	35,281
Total Revenues	-	-	17,590,420	17,590,420
Expenditures				
Support Services				
Business and Other Support Services	8,424	8,424	5,871	2,553
Debt Service				
Principal Retirement	17,597,499	17,597,499	12,265,000	5,332,499
Interest on Long-Term Debt	6,588,122	6,588,122	4,591,750	1,996,372
Total Expenditures	24,194,045	24,194,045	16,862,621	7,331,423
Net Change in Fund Balance	(24,194,045)	(24,194,045)	727,799	24,921,844
Fund Balance				
Beginning of Year	(18,042,736)	(18,042,736)	9,692,346	27,735,082
End of Year	<u>\$ (42,236,781)</u>	<u>\$ (42,236,781)</u>	<u>\$ 10,420,145</u>	<u>\$ 52,656,926</u>

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CLASSROOM SITE FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ -	\$ 35,377,128	\$ 35,377,128
Investment Earnings	-	-	8,217	8,217
Other	-	-	4,422	4,422
Total Revenues	-	-	35,389,767	35,389,767
Expenditures				
Current				
Instruction	35,409,109	35,409,109	30,347,598	5,061,511
Support Services				
Students	1,098,915	1,098,915	941,832	157,083
Instructional Staff	495,026	495,026	424,265	70,761
Total Expenditures	37,003,050	37,003,050	31,713,695	5,289,355
Net Change in Fund Balance	(37,003,050)	(37,003,050)	3,676,072	40,679,122
Fund Balance				
Beginning of Year	(23,554,275)	(25,458,847)	3,336,163	28,795,010
End of Year	\$ (60,557,325)	\$ (62,461,897)	\$ 7,012,235	\$ 69,474,132

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
INSTRUCTIONAL IMPROVEMENT FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ -	\$ 1,586,458	\$ 1,586,458
Investment Earnings (Loss)	-	-	(33)	(33)
Total Revenues	-	-	1,586,425	1,586,425
Expenditures				
Current				
Instruction	1,444,300	1,900,000	1,273,817	626,183
Net Change in Fund Balance	(1,444,300)	(1,900,000)	312,608	2,212,608
Fund Balance				
Beginning of Year	(1,900,000)	(1,900,000)	113,945	2,013,945
End of Year	\$ (3,344,300)	\$ (3,800,000)	\$ 426,553	\$ 4,226,553

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOOD SERVICE FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ -	\$ 23,173,807	\$ 23,173,807
Food Service Sales	-	-	244,388	244,388
Investment Earnings	-	-	13,153	13,153
Miscellaneous	-	-	2,384	2,384
Total Revenues	-	-	23,433,732	23,433,732
Expenditures				
Current				
Support Services				
Business and Other Support Services	3,691	3,691	3,230	461
Operation of Noninstructional Services	19,977,129	19,977,129	17,480,635	2,496,494
Debt Service				
Principal Retirement	133,260	133,260	116,607	16,653
Interest on Long-term Debt	9,546	9,546	8,353	1,193
Facilities Acquisition	-	-	62,256	(62,256)
Total Expenditures	20,123,627	20,123,626	17,671,081	2,452,546
Excess (Deficiency) of Revenues Over Expenditures	(20,123,627)	(20,123,626)	5,762,651	25,886,277
Other Financing Sources (Uses)				
Transfers Out	-	-	(1,000,000)	(1,000,000)
Net Change in Fund Balance	(20,123,627)	(20,123,626)	4,762,651	24,886,277
Fund Balance				
Beginning of Year	(20,241,653)	(20,501,980)	5,069,079	25,571,059
Increase in Nonspendable for Inventories	-	-	(560,149)	(560,149)
End of Year	\$ (40,365,280)	\$ (40,625,606)	\$ 9,271,581	\$ 49,897,187

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
STUDENT ACTIVITIES
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Investment Earnings	\$ -	\$ -	\$ 2,439	\$ 2,439
Miscellaneous	-	-	1,228,149	1,228,149
Total Revenues	-	-	1,230,588	1,230,588
Expenditures				
Current				
Operation of Noninstructional Services	2,979,378	2,979,378	1,121,106	1,858,272
Total Expenditures	2,979,378	2,979,378	1,121,106	1,858,272
Net Change in Fund Balance	(2,979,378)	(2,979,378)	109,482	3,088,860
Other Financing Sources (Uses)				
Transfers In	-	-	17,184	17,184
Transfers Out	-	-	(17,184)	(17,184)
Total Other Finance Sources (Uses)	-	-	-	-
Net Change in Fund Balance	(2,979,378)	(2,979,378)	109,482	3,088,860
Fund Balance				
Beginning of Year	(2,979,378)	(2,979,378)	1,761,656	4,741,034
End of Year	\$ (5,958,756)	\$ (5,958,756)	\$ 1,871,138	\$ 7,829,894

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
UNRESTRICTED CAPITAL OUTLAY FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Budgetary Basis	
Revenues				
Property Taxes	\$ -	\$ -	\$ 15,695,501	\$ 15,695,501
Intergovernmental	-	-	10,800,676	10,800,676
Investment Earnings	-	-	25,112	25,112
Other	-	-	7,255	7,255
Total Revenues	-	-	26,528,544	26,528,544
Expenditures				
Current				
Instruction	10,951,423	12,471,513	8,298,816	4,172,697
Support Services				
Students	914,903	1,041,894	693,299	348,595
Instructional Staff	1,646,343	1,874,861	1,247,573	627,288
General Administration	92,413	105,240	70,029	35,211
School Administration	8,702	9,910	6,594	3,316
Business and Other Support Services	6,786,359	7,728,326	5,142,596	2,585,730
Operations and Maintenance of Plant	1,487,129	1,693,547	1,126,923	566,624
Student Transportation	112,896	128,567	85,551	43,016
Debt Service				
Principal Retirement	852,133	970,412	645,733	324,679
Interest on Long-term Debt	21,985	25,037	16,660	8,377
Facilities Acquisition	9,716,988	11,065,736	7,363,381	3,702,355
Total Expenditures	32,591,273	37,115,042	24,697,155	12,417,886
Net Change in Fund Balance	(32,591,273)	(37,115,042)	1,831,389	38,946,431
Fund Balance				
Beginning of Year	(20,769,703)	(25,318,866)	5,568,987	30,887,853
End of Year	\$ (53,360,976)	\$ (62,433,908)	\$ 7,400,376	\$ 69,834,284

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
ADJACENT WAYS FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Property Taxes	\$ -	\$ -	\$ 991,990	\$ 991,990
Investment Earnings	-	-	6,828	6,828
Total Revenues	-	-	998,818	998,818
Expenditures				
Facilities Acquisition	2,000,000	2,000,000	10,992	1,989,008
Net Change in Fund Balance	(2,000,000)	(2,000,000)	987,826	2,987,826
Fund Balance				
Beginning of Year	(1,000,000)	(1,000,000)	1,177,704	2,177,704
End of Year	\$ (3,000,000)	\$ (3,000,000)	\$ 2,165,530	\$ 5,165,530

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
BUILDING RENEWAL GRANT FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ -	\$ 5,623,970	\$ 5,623,970
Expenditures				
Current				
Support Services:				
Operations and Maintenance of Plant	124,688	874,078	297,573	576,505
Facilities Acquisition	2,875,312	20,156,270	6,862,042	13,294,228
Total Expenditures	3,000,000	21,030,348	7,159,615	13,870,733
Net Change in Fund Balance	(3,000,000)	(21,030,348)	(1,535,645)	19,494,703
Fund Balance				
Beginning of Year	(2,000,000)	(18,873,005)	-	18,873,005
End of Year	\$ (5,000,000)	\$ (39,903,353)	\$ (1,535,645)	\$ 38,367,708

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
ENERGY AND WATER SAVINGS FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Over (Under) Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ -	\$ 752,185	\$ 752,185
Investment Earnings	-	-	6,610	6,610
Total Revenues	<u>-</u>	<u>-</u>	<u>758,795</u>	<u>758,795</u>
Expenditures				
Current				
Support Services				
Operations and Maintenance of Plant	59,840	61,155	61,159	(4)
Debt Service				
Principal Retirement	1,934,828	1,977,365	1,977,483	(118)
Interest on Long-term Debt	779,490	796,628	796,675	(47)
Total Expenditures	<u>2,774,158</u>	<u>2,835,148</u>	<u>2,835,317</u>	<u>(169)</u>
Excess (Deficiency) of Revenues Over Expenditures	(2,774,158)	(2,835,148)	(2,076,522)	758,626
Other Financing Sources (Uses)				
Transfers In	<u>-</u>	<u>-</u>	<u>2,386,737</u>	<u>2,386,737</u>
Net Change in Fund Balance	(2,774,158)	(2,835,148)	310,215	3,145,363
Fund Balance				
Beginning of Year	<u>(2,774,158)</u>	<u>(2,834,158)</u>	<u>2,150,615</u>	<u>4,984,773</u>
End of Year	<u>\$ (2,774,158)</u>	<u>\$ (5,669,306)</u>	<u>\$ 2,460,830</u>	<u>\$ 8,130,136</u>

INTERNAL SERVICE FUNDS

Employee Benefit Trust – to account for the financial activity associated with the District's self-insurance program.

Workers' Compensation Trust – to account for the financial activity associated with the District's self-insurance program for employee workers' compensation.

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1
 COMBINING STATEMENT OF NET POSITION
 INTERNAL SERVICE FUNDS
 JUNE 30, 2022**

	Employee Benefit Trust	Workers' Compensation Trust	Totals
ASSETS			
Current Assets:			
Cash and Investments	\$ 20,458,848	\$ 8,498,031	\$ 28,956,879
Total Assets	20,458,848	8,498,031	28,956,879
LIABILITIES			
Current Liabilities			
Claims Payable	793,802	410,000	1,203,802
Noncurrent Liabilities			
Claims Payable	3,099,384	1,905,809	5,005,193
Total Liabilities	3,893,186	2,315,809	6,208,995
NET POSITION			
Unrestricted	16,565,662	6,182,222	22,747,884
Total Net Position	\$ 16,565,662	\$ 6,182,222	\$ 22,747,884

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2022

	Employee Benefit Trust	Workers' Compensation Trust	Totals
OPERATING REVENUES			
Contributions	\$ 33,490,443	\$ 3,595,697	\$ 37,086,140
Miscellaneous	4,027,553	930,000	4,957,553
Total Operating Revenues	<u>37,517,996</u>	<u>4,525,697</u>	<u>42,043,693</u>
OPERATING EXPENSES			
Claims	31,987,774	505,521	32,493,295
Premiums	740,626	1,898,315	2,638,941
Administrative Fees	1,720,324	79,053	1,799,377
Other	326,689	597,192	923,881
Total Operating Expenses	<u>34,775,413</u>	<u>3,080,081</u>	<u>37,855,494</u>
Operating Income	2,742,583	1,445,616	4,188,199
NONOPERATING REVENUES			
Investment Earnings (Loss)	(234,933)	14,475	(220,458)
Total Nonoperating Revenues	<u>(234,933)</u>	<u>14,475</u>	<u>(220,458)</u>
Change in Net Position	<u>2,507,650</u>	<u>1,460,091</u>	<u>3,967,741</u>
Total Net Position - Beginning of Year	<u>14,058,012</u>	<u>4,722,131</u>	<u>18,780,143</u>
TOTAL NET POSITION - END OF YEAR	<u>\$ 16,565,662</u>	<u>\$ 6,182,222</u>	<u>\$ 22,747,884</u>

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2022**

	Employee Benefit Trust	Workers' Compensation Trust	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Users	\$ 33,512,278	\$ 3,658,101	\$ 37,170,379
Cash Received from Other Sources	4,027,553	930,000	4,957,553
Payments to Suppliers	(1,923,983)	(615,966)	(2,539,949)
Payments to Employees	(123,030)	(60,279)	(183,309)
Payments for Claims and Premiums	(33,310,944)	(1,806,858)	(35,117,802)
Net Cash Provided by Operating Activities	2,181,874	2,104,998	4,286,872
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment Income (Loss)	(234,933)	14,475	(220,458)
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,946,941	2,119,473	4,066,414
Cash and Cash Equivalents - Beginning of the Year	18,511,907	6,378,558	24,890,465
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	\$ 20,458,848	\$ 8,498,031	\$ 28,956,879
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES			
Operating Income	\$ 2,742,583	\$ 1,445,616	\$ 4,188,199
Adjustments to Reconcile Operating Income to Net Cash Used by Operating Activities			
Effect of Changes in Assets/Liabilities:			
Other Receivable	21,835	62,404	84,239
Claims Payable	(582,544)	596,978	14,434
Net Cash Provided by Operating Activities	\$ 2,181,874	\$ 2,104,998	\$ 4,286,872

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STATISTICAL SECTION

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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 5% 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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TUCSON UNIFIED SCHOOL DISTRICT NO. 1
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year Ended June 30				
	2022	2021	2020	2019	2018
NET POSITION					
Net Investment in Capital Assets	\$ 501,423,914	\$ 431,989,628	\$ 476,660,935	\$ 478,308,459	\$ 474,298,602
Restricted	69,842,910	49,820,194	41,374,730	41,215,782	46,305,323
Unrestricted	(260,575,957)	(239,610,013)	(316,557,834)	(316,693,248)	(332,374,038)
Total Net Position	\$ 310,690,867	\$ 242,199,809	\$ 201,477,831	\$ 202,830,993	\$ 188,229,887
NET POSITION					
Net Investment in Capital Assets	\$ 480,205,341	\$ 485,420,031	\$ 483,557,940	\$ 478,823,950	\$ 478,208,141
Restricted	39,771,519	47,868,859	51,883,159	36,973,962	38,076,040
Unrestricted	(341,600,591)	(369,873,406)	(401,875,725)	57,072,295	39,993,726
Total Net Position	\$ 178,376,269	\$ 163,415,484	\$ 133,565,374	\$ 572,870,207	\$ 556,277,907

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

Note: The reduction in net position during fiscal year 2014-15 is due to the implementation of the pension standards.

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE) REVENUE
LAST TEN FISCAL YEARS
 (ACCURAL BASIS OF ACCOUNTING)
 (UNAUDITED)

	Fiscal Year Ended June 30				
	2022	2021	2020	2019	2018
EXPENSES					
Instruction	\$ 286,371,418	\$ 254,769,001	\$ 259,941,068	\$ 234,491,292	\$ 225,916,641
Support Services - Students and Staff	83,090,999	74,676,328	73,940,845	69,279,661	68,096,204
Support Services - Administration	43,638,490	42,869,234	40,814,157	39,072,525	43,684,486
Operation and Maintenance of Plant Services	58,210,084	58,478,061	55,813,248	49,976,936	50,176,140
Student Transportation Services	24,822,279	16,874,014	22,620,379	28,768,667	23,294,896
Operation of Noninstructional Services	17,975,571	18,770,717	23,647,029	22,126,862	25,053,753
Interest on Long-Term Debt	3,981,426	4,657,824	6,518,805	9,043,397	9,248,357
Total Expenses	518,090,267	471,095,179	483,295,531	452,759,340	445,470,477
PROGRAM REVENUES					
Charges for Services:					
Instruction	5,960,316	5,983,899	8,029,659	10,251,006	7,807,589
Operation of Noninstructional Services	2,192,956	1,209,193	4,079,437	4,210,819	4,080,884
Other Activities	2,575,118	3,281,587	2,239,943	2,615,677	2,813,622
Operating Grants and Contributions	194,453,946	134,520,989	100,282,568	99,743,644	96,245,664
Capital Grants and Contributions	5,623,970	10,241,412	1,523,251	4,049,746	3,936,577
Total Program Revenues	210,806,306	155,237,080	116,154,858	120,870,892	114,884,336
NET (EXPENSE) REVENUE	\$ (307,283,961)	\$ (315,858,099)	\$ (367,140,673)	\$ (331,888,448)	\$ (330,586,141)

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

Fiscal Year Ended June 30

	2017	2016	2015	2014	2013
EXPENSES					
Instruction	\$ 219,854,828	\$ 206,973,703	\$ 203,639,013	\$ 213,899,377	\$ 224,302,136
Support Services - Students and Staff	61,436,186	60,250,541	58,847,288	64,945,835	69,035,667
Support Services - Administration	44,826,243	41,637,711	42,670,490	42,732,507	44,610,584
Operation and Maintenance of Plant Services	49,036,681	49,688,066	51,097,685	49,866,704	55,716,491
Student Transportation Services	23,769,388	24,277,391	24,594,918	25,895,104	26,338,473
Operation of Noninstructional Services	25,771,350	24,028,856	24,786,616	22,647,923	21,534,017
Interest on Long-Term Debt	8,400,732	10,932,855	11,501,715	11,640,250	13,064,629
Total Expenses	433,095,408	417,789,123	417,137,725	431,627,700	454,601,997
PROGRAM REVENUES					
Charges for Services:					
Instruction	8,329,005	8,055,467	7,212,949	5,875,912	5,706,176
Operation of Noninstructional Services	4,314,144	2,776,552	3,436,318	3,395,327	3,110,765
Other Activities	1,251,279	1,129,835	1,342,188	1,023,287	604,562
Operating Grants and Contributions	67,852,542	64,212,609	62,655,672	64,756,379	70,030,026
Capital Grants and Contributions	4,434,548	2,441,185	4,430,655	6,645,889	3,735,347
Total Program Revenues	86,181,518	78,615,648	79,077,782	81,696,794	83,186,876
NET (EXPENSE) REVENUE	<u>\$ (346,913,890)</u>	<u>\$ (339,173,475)</u>	<u>\$ (338,059,943)</u>	<u>\$ (349,930,906)</u>	<u>\$ (371,415,121)</u>

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)
 (UNAUDITED)

	Fiscal Year Ended June 30				
	2022	2021	2020	2019	2018
NET (EXPENSE) REVENUE	\$ (307,283,961)	\$ (315,858,099)	\$ (367,140,673)	\$ (331,888,448)	\$ (330,586,141)
GENERAL REVENUE					
Taxes:					
Property Taxes, Levied for General Purposes	171,115,165	164,213,485	163,899,217	160,770,544	153,807,195
Property Taxes, Levied for Debt Service	17,555,139	17,192,483	17,359,733	17,187,375	17,387,891
Property Taxes, Levied for Capital Outlay	16,687,491	10,818,042	4,725,459	2,868,779	6,742,815
Investment Income	(67,131)	888,750	2,523,367	4,013,361	1,601,949
Unrestricted County Aid	12,091,888	12,830,248	12,538,508	12,775,192	12,452,655
Unrestricted State Aid	149,710,364	143,617,159	159,407,085	142,760,977	143,249,793
Unrestricted Federal Aid	5,665,941	5,240,801	4,605,900	4,867,479	3,637,985
Proceeds from Sale of Capital Assets	-	(1,456,286)	61,408	302,331	717,066
Other	3,016,162	1,441,938	666,834	943,516	842,410
Total General Revenue	<u>375,775,019</u>	<u>354,786,620</u>	<u>365,787,511</u>	<u>346,489,554</u>	<u>340,439,759</u>
CHANGE IN NET POSITION	<u>\$ 68,491,058</u>	<u>\$ 38,928,521</u>	<u>\$ (1,353,162)</u>	<u>\$ 14,601,106</u>	<u>\$ 9,853,618</u>

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

Fiscal Year Ended June 30

	2017	2016	2015	2014	2013
NET (EXPENSE) REVENUE	\$ (346,913,890)	\$ (339,173,475)	\$ (338,059,943)	\$ (349,930,906)	\$ (371,415,121)
GENERAL REVENUE					
Taxes:					
Property Taxes, Levied for General Purposes	157,829,310	141,731,194	142,745,273	151,093,018	164,258,242
Property Taxes, Levied for Debt Service	22,861,124	24,614,671	21,151,962	42,704,992	39,875,831
Property Taxes, Levied for Capital Outlay	-	13,925,324	18,421,667	2,782,396	6,463,393
Investment Income	620,166	557,570	530,244	352,847	740,367
Unrestricted County Aid	12,876,806	13,151,610	13,033,210	14,097,314	14,372,495
Unrestricted State Aid	163,180,636	171,211,671	164,102,726	152,463,686	146,611,426
Unrestricted Federal Aid	4,506,633	3,831,545	2,158,284	3,028,953	2,699,805
Proceeds from Sale of Capital Assets	-	-	-	-	-
Other	-	-	-	-	-
Total General Revenue	<u>361,874,675</u>	<u>369,023,585</u>	<u>362,143,366</u>	<u>366,523,206</u>	<u>375,021,559</u>
CHANGE IN NET POSITION	<u>\$ 14,960,785</u>	<u>\$ 29,850,110</u>	<u>\$ 24,083,423</u>	<u>\$ 16,592,300</u>	<u>\$ 3,606,438</u>

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
FUND BALANCES – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year				
	2022	2021	2020	2019	2018
General Fund					
Nonspendable	\$ 2,779,614	\$ 3,041,773	\$ 1,268,988	\$ 1,217,547	\$ 1,357,985
Restricted	2,094,387	3,309,506	5,406,127	9,227,912	10,490,744
Unassigned	48,669,997	45,167,173	25,880,765	10,707,882	18,160,003
Total General Fund	<u>\$ 53,543,998</u>	<u>\$ 51,518,452</u>	<u>\$ 32,555,880</u>	<u>\$ 21,153,341</u>	<u>\$ 30,008,732</u>
All Other Governmental Funds					
Nonspendable	\$ 1,415,101	\$ 1,970,100	\$ 1,516,115	\$ 953,075	\$ 1,004,339
Restricted	59,435,974	46,358,474	30,859,024	83,167,094	86,101,759
Committed	-	-	-	-	-
Unassigned	(1,535,645)	-	(4,747,643)	-	-
Total All Other Governmental Funds	<u>\$ 59,315,430</u>	<u>\$ 48,328,574</u>	<u>\$ 27,627,496</u>	<u>\$ 84,120,169</u>	<u>\$ 87,106,098</u>

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

Fiscal Year				
2017	2016	2015	2014	2013
\$ 1,762,249	\$ 1,532,880	\$ 1,568,190	\$ 1,401,642	\$ 1,354,618
-	-	-	-	-
23,310,670	30,871,023	27,952,038	30,539,900	31,111,961
<u>\$ 25,072,919</u>	<u>\$ 32,403,903</u>	<u>\$ 29,520,228</u>	<u>\$ 31,941,542</u>	<u>\$ 32,466,579</u>
\$ 485,008	\$ 643,318	\$ 777,502	\$ 928,999	\$ 1,203,182
37,499,375	44,700,979	47,643,989	33,487,783	47,338,139
4,925,981	2,419,323	1,039,083	910,868	747,383
(167,967)	(201,445)	(23,760)	(2,825,169)	(32,372)
<u>\$ 42,742,397</u>	<u>\$ 47,562,175</u>	<u>\$ 49,436,814</u>	<u>\$ 32,502,481</u>	<u>\$ 49,256,332</u>

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year				
	2022	2021	2020	2019	2018
Federal Sources					
Federal Grants	\$ 134,979,193	\$ 94,665,127	\$ 58,524,285	\$ 55,232,554	\$ 51,122,305
Education Jobs	-	-	-	-	-
Impact Aid	708,402	1,134,933	674,968	1,462,306	559,516
National School Lunch Program	23,173,807	16,570,430	16,110,531	17,348,341	17,115,645
Interest Subsidy	752,185	830,978	908,930	1,019,837	1,134,580
Total Federal Sources	<u>159,613,587</u>	<u>113,201,468</u>	<u>76,218,714</u>	<u>75,063,038</u>	<u>69,932,046</u>
State Sources					
State Equalization Assistance	149,710,364	143,617,159	159,407,085	142,760,977	143,249,793
State Grants	315,622	274,719	567,225	661,026	3,038,640
School Facilities Board	5,623,970	10,241,412	1,523,251	4,049,746	3,936,577
Other Revenues	36,967,735	23,917,792	24,553,701	24,653,833	23,251,337
Total State Sources	<u>192,617,691</u>	<u>178,051,082</u>	<u>186,051,262</u>	<u>172,125,582</u>	<u>173,476,347</u>
Local Sources					
Property Taxes	200,092,700	189,810,031	184,383,619	180,195,987	177,301,481
County Aid	12,091,888	12,830,248	12,538,508	12,775,192	12,452,655
Food Service Sales	244,388	263,017	2,604,869	2,844,784	2,638,612
Investment Income	153,327	731,565	1,952,441	3,525,260	1,529,259
Other Revenues	7,081,677	14,478,412	15,974,832	19,084,460	16,567,519
Total Local Sources	<u>219,663,980</u>	<u>218,113,273</u>	<u>217,454,269</u>	<u>218,425,683</u>	<u>210,489,526</u>
Total Revenues	<u>571,895,258</u>	<u>509,365,823</u>	<u>479,724,245</u>	<u>465,614,303</u>	<u>453,897,919</u>
Expenditures					
Current					
Instruction	285,061,022	232,695,799	231,263,517	224,894,362	215,541,714
Support Services					
Students and Staff	86,441,025	74,004,718	72,651,487	73,853,829	71,953,557
Administration	47,043,026	42,004,995	40,842,176	40,659,752	44,276,474
Operation and Maintenance of Plant	59,732,750	57,515,458	54,251,356	50,731,964	51,464,117
Student Transportation	25,183,576	15,040,237	20,607,466	27,760,076	25,395,575
Operation of Noninstructional Services	25,089,817	19,612,023	23,372,477	26,324,824	26,160,227
Debt Service					
Principal Retirement	15,004,823	14,074,822	62,381,585	13,849,839	17,412,074
Interest on Long-Term Debt	5,413,438	6,089,838	13,402,011	10,475,411	9,967,726
Issuance Costs	-	-	-	-	425,740
Capital Outlay	18,563,730	13,420,256	6,718,193	9,582,324	7,895,688
Total Expenditures	<u>567,533,207</u>	<u>474,458,146</u>	<u>525,490,268</u>	<u>478,132,381</u>	<u>470,492,892</u>
Other Financing Sources (Uses)					
Issuance of Refunding Debt	-	-	-	-	48,520,000
Payment to Refunded Debt Escrow Agent	-	-	-	-	-
Issuance of Capital Leases	-	-	-	566,129	3,149,507
Proceeds from Sale of Capital Assets	-	735,746	61,408	302,331	7,224,196
Premium on Sale of Bonds	-	-	-	-	6,885,717
Transfers In	4,909,146	5,578,049	4,829,262	2,606,530	5,843,892
Transfers Out	(4,909,146)	(5,578,049)	(4,829,262)	(2,606,530)	(5,843,892)
Total Other Financing Sources (Uses)	<u>-</u>	<u>735,746</u>	<u>61,408</u>	<u>868,460</u>	<u>65,779,420</u>
Net Change in Fund Balance	<u>\$ 4,362,051</u>	<u>\$ 35,643,423</u>	<u>\$ (45,704,615)</u>	<u>\$ (11,649,618)</u>	<u>\$ 49,184,447</u>
Debt Service as a Percentage of Noncapital Expenditures	3.80%	4.39%	14.65%	5.25%	5.82%

Source: District's financial records

Fiscal Year				
2017	2016	2015	2014	2013
\$ 48,067,680	\$ 44,769,017	\$ 42,860,201	\$ 49,697,352	\$ 51,441,832
-	-	-	-	-
1,273,114	966,667	728,590	676,045	1,206,125
19,377,148	17,705,168	18,181,402	18,011,161	17,567,092
2,973,687	1,853,469	2,365,903	1,257,444	1,296,061
<u>71,691,629</u>	<u>65,294,321</u>	<u>64,136,096</u>	<u>69,642,002</u>	<u>71,511,110</u>
142,748,905	147,561,816	143,771,604	132,185,366	128,594,364
480,624	796,650	548,195	997,741	1,838,710
730,985	523,629	726,400	-	-
21,038,252	23,043,329	20,331,122	20,277,532	17,285,416
<u>164,998,766</u>	<u>171,925,424</u>	<u>165,377,321</u>	<u>153,460,639</u>	<u>147,718,490</u>
180,359,530	179,330,981	184,034,798	195,388,011	209,545,368
12,876,806	13,151,610	13,033,210	14,097,314	14,372,495
2,415,246	1,400,598	1,909,739	2,003,028	2,200,959
391,230	280,587	164,796	187,195	421,413
16,365,205	15,182,965	14,242,254	12,882,717	11,731,552
<u>212,408,017</u>	<u>209,346,741</u>	<u>213,384,797</u>	<u>224,558,265</u>	<u>238,271,787</u>
449,098,412	446,566,486	442,898,214	447,660,906	457,501,387
206,083,290	184,171,606	179,021,232	182,170,194	200,508,623
65,080,307	62,254,885	59,835,214	62,928,162	68,401,474
46,887,015	42,556,971	42,079,368	40,912,970	42,935,792
50,490,660	49,925,794	51,388,778	49,228,361	55,277,056
22,374,249	22,123,760	22,151,830	22,626,196	23,676,242
26,422,667	24,575,643	24,817,964	22,569,839	21,348,952
21,157,816	23,785,413	22,786,648	47,239,231	40,583,291
9,258,936	11,071,732	11,740,160	11,720,671	13,086,907
-	-	-	-	-
16,552,132	26,349,041	46,900,850	45,330,412	57,417,569
<u>464,307,072</u>	<u>446,814,845</u>	<u>460,722,044</u>	<u>484,726,036</u>	<u>523,235,906</u>
63,000,000	-	-	-	-
(74,611,042)	-	-	-	-
-	-	32,321,798	19,425,678	3,273,496
2,838,216	1,426,879	-	-	48,617
12,203,632	-	-	-	-
15,471,949	5,167,740	1,752,693	6,777,058	3,273,496
(15,471,949)	(5,167,740)	(1,752,693)	(6,777,058)	(3,273,496)
<u>3,430,806</u>	<u>1,426,879</u>	<u>32,321,798</u>	<u>19,425,678</u>	<u>3,322,113</u>
<u>\$ (11,777,854)</u>	<u>\$ 1,178,520</u>	<u>\$ 14,497,968</u>	<u>\$ (17,639,452)</u>	<u>\$ (62,412,406)</u>
6.55%	7.80%	7.49%	12.16%	10.26%

TUCSON UNIFIED SCHOOL DISTRICT NO. 1
NET LIMITED ASSESSED VALUE AND FULL CASH VALUE OF TAXABLE PROPERTY BY CLASS
LAST TEN FISCAL YEARS

NET LIMITED ASSESSED VALUE BY PROPERTY CLASS

Fiscal Year	Mines, Utilities and Commercial	Agriculture and Vacant	Primary Residential Property	Lease or Rented Residential	Railroad and Airlines	Historical Property	Government Property Improvements	Total
2021-22	\$ 1,106,642,971	\$ 83,925,149	\$ 1,695,738,268	\$ 828,566,284	\$ 2,603,578	\$ 43,542,011	-	\$ 3,761,018,261
2020-21	1,051,163,056	74,552,769	1,619,604,668	780,660,310	2,393,548	41,124,635	-	3,569,498,986
2019-20	1,036,683,865	80,471,664	1,562,355,446	707,399,543	2,526,672	38,655,938	-	3,428,093,128
2018-19	1,019,483,813	85,907,224	1,471,227,593	688,786,655	2,560,348	36,914,026	4,278	3,304,883,937
2017-18	1,034,126,227	77,546,462	1,390,537,836	675,985,879	2,685,155	34,881,981	4,197	3,215,767,737
2016-17	965,433,532	94,872,106	1,328,794,436	656,086,204	2,528,033	33,455,272	-	3,081,169,583
2015-16	976,879,689	105,330,798	1,268,030,829	641,672,375	2,699,156	30,975,434	6,464	3,025,594,745
2014-15	1,010,697,174	111,852,863	1,251,339,919	594,632,374	2,663,090	30,462,610	6,156	3,001,654,186
2013-14	1,019,451,977	114,927,549	1,336,979,464	499,869,993	2,363,569	28,785,354	19,506	3,002,397,412
2012-13	1,081,215,033	118,498,381	1,477,013,301	507,897,672	2,303,761	28,965,566	20,701	3,215,914,415

FULL CASH VALUE OF TAXABLE PROPERTY BY CLASS

Fiscal Year	Mines, Utilities and Commercial	Agriculture and Vacant	Primary Residential Property	Lease or Rented Residential	Railroad and Airlines	Historical Property	Certain Government Property Improvements	Total
2021-22	\$ 1,230,262,945	\$ 103,787,413	\$ 1,891,046,445	\$ 1,031,542,099	\$ 3,373,120	\$ 48,901,307	-	\$ 4,308,913,329
2020-21	1,170,540,895	90,662,790	1,822,449,820	952,165,569	3,027,988	47,056,262	-	4,085,903,324
2019-20	1,137,974,223	91,497,804	1,740,617,423	858,092,105	3,120,706	43,957,798	-	3,875,260,059
2018-19	1,136,096,565	96,559,030	1,566,819,236	817,052,172	3,085,228	39,352,702	4,278	3,658,969,211
2017-18	1,090,605,695	81,395,327	1,461,545,958	758,174,083	3,127,378	36,589,056	4,213	3,431,441,710
2016-17	1,006,656,328	97,700,856	1,429,214,902	717,687,648	2,705,166	35,707,258	-	3,289,672,158
2015-16	1,012,574,440	108,813,131	1,318,079,541	672,444,407	2,750,284	31,954,759	9,746	3,146,626,308
2014-15	1,025,364,280	114,157,316	1,254,450,188	601,425,570	2,688,000	30,607,284	6,156	3,028,698,794
2013-14	1,036,430,609	119,316,810	1,337,932,939	503,614,469	2,385,858	29,656,219	19,506	3,029,356,410
2012-13	1,114,174,075	126,790,265	1,478,192,168	512,387,222	2,347,426	30,404,234	21,389	3,264,316,779

Note: Assessed valuation amounts were obtained from the Arizona Department of Revenue Abstract of the Assessment Roll.

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1
PROPERTY TAX ASSESSMENT RATIOS
LAST TEN FISCAL YEARS**

Property Classification (a)	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
01 Mining, Utilities, Commercial and Industrial	18%	18%	18%	18%	18%	18%	19%	19%	20%	20%
02 R/P Agriculture and Vacant Land	15	15	15	15	15	15	16	16	16	16
03 Primary Residential Property	10	10	10	10	10	10	10	10	10	10
04 Leased or Rented Residential	10	10	10	10	10	10	10	10	10	10
05 Railroads, Private Rail Cars, and Airlines	15	15	15	15	15	14	15	16	15	15

Note: Assessed valuation amounts were obtained from the Arizona Department of Revenue Abstract of the Assessment Roll.

(a) Additional classes of property exist, but seldom amount to a significant portion of a municipal body's total valuation.

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

Fiscal Year	Overlapping Rates											District Direct Rates		
	State Equalization	Total County	County Free Library	Flood Control District	Community College District	Fire District Assistance	Central Arizona Water	City of Tucson	City of South Tucson	Primary	Secondary	Total		
2013	0.00	4.20	0.35	0.26	1.17	0.04	0.10	1.26	2.76	6.08	1.24	7.32		
2014	0.51	4.45	0.38	0.26	1.29	0.05	0.14	1.43	2.98	6.01	1.43	7.44		
2015	0.51	4.98	0.44	0.30	1.33	0.05	0.14	1.46	0.25	6.80	0.71	7.51		
2016	0.51	5.09	0.52	0.31	1.37	0.05	0.14	1.60	0.25	6.52	0.82	7.34		
2017	0.50	4.98	0.52	0.33	1.37	0.05	0.14	1.60	0.25	6.38	0.74	7.12		
2018	0.49	4.46	0.51	0.31	1.39	0.05	0.14	1.43	0.25	6.38	0.55	6.92		
2019	0.47	4.07	0.52	0.33	1.40	0.04	0.14	1.48	0.25	4.10	2.45	6.55		
2020	0.46	4.00	0.54	0.33	1.38	0.04	0.14	1.38	0.24	3.96	2.37	6.33		
2021	0.44	3.92	0.54	0.33	1.34	0.04	0.14	1.36	0.25	3.86	2.26	6.12		
2022	0.43	3.88	0.54	0.33	1.27	0.04	0.14	1.31	0.24	3.95	2.15	6.10		

Source: State and County Abstract of the Assessment Roll, Arizona Department of Revenue.

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1
PRINCIPAL PROPERTY TAXPAYERS
CURRENT FISCAL YEAR AND NINE YEARS PRIOR**

Taxpayer	2022			2013		
	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value
Unisource Energy Corporation	\$ 89,165,957	1	2.07%	\$ 58,732,067	1	1.80%
Southwest Gas Corporation	49,316,163	2	1.14	16,724,373	3	0.51
SMSJ Holdings LLC	25,806,567	3	0.60			
TMC Holdings Inc	18,520,515	4	0.43			
Qwest Corporation (Century Link)	16,445,435	5	0.38	22,679,648	2	0.69
Wal-Mart Stores	11,663,084	6	0.27	8,293,279	7	0.25
3800 WSPB Buyer LLC	11,340,278	7	0.26			
TKG El Con Shopping Center	9,257,407	8	0.21	6,902,582	8	0.21
Marshall Foundation	9,163,991	9	0.21			
Cox Communications AZ LLC	8,697,199	10	0.20			
Starr Pass Resort Development LLC				12,644,106	4	0.39
WC Partner Et Al (Williams Center)				8,947,625	5	0.27
Verizon Wireless				8,408,401	6	0.26
Park Place (Park Mall) Shopping Center				6,709,731	9	0.21
Hub Properties Trust				5,031,000	10	0.15
Totals	\$ 249,376,596		5.79	\$ 155,072,812		4.75

Source: Pima County Assessors Records

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year	Current Collections				Delinquent Tax Collections (1)	Total Collections	Collections as a Percentage of the Levy		Outstanding Tax Collections	Outstanding Collections as a Percentage of Levy
	Total Tax Levy (1)	Current Tax Collections (1)	Percent of Current Taxes Collected	Delinquent Tax Collections (1)			Percentage of the Levy	Percentage of the Levy		
2013	\$ 211,182,909	\$ 201,863,709	95.59	\$ 8,527,167	\$ 210,390,876	99.62		\$ 792,033	0.38	
2014	196,991,408	188,246,693	95.56	7,897,903	196,144,596	99.57		846,812	0.43	
2015	182,457,545	174,547,250	95.66	7,047,436	181,594,686	99.53		862,859	0.47	
2016	180,517,207	172,697,266	95.67	7,100,865	179,798,131	99.60		719,076	0.40	
2017	175,019,179	169,670,800	96.94	4,434,256	174,105,056	99.64		914,123	0.52	
2018	171,842,883	166,761,271	97.04	4,316,008	171,077,279	99.55		765,604	0.45	
2019	177,214,473	171,809,696	96.95	4,646,834	176,456,530	99.57		757,943	0.43	
2020	179,957,364	176,017,356	97.81	2,799,000	178,816,356	99.37		1,141,008	0.63	
2021	186,269,692	181,741,818	97.57	2,379,279	184,121,097	98.85		2,148,595	1.15	
2022	198,751,941	190,712,610	95.96	-	190,712,610	95.96		8,039,331	4.04	

Source: County Treasurer & District records

Note 1: Unsecured personal property taxes are not included in this schedule.

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	Current Collections			Delinquent Tax Collections (1)	Total Collections	Collections as a Percentage of the Levy		Outstanding Tax Collections	Outstanding Collections as a Percentage of Levy
	Total Tax Levy (1)	Current Tax Collections (1)	Percent of Current Taxes Collected			Percentage of the Levy	Percentage of Levy		
2013	\$ 211,182,909	\$ 201,863,709	95.59	\$ 8,527,167	\$ 210,390,876	99.62	\$ 792,033	0.38	
2014	196,991,408	188,246,693	95.56	7,897,903	196,144,596	99.57	846,812	0.43	
2015	182,457,545	174,547,250	95.66	7,047,436	181,594,686	99.53	862,859	0.47	
2016	180,517,207	172,697,266	95.67	7,100,865	179,798,131	99.60	719,076	0.40	
2017	175,019,179	169,670,800	96.94	4,434,256	174,105,056	99.64	914,123	0.52	
2018	171,842,883	166,761,271	97.04	4,316,008	171,077,279	99.55	765,604	0.45	
2019	177,214,473	171,809,696	96.95	4,646,834	176,456,530	99.57	757,943	0.43	
2020	179,957,364	176,017,356	97.81	2,799,000	178,816,356	99.37	1,141,008	0.63	
2021	186,269,692	181,741,818	97.57	2,379,279	184,121,097	98.85	2,148,595	1.15	
2022	198,751,941	190,712,610	95.96	-	190,712,610	95.96	8,039,331	4.04	

Source: County Treasurer & District records

Note 1: Unsecured personal property taxes are not included in this schedule.

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities			Total Primary Government	Ratio of Net Bonded Debt to the Estimated Actual Value of Taxable Property	Population	Debt Per Capita
	General Obligation Bonds	Less: Amounts Restricted for Principal					
2013	\$ 242,508,469	\$ (16,538,166)	\$ 225,970,303	0.72	478,102	\$ 473	
2014	205,247,538	(9,582,846)	195,664,692	0.65	533,796	367	
2015	190,064,802	(5,384,563)	184,680,239	0.60	531,481	347	
2016	174,496,634	(3,760,236)	170,736,398	0.53	528,706	323	
2017	163,266,104	(6,258,790)	157,007,314	0.46	533,023	295	
2018	206,075,984	(11,042,670)	195,033,314	0.56	537,566	363	
2019	192,863,242	(9,002,551)	183,860,691	0.50	543,505	338	
2020	125,289,308	(11,893,986)	113,395,322	0.29	546,576	207	
2021	125,289,308	(14,211,048)	111,078,260	0.27	549,016	202	
2022	98,780,018	(15,649,010)	83,131,008	0.19	546,061	152	

Source: The District financial records for long-term debt information. The source of the estimated district population is University of Arizona Eller College.

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**TUCSON UNIFIED SCHOOL DISTRICT NO. 1
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2022**

Governmental Unit	Outstanding Debt	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes			
Pima County	\$ 93,615,000	38.79 %	\$ 36,311,386
City of Tucson	110,905,000	94.91	<u>105,263,263</u>
Subtotal, Overlapping Debt			141,574,648
Tucson Unified School District No. 1	115,480,934		<u>115,480,934</u>
Total Direct and Overlapping Debt			<u><u>\$ 257,055,582</u></u>

DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation		2.33%
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$	471
As a Percentage of Net Limited Assessed Valuation		7.20%
As a Percentage of Gross Full Cash Value		0.59%

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

(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.

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**TUCSON UNIFIED SCHOOL DISTRICT NO. 1
CALCULATION OF LEGAL DEBT MARGIN
JUNE 30, 2022**

Net Full Cash Assessed Value \$ 4,308,913,329

Legal Debt Margin:

General Obligation Bonds

Debt Limitation - 30% of Assessed Value 1,292,673,999

Amount of Debt Applicable to Debt Limit:

General Obligation and Refunding Bonds Outstanding	\$	88,340,000
Less: Assets in Debt Service Fund Available for Payment of Principal		<u>(10,420,145)</u>

Total Amount of Debt Applicable to Debt Limit 77,919,855

Legal Debt Margin \$ 1,214,754,144

Class B General Obligation Bonds

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

20% of secondary net assessed valuation	\$	861,782,665
\$1,500 per student (ADM) (\$1,500 * 39,293)		59,002,500

Amount of Debt Applicable to Debt Limit:

General Obligation and Refunding Bonds Outstanding	\$	88,340,000
Less: Assets in Debt Service Fund Available for Payment of Principal		<u>(10,420,145)</u>

Total Amount of Debt Applicable to Debt Limit 77,919,855

Legal Debt Margin \$ 783,862,810

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

	Fiscal Year				
	2022	2021	2020	2019	2018
Class A and B Bonded Debt					
Debt Limit	\$ 1,292,673,999	\$ 1,225,770,997	\$ 1,162,578,018	\$ 1,097,690,763	\$ 1,029,432,513
Total Applicable to Limit	<u>77,919,855</u>	<u>90,184,854</u>	<u>107,009,008</u>	<u>113,798,957</u>	<u>124,823,499</u>
Legal Debt Margin	<u>\$ 1,214,754,144</u>	<u>\$ 1,135,586,143</u>	<u>\$ 1,055,569,010</u>	<u>\$ 983,891,806</u>	<u>\$ 904,609,014</u>
Total Net Debt Applicable to the Limit as a Percentage of the Debt Limit	6.03%	7.36%	9.20%	10.37%	12.13%

	Fiscal Year				
	2022	2021	2020	2019	2018
Class B Bonded Debt					
Debt Limit	\$ 861,782,665	\$ 817,180,664	\$ 775,052,011	\$ 731,793,842	\$ 686,288,342
Total Applicable to Limit	<u>77,919,855</u>	<u>90,184,854</u>	<u>107,009,008</u>	<u>113,798,957</u>	<u>124,823,499</u>
Legal Debt Margin	<u>\$ 783,862,810</u>	<u>\$ 726,995,810</u>	<u>\$ 668,043,003</u>	<u>\$ 617,994,885</u>	<u>\$ 561,464,843</u>
Total Net Debt Applicable to the Limit as a Percentage of the Debt Limit	9.04%	11.04%	13.81%	15.55%	18.19%

Source: The District's financial records for long-term debt.

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS (CONTINUED)**

Fiscal Year				
2017	2016	2015	2014	2013
\$ 986,901,647	\$ 943,987,892	\$ 908,609,638	\$ 908,806,923	\$ 979,295,034
<u>148,185,000</u>	<u>168,855,000</u>	<u>183,665,000</u>	<u>197,970,000</u>	<u>235,045,000</u>
<u>\$ 838,716,647</u>	<u>\$ 775,132,892</u>	<u>\$ 724,944,638</u>	<u>\$ 710,836,923</u>	<u>\$ 744,250,034</u>
15.02%	17.89%	20.21%	21.78%	24.00%

Fiscal Year				
2017	2016	2015	2014	2013
\$ 657,934,432	\$ 629,325,262	\$ 605,739,759	\$ 302,935,641	\$ 326,431,678
<u>148,185,000</u>	<u>168,855,000</u>	<u>183,665,000</u>	<u>197,970,000</u>	<u>235,045,000</u>
<u>\$ 509,749,432</u>	<u>\$ 460,470,262</u>	<u>\$ 422,074,759</u>	<u>\$ 104,965,641</u>	<u>\$ 91,386,678</u>
22.52%	26.83%	30.32%	65.35%	72.00%

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1
COUNTY-WIDE DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	Estimated District Population	Personal Income (in Thousands)	Per Capita Personal Income	Unemployment Rate	County Population
2013	478,102	\$ 17,728,974	\$ 37,082	7.00	996,046
2014	533,796	20,153,303	37,755	6.40	1,007,162
2015	531,481	20,335,120	38,261	5.60	1,022,079
2016	528,706	20,986,836	39,695	5.00	1,016,743
2017	533,023	21,501,766	40,339	4.50	1,025,044
2018	537,566	22,475,960	41,811	4.30	1,033,781
2019	543,505	23,930,525	44,030	5.20	1,034,201
2020	546,576	24,845,159	45,456	8.00	1,044,675
2021	549,016	26,557,551	48,373	7.30	1,052,375
2022	546,061	25,003,587	45,789	3.90	1,058,318

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" for 2012 through 2019 is the Arizona Office of Employment and Population

Statistics, aka Arizona Office of Economic Opportunity, for 2020 through 2022 US Bureau of Labor Statistics

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1
PRINCIPAL EMPLOYERS
CURRENT FISCAL YEAR AND NINE YEARS PRIOR**

Employer	2022		2013	
	Employees	Percentage of Total Employment - 487,089	Employees	Percentage of Total Employment 449,097
University of Arizona	14,160	2.91 %	10,846	2.23 %
Raytheon	13,201	2.71	10,300	2.29
Baner Healthcare-UMC	7,831	1.61	6,099	1.36
Tucson Unified School District	7,703	1.58	6,790	1.51
Pima County Government	7,412	1.52	6,076	1.35
Davis Monthan	6,532	1.34	9,100	2.03
State of Arizona	5,488	1.13	8,807	1.96
Wal-Mart Stores	4,676	0.96	7,450	1.66
Tucson Medical Center	4,530	0.93		-
City of Tucson	4,453	0.91		-
US Border Patrol			6,500	1.45
Freeport-McMoran Mining			5,463	1.22
Total	75,986	15.60	66,585	17.06

Source: The source of this information is the Arizona Daily Star - Star 200 and Bureau of Labor Statistics.

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
 LAST TEN FISCAL YEARS**

Function	Full Time Equivalent Employees				
	2022	2021	2020	2019	2018
Instruction	3,319	3,294	3,452	3,449	3,312
Support Services - Students and Staff	1,006	977	981	924	890
Support Services - Administration	414	396	420	463	462
Operation and Maintenance of Plant Services	629	640	555	651	656
Student Transportation Services	283	333	467	388	396
Operation of Non-Instructional Services	241	272	306	295	310
Total	5,892	5,912	6,181	6,170	6,026

Source: The District's Human Resources Department and Business and Finance Department.
 Note 1: This data includes both vacant and filled positions.

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
 LAST TEN FISCAL YEARS (CONTINUED)**

Full-Time Equivalent Employees

2017	2016	2015	2014	2013
3,163	3,050	3,194	3,169	3,443
834	676	762	655	684
1,019	987	902	913	992
425	412	396	391	475
351	321	312	321	375
174	198	185	189	181
<u>5,966</u>	<u>5,644</u>	<u>5,751</u>	<u>5,638</u>	<u>6,150</u>

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1
OPERATING STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	Enrollment (3)	Maintenance and Operating Expenditures (2)	Cost per Pupil	Percentage Change	Teaching Staff (1)	Pupil- Teacher Ratio	Percentage of Free/Reduced Students
2013	48,342	\$ 412,148,139	\$ 8,526	(0.47)	3,443	14.04	72.0
2014	46,597	380,435,722	8,164	(4.24)	3,169	14.70	73.0
2015	45,802	379,294,386	8,281	1.43	3,194	14.34	74.9
2016	45,870	385,608,659	8,407	1.51	3,050	15.04	75.0
2017	44,560	417,338,188	9,366	11.41	3,163	14.09	71.0
2018	43,835	420,928,797	9,603	2.53	3,176	13.80	67.6
2019	42,484	432,714,635	10,185	6.07	2,842	14.95	63.9
2020	42,060	430,239,235	10,229	0.43	2,825	14.89	70.3
2021	39,293	442,543,184	11,263	10.10	2,742	14.33	52.9
2022	39,335	478,958,038	12,176	18.55	2,737	14.37	66.1

Source: The District's Finance Department.

- (1) Teacher Staff (FTE) includes all teaching positions filled and vacant.
- (2) Includes expenditures of all funds except Debt Service and Capital Outlay.
- (3) Enrollment is based on 100th day figures.

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1
CAPITAL ASSETS INFORMATION
LAST TEN FISCAL YEARS**

Schools	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Elementary										
Buildings	489	489	490	490	490	493	519	519	519	519
Square Feet	2,393,676	2,393,676	2,447,043	2,447,043	2,447,043	2,557,066	2,750,819	2,750,849	2,750,849	2,750,849
Capacity	28,950	28,950	28,950	28,950	28,950	26,220	31,600	31,600	31,600	31,600
Enrollment	18,031	18,167	18,132	21,366	20,479	21,543	22,095	22,619	22,619	22,619
Middle										
Buildings	126	126	126	125	125	126	126	126	126	126
Square Feet	1,825,448	1,825,448	1,825,448	1,732,852	1,732,852	1,823,702	1,823,702	1,823,702	1,823,702	1,823,702
Capacity	17,125	17,125	17,125	17,125	17,125	20,850	20,850	20,850	20,850	20,850
Enrollment	8,797	9,209	9,495	10,023	10,004	10,067	10,152	12,816	12,816	12,816
High										
Buildings	119	119	119	118	118	118	118	118	118	118
Square Feet	3,411,819	3,411,819	3,411,819	3,411,819	3,411,819	3,411,819	3,411,819	3,411,819	3,411,819	3,411,819
Capacity	21,575	21,575	21,575	21,575	21,575	21,575	21,575	21,575	21,575	21,575
Enrollment	13,931	14,143	13,760	14,166	14,088	14,253	14,214	14,404	14,404	14,404
Administrative										
Buildings	93	93	92	91	91	91	91	91	91	90
Square Feet	523,366	523,366	484,196	460,301	460,301	460,301	460,301	460,301	443,496	410,510
Other										
Buildings	104	104	104	104	104	104	92	93	94	94
Square Feet	506,841	506,841	506,841	506,841	506,841	506,841	559,201	428,082	453,143	453,143
Capacity	675	675	675	675	675	675	675	65	675	675
Enrollment	441	364	383	174	174	174	174	174	174	174
Transportation										
Garages	14	14	14	14	14	14	14	14	14	14
Buses	341	341	341	341	341	323	318	341	350	325
Athletics										
Multi-Purpose Fields	9	9	9	9	9	9	9	9	9	9
Football Fields	9	9	9	9	9	9	9	9	9	9
Running Tracks	9	9	9	9	9	9	9	9	9	9
Baseball/Softball Fields	36	36	36	36	36	36	36	36	36	36
Swimming Pools	2	2	2	2	2	2	2	2	2	2

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

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