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# NOGALES UNIFIED SCHOOL DISTRICT NO. 1

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## Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2019



**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**

**NOGALES, ARIZONA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Issued by:  
Business and Finance Department

# NOGALES UNIFIED SCHOOL DISTRICT NO. 1

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## **INTRODUCTORY SECTION**



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# Nogales Unified School District No. 1

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January 31, 2020

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

State law mandates that school districts required to undergo an annual single audit publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States by a certified public accounting firm licensed in the State of Arizona. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Nogales Unified School District No. 1 (District) for the fiscal year ended June 30, 2019.

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

The District's financial statements have been audited by Heinfeld, Meech & Co., P.C., a certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2019, 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, 2019, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

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

## **DISTRICT PROFILE 2018-19**

### **Overview:**

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

NUSD has ten campuses: six elementary schools, two middle schools, a comprehensive high school, and an alternative high school. The District as a whole educated 5,506 students on the 100th day in 2019 from pre-kinder through high school, with projected enrollment of 5,587 for fiscal year 2020. The migration of students in NUSD is very high from school-to-school and from families entering or returning to Mexico, as well as from families leaving the area due to the high unemployment rate. The students who qualify as homeless based on the determination that the family is "doubling up" and living with another family has also increased about 18 percent over the past three years.

For 2018-19 the District employed 319 certified staff, 24 administrators, and 216 classified personnel. That reflects no additional personnel over the previous year.

### **School Board:**

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

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

For 2018-19 the Board President position was filled by President Manuel Ruiz, Clerk Marcelino Varona, Jr. and members Barbara Mendoza, Greg Lucero, and Robert Rojas.

**Fiscal Reporting:**

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

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

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

**Hiring Practices:**

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

**Student profile:**

More than 99 percent of all students entering NUSD list Hispanic or another minority as their ethnicity, and the vast majority are not fluent English speakers when entering the system, whether that is at the kindergarten level or later along in their educational years. The majority of students come from high poverty homes and with a double-digit unemployment rate in Santa Cruz County, many rely on social services to meet their basic needs. NUSD has an almost equal number of male and female students ranging in age from three years old (exceptional pre-school) to 21 years old. It is not unusual to have students who are older than traditional students in a particular grade due to the fact that many enter without the ability to speak English and therefore are placed in a lower grade to help in mastering the state standards. While some students who come from Mexico may have had an excellent education there, a significant portion did not go to school in Mexico beyond the grammar school years. In addition to those from Mexico who have established residency in the District, NUSD has about four students from Mexico who have student visas and who are paying tuition to attend a NUSD school, although this number fluctuates with changes, up or down, tied to the fluctuation in the economic situation in Mexico.

**Meeting state mandates:**

The District has implemented English Language Learner (ELL) models to meet a 2008 requirement that students who are not fluent in English be provided with up to four hours of instruction in English each day. The large number of English Language Learners (ELL) remains an academic challenge to the District, as did the fact that the state suspended the need to pass the AIMS exam in order to earn a high-school diploma mid-year. A new state Superintendent of Public Instruction was elected in November 2018 and took office in January 2019. She made immediate changes to education funding and delivery. The new state assessment AzMerit took effect in fiscal year 2015, and one major change was that the assessments are now primarily taken via computers.

NUSD relies on federal and state grants to supplement personnel, supplies, and professional development beyond that provided by Maintenance and Operation funding. In fiscal year 2019 grant funding overall was down, following a pattern starting seven years ago.

**Facilities:**

The average age of school buildings is 31.9 years. The District asked for the passage of a bond on November 8, 2011 that would have funded much-needed roofing, electrical, and mechanical repairs as well as the construction of a new four-classroom science building and a small addition to the gymnasium for a wrestling room where the cheerleaders and spirit squad could practice. Unfortunately, the bond measure failed by 669 against to 595 for a difference of 74 votes. However, the State Facilities Board (SFB) conducted its own audit of District facilities five years ago and authorized repairs to several schools' roofs and to a drainage problem at one elementary school. Many of those projects were completed in fiscal year 2015 and others in fiscal year 2016 and 2017, and other projects were started in fiscal year 2019.

**Factors affecting financial conditions:**

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

NUSD is a significant contributor to the local economy. Whenever possible, NUSD purchases supplies and services locally in order to support the community's economy. A total of approximately \$37.1 million from local, state, and federal monies is spent on salaries and benefits. The District operated under a fiscal year 2019 Maintenance and Operation budget of \$36.4 million compared to \$33.3 million in fiscal year 2018. The overall budget for the District for fiscal year 2019 was \$61.6 million compared to \$57.1 million in fiscal year 2018.

The continuation override passed in fiscal year 2014 has allowed support for athletics, honors programs, the arts, and a bonus for both classified and certified employees for signing their contracts. The continuation override secures funding for five years after passage. The District was planning for a slight increase in the amount from 6.39 percent to 8 percent for the November 2019 election.

### **Overview of Nogales:**

The jobless rate for Santa Cruz County for August 2019 was over 12 percent, the second highest in the state and much higher than neighboring Pima County with a six percent jobless rate.

The 2010 federal census (the latest official census) reports 20,878 residents for Nogales with 95 percent of those claiming Hispanic ethnicity. The medium household income from census updates in 2014 was \$29,442 and 29.4 percent of the families are listed as living below the poverty level. The medium age of those living in the city is 29.8, compared to a national average of 35.3. In 2010 there were 1,830 children under the age of five. The average household size, according to the census information, is 3.98, compared to a national average of 2.63. However, due to economic conditions and other factors, it is not uncommon to have more than one family living together and this information was most likely not reported to census workers. Only 63 percent of the residents have a high-school diploma, compared to the current average in Arizona of 85 percent. The census also reported that 10.9 percent had a Bachelor's degree, compared to 26 percent in the state as a whole. The median household income in Nogales was reported to be \$22,308, compared to a median income in Arizona of \$50,448. A new census is scheduled to be conducted within a year, and it is anticipated that these figures will either remain the same or go down even more due to the dwindling local economy and the almost complete-closure of a once thriving downtown area. The number of shoppers from Mexico is down greatly, due in part to the economy in Mexico, the long waits to cross the border even by foot, and the anti-immigration policies/negativity toward Mexico that have blossomed since the election of President Donald Trump who took office in January 2017.

Almost 12 percent of local employees who continue to work, do so for governmental or health organizations. However, like most of the rest of the country, Santa Cruz County and Nogales in particular have suffered a tremendous job loss over the past seven years and unlike other areas in the state, have not enjoyed a resurgence in employment. Several major stores, restaurants, and establishments have closed, as have numerous small family-owned businesses. The unemployment rate continues to hold steady despite the opening of a large port-of-entry in Nogales. Unfortunately, the vast majority of employees for U.S. Border Patrol, Customs, and other such entities (the one area that has seen an increase in employees) choose to live outside of Nogales and commute to work, thereby not helping the community itself to thrive despite an increase in employment among these agencies. Also, very few of the federal agents have children who attend District schools since they themselves commute to work rather than live within the District boundaries. The one area of growth has been in the produce and distribution areas, due in part to the opening of an expanded port of entry.

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

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

## **NEW DIRECTION**

In January 2019 the District enjoyed its fourth full year under the leadership of Superintendent Fernando Parra who replaced the former superintendent in January 2015. The Leadership Team for the District remained the same in fiscal year 2019 and consisted of Superintendent Parra, Assistant Superintendent Angelina Canto, Finance Director Adelmo Sandoval, H.R. Director Mayra Zuniga, Student Services Director Judith Mendoza Jimenez, Grants Director Kathy Scott, and Technology Director Alex Lopez.

The focus for all schools is on academic achievement for all students. The District has instituted a series of early releases so that faculty members can work on aligning the curriculum to state standards, articulating among and between grade levels, and developing common assessments to chart progress toward mastery of reading, writing, and math. The District has also earmarked grant funding toward training all principals who in turn train teachers, based on the correlatives of Marzano and the new observation program.

As mentioned earlier, the District is constantly looking for ways to attract and retain qualified educators. In an effort to improve recruitment and retention of math, science, and special education teachers, the District offers an incentive bonus of \$5,000 to appropriately certified teachers in these three areas, paid over three years. It is worth mentioning that almost every district in Arizona has started to experience difficulty in attracting and retaining properly certified teachers not only in the hard-to-recruit areas of the past, but also even in areas such as English, social studies, physical education, elementary education, and counseling where there used to be sufficient applicants to fill those openings. The District is now competing with urban districts for these candidates, and studies have shown that fewer high-school graduates are entering college seeking education degrees than ever before.

## **TECHNOLOGY**

One area the District is working diligently to enhance is its technology. All teachers have access to Power School, an Internet-based system that allows for recording of attendance and grades. Parents can access the system as often as they like to view the progress of their children throughout a grading quarter rather than waiting until progress or report cards are mailed home. The District now has wireless access at all sites, opening up many more opportunities for Internet use within classrooms. The telephone system is also tied directly to a server, and one feature is that during an emergency, information can be paged to every single person and office with a telephone, which is virtually almost every educator in the District. However, even with all the advances in equipment and training, NUSD – as with most other districts throughout the state finds it difficult to keep up with the need to constantly replace and update what technology is already in place, let alone build capacity. The reduction in E-Rate allocations is already impacting the District negatively and steps are being taken to make sure vital services are maintained. That the state AzMerit test and other assessments are moving to computer-based applications makes it even more important to increase the number of appropriate computing devices at all sites.

## AWARDS AND ACKNOWLEDGMENT

**Awards.** The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2018. This was the twenty-fourth consecutive year that the District has received this prestigious award. In addition, the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2018. In order to be awarded these certificates, the District published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

These certificates are valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the programs' requirements and we are submitting it to ASBO and GFOA to determine its eligibility for the fiscal year ended June 30, 2019 certificates.

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

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

Respectfully submitted,



Fernando Parra  
Superintendent



Adelmo Sandoval  
Finance Director





ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

The Certificate of Excellence in Financial Reporting  
is presented to

## Nogales Unified School District No. 1

for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2018.

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



A handwritten signature in black ink, reading 'Tom Wohlleber'.

Tom Wohlleber, CSR  
President

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

David J. Lewis  
Executive Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

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

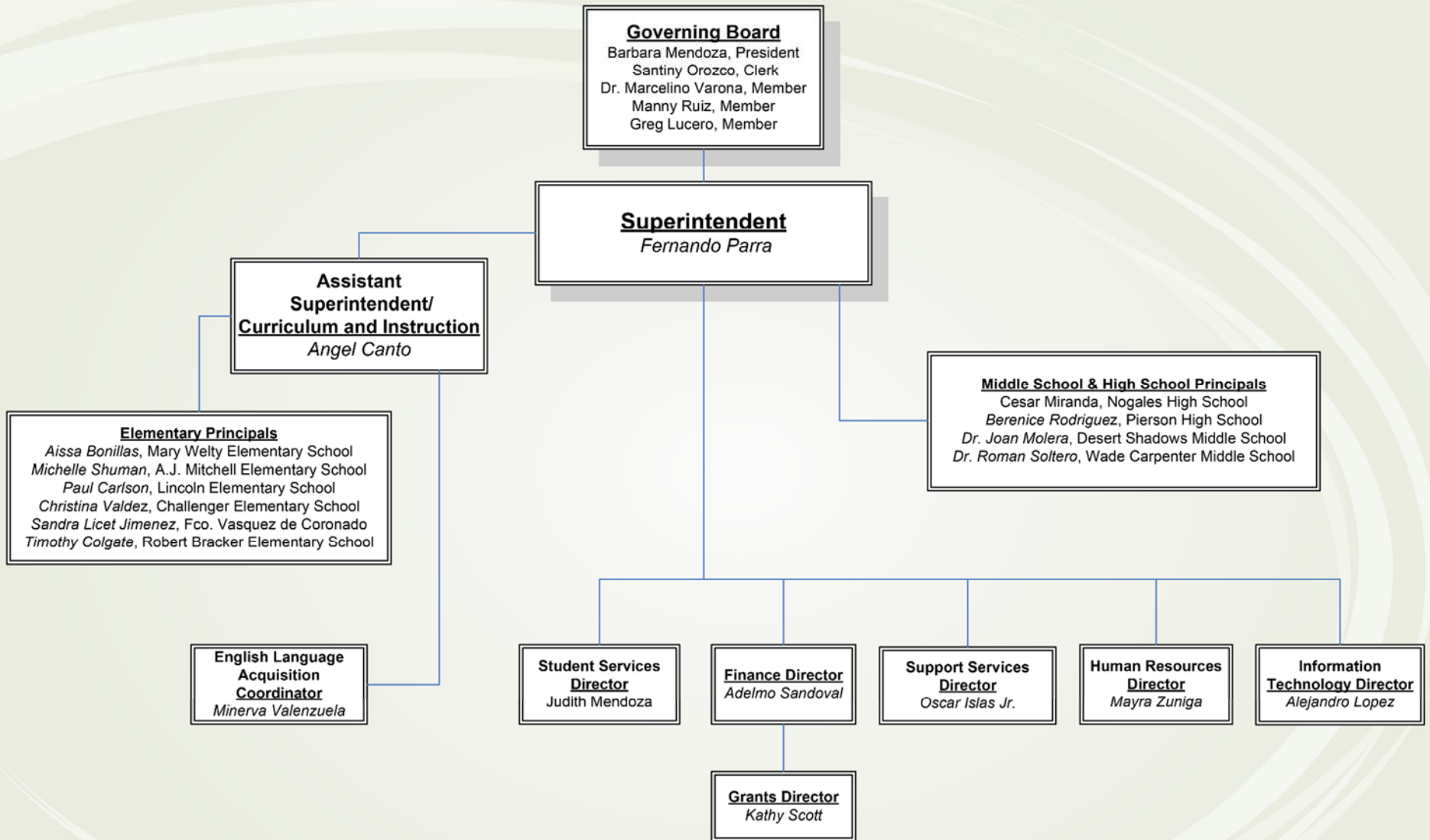
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Morrill*

Executive Director/CEO

# NUSD #1 ADMINISTRATION 2018-2019



**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**

**LIST OF PRINCIPAL OFFICIALS**

**GOVERNING BOARD**

Manny Ruiz, President

Dr. Marcelino Varona, Clerk

Barbara Mendoza, Member

Robert Rojas, Member

Greg Lucero, Member

**ADMINISTRATIVE STAFF**

Fernando Parra, Superintendent

Angel Canto, Assistant Superintendent for Operations/Curriculum and Instruction

Adelmo Sandoval, Finance Director

Kathy Scott, Grants Director

Mayra Zuñiga, Human Resources Director

Judith Mendoza-Jimenez, Student Services Director

Oscar Islas, Jr., Support Services Director

Alex Lopez, Technology Director

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**FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

Governing Board  
Nogales Unified School District No. 1

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Nogales Unified School District No. 1 (District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Nogales Unified School District No. 1, as of June 30, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.



## ***Other Matters***

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

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

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Introductory Section, Combining and Individual Fund Financial Statements and Schedules, and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining and Individual Fund Financial Statements and Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining and Individual Fund Financial Statements and Schedules information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2020, on our consideration of Nogales Unified School District No. 1's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Nogales Unified School District No. 1's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Nogales Unified School District No. 1's internal control over financial reporting and compliance.

*Heinfeld Meech & Co. PC*

Heinfeld, Meech & Co., P.C.  
Tucson, Arizona  
January 31, 2020

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

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**NOGALES UNIFIED SCHOOL DISTRICT NO. 1  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2019**

As management of the Nogales Unified School District No. 1 (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2019. The management's discussion and analysis is presented as required supplementary information to supplement the basic financial statements. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

### **FINANCIAL HIGHLIGHTS**

- The District's total net position of governmental activities increased \$2.7 million which represents a 24 percent increase from the prior fiscal year primarily due to decreased pension liabilities.
- General revenues accounted for \$37.5 million in revenue, or 74 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$13.3 million or 26 percent of total current fiscal year revenues.
- The District had approximately \$48.1 million in expenses related to governmental activities, an increase of four percent from the prior fiscal year primarily due to increased expenses related to the E-Rate program as well as increased salaries and related expenses.
- Among major funds, the General Fund had \$34.3 million current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$33.9 million in expenditures. The General Fund's fund balance increased from \$9.6 million at the prior fiscal year end, to \$10.1 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.

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**YEAR ENDED JUNE 30, 2019**

**OVERVIEW OF FINANCIAL STATEMENTS**

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

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

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

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

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

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

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2019**

**OVERVIEW OF FINANCIAL STATEMENTS**

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

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. Due to their custodial nature, the fiduciary funds do not have a measurement focus.

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

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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$14.3 million at the current fiscal year end.

The largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment and construction in progress), less any related outstanding debt used to acquire those assets. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. The District had no related debt. In addition, a portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance is unrestricted and may be used to meet the District's ongoing obligations to its citizens and creditors, however as discussed below, this balance is in a deficit position.

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2019**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The following table presents a summary of the District's net position for the fiscal years ended June 30, 2019 and June 30, 2018.

	As of June 30, 2019	As of June 30, 2018
Current and other assets	\$ 15,935,293	\$ 15,239,278
Capital assets, net	36,877,624	37,486,289
Total assets	<u>52,812,917</u>	<u>52,725,567</u>
Deferred outflows	<u>5,224,032</u>	<u>4,499,321</u>
Current and other liabilities	1,305,226	777,540
Long-term liabilities	37,928,386	41,797,909
Total liabilities	<u>39,233,612</u>	<u>42,575,449</u>
Deferred inflows	<u>4,463,160</u>	<u>3,054,743</u>
Net position:		
Investment in capital assets	36,877,624	37,486,289
Restricted	3,889,022	4,178,509
Unrestricted	(26,426,469)	(30,070,102)
Total net position	<u>\$ 14,340,177</u>	<u>\$ 11,594,696</u>

At the end of the current fiscal year the District reported a negative unrestricted net position of \$26.4 million as a result of unfunded pension liability. Positive net position was reported in the other two categories.

The District's financial position is the product of several financial transactions including the net result of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

The following are significant current year transactions that had an impact on the Statement of Net Position.

- The decrease of \$3.3 million in pension liabilities.
- The depreciation of existing assets resulting in the addition of \$2.0 million in accumulated depreciation.
- The principal retirement of \$374,319 of capital lease obligations.
- The addition of \$1.4 million in capital assets through building improvements, vehicles, and equipment.

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2019**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

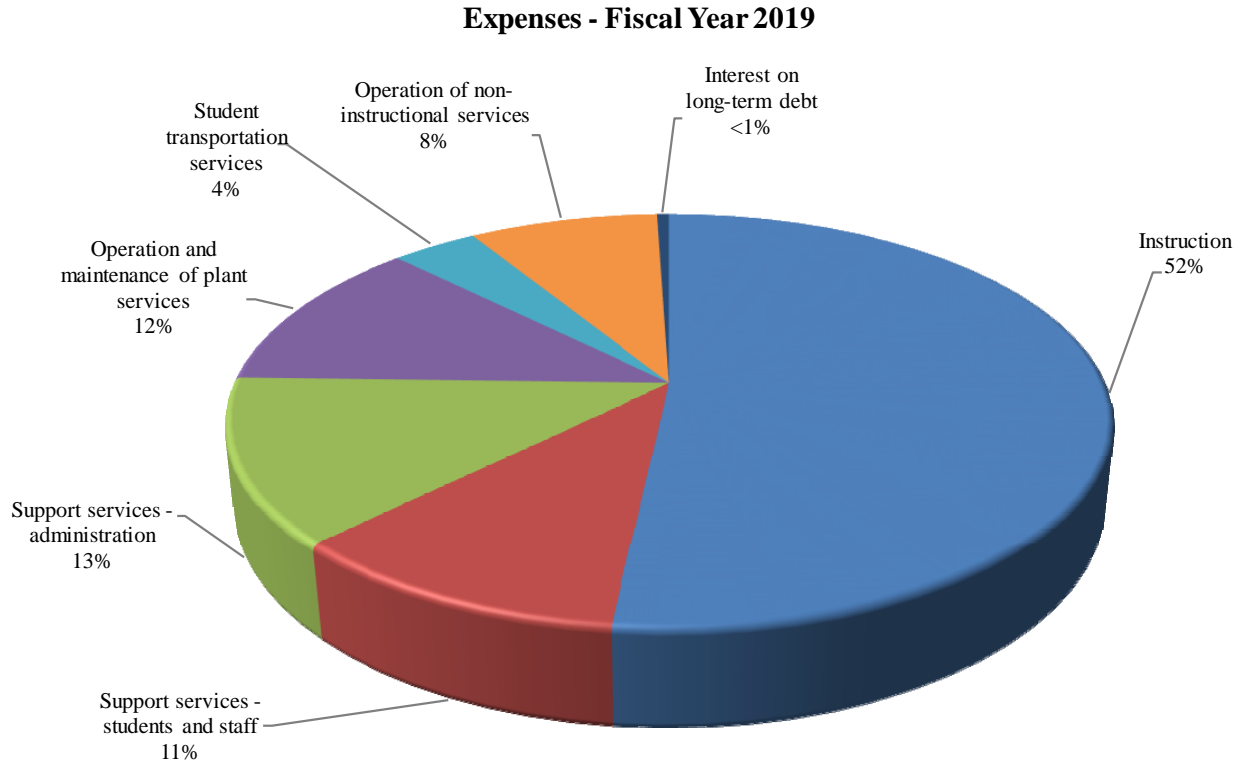
**Changes in net position.** The District's total revenues for the current fiscal year were \$50.8 million. The total cost of all programs and services was \$48.1 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2019 and June 30, 2018.

	Fiscal Year Ended <u>June 30, 2019</u>	Fiscal Year Ended <u>June 30, 2018</u>
<b>Revenues:</b>		
Program revenues:		
Charges for services	\$ 1,734,682	\$ 1,800,320
Operating grants and contributions	10,512,461	9,139,458
Capital grants and contributions	1,075,396	454,387
General revenues:		
Property taxes	6,533,284	6,242,512
Investment income	78,440	102,867
Unrestricted county aid	970,551	979,476
Unrestricted state aid	29,482,856	27,159,885
Unrestricted federal aid	449,038	187,251
<b>Total revenues</b>	<u>50,836,708</u>	<u>46,066,156</u>
<b>Expenses:</b>		
Instruction	24,872,368	24,072,866
Support services - students and staff	5,229,905	5,449,204
Support services - administration	6,172,924	4,960,490
Operation and maintenance of plant services	5,790,573	5,636,155
Student transportation services	1,801,260	1,636,593
Operation of non-instructional services	3,977,145	4,135,684
Interest on long-term debt	247,052	247,052
<b>Total expenses</b>	<u>48,091,227</u>	<u>46,138,044</u>
<b>Changes in net position</b>	2,745,481	(71,888)
<b>Net position, beginning</b>	<u>11,594,696</u>	<u>11,666,584</u>
<b>Net position, ending</b>	<u>\$ 14,340,177</u>	<u>\$ 11,594,696</u>



**NOGALES UNIFIED SCHOOL DISTRICT NO. 1  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2019**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**



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

- The increase of \$1.4 million in operating grants and contributions was primarily due to increased E-Rate funding from the Schools and Libraries Division.
- Unrestricted state aid revenues increased \$2.3 million due to an increase in state equalization funding.
- The increase of \$1.2 million in support services – administration was primarily due to increased E-Rate grant expenses.

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

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2019**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

	Year Ended June 30, 2019		Year Ended June 30, 2018	
	Total	Net (Expense)/	Total	Net (Expense)/
	Expenses	Revenue	Expenses	Revenue
Instruction	\$ 24,872,368	\$ (19,391,385)	\$ 24,072,866	\$ (19,660,425)
Support services - students and staff	5,229,905	(3,224,587)	5,449,204	(3,183,298)
Support services - administration	6,172,924	(4,575,064)	4,960,490	(4,444,685)
Operation and maintenance of plant services	5,790,573	(5,770,399)	5,636,155	(5,534,754)
Student transportation services	1,801,260	(1,763,517)	1,636,593	(1,619,741)
Operation of non-instructional services	3,977,145	(43,736)	4,135,684	(300,976)
Interest on long-term debt	247,052		247,052	
<b>Total</b>	<b>\$ 48,091,227</b>	<b>\$ (34,768,688)</b>	<b>\$ 46,138,044</b>	<b>\$ (34,743,879)</b>

- The cost of all governmental activities this year was \$48.1 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$13.3 million.
- Net cost of governmental activities of \$34.8 million was financed by general revenues, which are made up of primarily property taxes of \$6.5 million and state and county aid of \$30.5 million.

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

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

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

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$13.8 million, an increase of \$15,775.

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2019**

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

The General Fund comprises 74 percent of the total fund balance. Approximately \$9.3 million, or 92 percent of the General Fund's fund balance is unassigned.

The General Fund is the principal operating fund of the District. The fund balance increased \$560,700 in the General Fund to \$10.1 million as of fiscal year end. General Fund revenues increased \$1.5 million as a result of an increase in state equalization funding. General Fund expenditures increased \$3.0 million as a result of increased salaries and benefit costs.

The Title I Grants Fund's fund balance decreased to a deficit of \$203,959 at fiscal year as a result of timing of federal grant reimbursements. Title I Grants Fund revenues increased \$135,471 and expenditures increased \$323,665 due to increased grant funding.

**BUDGETARY HIGHLIGHTS**

Over the course of the year, the District revised the General Fund annual expenditure budget. The difference between the original budget and the final amended budget was a \$445,955 increase, or one percent.

Significant variances for the final amended budget and actual revenues resulted from the District not being required by the State of Arizona to prepare a revenue budget. A schedule showing the original and final budget amounts compared to the District's actual financial activity for the General Fund is provided in this report as required supplementary information. The significant favorable variance of \$5.3 in instruction was a result of budgeting to the maximum general budget limit to provide capacity in future years.

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2019**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** At year end, the District had invested \$84.4 million in capital assets, including school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. This amount represents a net increase prior to depreciation of \$1.4 million from the prior fiscal year. Total depreciation expense for the current fiscal year was \$2.0 million.

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2019 and June 30, 2018.

	As of June 30, 2019	As of June 30, 2018
Capital assets - non-depreciable	\$ 5,044,993	\$ 5,275,183
Capital assets - depreciable, net	31,832,631	32,211,106
Total	\$ 36,877,624	\$ 37,486,289

The estimated cost to complete current construction projects is \$2.0 million. Additional information on the District's capital assets can be found in Note 7.

**Debt Administration.** The District's general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds (up to 30 percent of the total net full cash assessed valuation) and the statutory debt limit on Class B bonds (the greater of 20 percent of the net full cash assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$41.7 million and the Class B debt limit is \$27.8 million. At fiscal year end, the District had no outstanding general obligation debt.

The District has \$4.1 million of obligations under leases outstanding at year end, \$374,319 due within one year. Additional information on the District's long-term debt can be found in Notes 9 and 10.

**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 2019-20 budget. Among them:

- Fiscal year 2018-19 budget balance carry forward (estimated \$2.6 million )
- District student population (estimated 5,587).

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2019**

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

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

Budgeted expenditures in the General Fund increased one percent to \$36.8 million in fiscal year 2019-20 for increased payroll and employee benefit costs. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2019-20 budget.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Business and Finance Department, Nogales Unified School District No. 1, 310 West Plum Street, Nogales, Arizona 85621.

## **BASIC FINANCIAL STATEMENTS**

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**GOVERNMENT-WIDE FINANCIAL STATEMENTS**



**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2019**

	Governmental Activities
<b><u>ASSETS</u></b>	
Current assets:	
Cash and investments	\$ 5,511,764
Property taxes receivable	559,166
Accounts receivable	4,649
Due from governmental entities	8,898,872
Prepaid items	480,615
Inventory	396,776
Total current assets	15,851,842
Noncurrent assets:	
Net other postemployment benefit assets	83,451
Capital assets not being depreciated	5,044,993
Capital assets, net of accumulated depreciation	31,832,631
Total noncurrent assets	36,961,075
<b>Total assets</b>	<b>52,812,917</b>
 <b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>	
Pension and other postemployment benefit plan items	5,224,032
 <b><u>LIABILITIES</u></b>	
Current liabilities:	
Accounts payable	416,282
Construction contracts payable	254,340
Accrued payroll and employee benefits	634,604
Compensated absences payable	610,000
Obligations under capital leases	374,319
Total current liabilities	2,289,545
Noncurrent liabilities:	
Non-current portion of long-term obligations	36,944,067
Total noncurrent liabilities	36,944,067
<b>Total liabilities</b>	<b>39,233,612</b>
 <b><u>DEFERRED INFLOWS OF RESOURCES</u></b>	
Pension and other postemployment benefit plan items	4,463,160
 <b><u>NET POSITION</u></b>	
Investment in capital assets	36,877,624
Restricted	3,889,022
Unrestricted	(26,426,469)
<b>Total net position</b>	<b>\$ 14,340,177</b>

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

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2019**

<b>Functions/Programs</b>	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental activities:</b>					
Instruction	\$ 24,872,368	\$ 1,303,927	\$ 3,101,660	\$ 1,075,396	\$ (19,391,385)
Support services - students and staff	5,229,905		2,005,318		(3,224,587)
Support services - administration	6,172,924	23,855	1,574,005		(4,575,064)
Operation and maintenance of plant services	5,790,573	19,859	315		(5,770,399)
Student transportation services	1,801,260	23,887	13,856		(1,763,517)
Operation of non-instructional services	3,977,145	363,154	3,570,255		(43,736)
Interest on long-term debt	247,052		247,052		
<b>Total governmental activities</b>	<u>\$ 48,091,227</u>	<u>\$ 1,734,682</u>	<u>\$ 10,512,461</u>	<u>\$ 1,075,396</u>	<u>\$ (34,768,688)</u>

**General revenues:**

Taxes:

Property taxes, levied for general purposes	6,389,627
Property taxes, levied for capital outlay	143,657
Investment income	78,440
Unrestricted county aid	970,551
Unrestricted state aid	29,482,856
Unrestricted federal aid	449,038
<b>Total general revenues</b>	<u>37,514,169</u>

**Changes in net position**

2,745,481

**Net position, beginning of year**

11,594,696

**Net position, end of year**

\$ 14,340,177

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

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**FUND FINANCIAL STATEMENTS**

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2019**

	General	Title I Grants	Non-Major Governmental Funds
<b><u>ASSETS</u></b>			
Cash and investments	\$ 2,434,504	\$	\$ 3,077,260
Property taxes receivable	547,356		11,810
Accounts receivable	2,524		2,125
Due from governmental entities	7,329,804	203,959	1,365,109
Due from other funds	290,660		
Prepaid items	480,615		
Inventory	323,837		72,939
<b>Total assets</b>	<b>\$ 11,409,300</b>	<b>\$ 203,959</b>	<b>\$ 4,529,243</b>
 <b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 213,370	\$ 26,472	\$ 176,440
Construction contracts payable			254,340
Due to other funds		157,431	133,229
Accrued payroll and employee benefits	538,336	20,056	76,212
<b>Total liabilities</b>	<b>751,706</b>	<b>203,959</b>	<b>640,221</b>
Deferred inflows of resources:			
Unavailable revenues - property taxes	509,547		10,913
Unavailable revenues - intergovernmental		203,959	45,338
<b>Total deferred inflows of resources</b>	<b>509,547</b>	<b>203,959</b>	<b>56,251</b>
Fund balances (deficits):			
Nonspendable	804,452		72,939
Restricted			3,805,170
Unassigned	9,343,595	(203,959)	(45,338)
<b>Total fund balances</b>	<b>10,148,047</b>	<b>(203,959)</b>	<b>3,832,771</b>
 <b>Total liabilities, deferred inflows of resources and fund balances</b>	 <b>\$ 11,409,300</b>	 <b>\$ 203,959</b>	 <b>\$ 4,529,243</b>

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

Total  
Governmental  
Funds

\$ 5,511,764  
559,166  
4,649  
8,898,872  
290,660  
480,615  
396,776  
\$ 16,142,502

\$ 416,282  
254,340  
290,660  
634,604  
1,595,886

520,460  
249,297  
769,757

877,391  
3,805,170  
9,094,298  
13,776,859

\$ 16,142,502

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**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2019**

<b>Total governmental fund balances</b>		<b>\$ 13,776,859</b>
<p>Amounts reported for <i>governmental activities</i> in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		
Governmental capital assets	\$ 84,429,972	
Less accumulated depreciation	<u>(47,552,348)</u>	36,877,624
<p>Some receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds.</p>		
Property taxes	520,460	
Intergovernmental	<u>249,297</u>	769,757
<p>Deferred outflows and inflows of resources related to pensions/OPEB are applicable to future periods and, therefore, are not reported in the funds.</p>		
Deferred outflows of resources related to pensions/OPEB	5,224,032	
Deferred inflows of resources related to pensions/OPEB	<u>(4,463,160)</u>	760,872
<p>The Net OPEB asset is not a current financial resource and, therefore, is not reported in the funds.</p>		
		83,451
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.</p>		
Compensated absences payable	(1,160,148)	
Obligations under capital leases	(4,117,513)	
Net OPEB liability	(121,953)	
Net pension liability	<u>(32,528,772)</u>	<u>(37,928,386)</u>
<b>Net position of governmental activities</b>		<b>\$ <u><u>14,340,177</u></u></b>

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



**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2019**

	General	Title I Grants	Non-Major Governmental Funds
<b>Revenues:</b>			
Other local	\$ 1,887,736	\$	\$ 1,185,208
Property taxes	6,432,728		132,744
State aid and grants	25,520,886		5,360,601
Federal aid, grants and reimbursements	449,038	2,447,251	7,222,637
<b>Total revenues</b>	34,290,388	2,447,251	13,901,190
<b>Expenditures:</b>			
Current -			
Instruction	17,792,039	1,549,803	4,620,832
Support services - students and staff	3,517,077	665,889	1,369,940
Support services - administration	4,732,613	200,399	1,252,591
Operation and maintenance of plant services	5,967,579		7,198
Student transportation services	1,452,118		15,862
Operation of non-instructional services	317,373		3,636,415
Capital outlay	79,902	104,666	2,782,341
Debt service -			
Principal retirement			374,319
Interest and fiscal charges			247,052
<b>Total expenditures</b>	33,858,701	2,520,757	14,306,550
<b>Excess (deficiency) of revenues over expenditures</b>	431,687	(73,506)	(405,360)
<b>Other financing sources (uses):</b>			
Transfers in	472,077		374,319
Transfers out	(374,319)	(130,453)	(341,624)
Insurance recoveries	4,261		
<b>Total other financing sources (uses)</b>	102,019	(130,453)	32,695
<b>Changes in fund balances</b>	533,706	(203,959)	(372,665)
<b>Fund balances, beginning of year</b>	9,587,347		4,173,737
Increase (decrease) in reserve for prepaid items	32,744		
Increase (decrease) in reserve for inventory	(5,750)		31,699
<b>Fund balances, end of year</b>	\$ 10,148,047	\$ (203,959)	\$ 3,832,771

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

Total  
Governmental  
Funds

\$ 3,072,944  
6,565,472  
30,881,487  
10,118,926  
50,638,829

23,962,674  
5,552,906  
6,185,603  
5,974,777  
1,467,980  
3,953,788  
2,966,909

374,319  
247,052  
50,686,008

(47,179)

846,396  
(846,396)  
4,261  
4,261

(42,918)

13,761,084

32,744  
25,949

\$ 13,776,859

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2019**

**Changes in fund balances - total governmental funds** **\$ (42,918)**

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

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

Expenditures for capitalized assets	\$ 1,423,800	
Less current year depreciation	<u>(2,032,465)</u>	(608,665)

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

Property taxes	(32,188)	
Intergovernmental	<u>225,806</u>	193,618

Repayments of capital lease principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		374,319
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Governmental funds report pension/OPEB contributions as expenditures. However, they are reported as deferred outflows of resources in the Statement of Net Position. The change in the net pension/OPEB liability, adjusted for deferred items, is reported as pension/OPEB expense in the Statement of Activities.

Current year pension/OPEB contributions	2,955,253	
Pension/OPEB expense	<u>(387,093)</u>	2,568,160

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

Prepaid items	32,744	
Inventory	25,949	
Compensated absences	<u>202,274</u>	<u>260,967</u>

**Changes in net position in governmental activities** **\$ 2,745,481**

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

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2019**

	Agency
<b><u>ASSETS</u></b>	
Cash and investments	\$ 3,037,902
<b>Total assets</b>	<b>\$ 3,037,902</b>
 <b><u>LIABILITIES</u></b>	
Deposits held for others	\$ 2,736,421
Due to student groups	301,481
<b>Total liabilities</b>	<b>\$ 3,037,902</b>

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

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**A. Reporting Entity**

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

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

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

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

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

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

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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 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.

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

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

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

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

The District reports the following major governmental funds:

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

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

Additionally, the District reports the following fund type:

Fiduciary Funds – The Fiduciary Funds are Agency Funds which account for resources held by the District on behalf of others and include monies raised by students to finance student clubs and organizations and voluntary employee deductions and payroll temporarily held by the District until distributed.

The agency funds are custodial in nature and do not have a measurement focus and are reported on the accrual basis of accounting and are reported by fund type.

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**D. Cash and Investments**

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

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

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

Statute does not include any requirements for credit risk, concentration of credit risk, interest rate risk, or foreign currency risk. Arizona statute requires a pooled collateral program for public deposits and a Statewide Collateral Pool Administrator (Administrator) in the State Treasurer's Office. The purpose of the pooled collateral program is to ensure that governmental entities' public deposits placed in participating depositories are secured with collateral of 102 percent of the public deposits, less any applicable 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.

**E. Investment Income**

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



**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**F. Receivables and Payables**

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

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

**G. Property Tax Calendar**

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

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

**H. Inventory**

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

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

**I. Prepaid Items**

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

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**J. Capital Assets**

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

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

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

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

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

**K. Deferred Outflows/Inflows of Resources**

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

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

**L. Compensated Absences**

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

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**M. Pensions and Other Postemployment Benefits**

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

**N. Long-term Obligations**

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

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

**O. Interfund Activity**

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

**P. Net Position Flow Assumption**

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

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Q. Estimates**

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

**NOTE 2 – FUND BALANCE CLASSIFICATIONS**

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

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

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

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

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

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 2 – FUND BALANCE CLASSIFICATIONS**

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

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

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

	General Fund	Title I Grants Fund	Non-Major Governmental Funds
Fund Balances:			
Nonspendable:			
Inventory	\$ 323,837	\$	\$ 72,939
Prepaid items	480,615		
Restricted:			
Capital projects			805,440
Voter approved initiatives			1,209,588
Federal and state projects			397,944
Food service			986,646
Civic center			30,492
Community school			59,440
Extracurricular activities			123,482
Gifts and donations			186,707
Other purposes			5,431
Unassigned	9,343,595	(203,959)	(45,338)
Total fund balances	\$ 10,148,047	\$ (203,959)	\$ 3,832,771

The July 1, 2018 fund balances of the General Fund and Non-Major Governmental Funds do not agree to the prior year financial statements due to the reclassification of certain funds.

	General Fund	Non-Major Governmental Funds
Fund balance, June 30, 2018, as previously reported	\$ 9,796,485	\$ 3,964,599
Reclassification of funds	(209,138)	209,138
Fund balance, July 1, 2018, as reclassified	\$ 9,587,347	\$ 4,173,737

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 3 – RESTRICTED NET POSITION**

The table below provides detail of the major components of the District’s restricted net position at year end.

	Governmental Activities
Restricted Net Position:	
Capital projects	\$ 816,353
Voter approved initiatives	1,209,588
Federal and state projects	397,944
Food service	1,059,585
Civic center	30,492
Community school	59,440
Extracurricular activities	123,482
Gifts and donations	186,707
Other purposes	5,431
Total	\$ 3,889,022

**NOTE 4 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

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

	Deficit
Major Fund:	
Title I Grants Fund	\$ 203,959
Non-Major Governmental Funds:	
Promote Informed Parent Choice	4,695
Special Education Grants	27,109
Vocational Education	9,695
Other Federal Projects	3,839

The deficits arose because of operations during the year and prior years and/or because of pending grant reimbursements. Additional revenues received in fiscal year 2019-20 are expected to eliminate the deficits.

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

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 5 – CASH AND INVESTMENTS**

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of bank failure the District’s deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the District’s deposits was \$654,421 and the bank balance was \$952,985. At year end, \$467,385 of the District’s deposits were covered by collateral held by the pledging financial institution’s trust department or agent but not in the District’s name.

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

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

The State Treasurer’s pools are external investment pools, the Local Government Investment Pool (Pool 5) and Local Government Investment Pool-Government (Pool 7), with no regulatory oversight. The pools as an investment company are not registered with the Securities and Exchange Commission. The activity and performance of the pools are reviewed monthly by the State Board of Investment. The fair value of each participant’s position in the State Treasurer investment pools approximates the value of the participant’s shares in the pool and the participants’ shares are not identified with specific investments. Participants in the pool are not required to categorize the value of shares in accordance with the fair value hierarchy.

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

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

	<u>Average Maturities</u>	<u>Fair Value</u>
County Treasurer’s investment pool	37 days	\$ 7,839,490
State Treasurer’s investment pool 5	33 days	55,755
		<u>\$ 7,895,245</u>

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

*Credit Risk.* The District has no investment policy that would further limit its investment choices. As of year end, the District’s investment in the County Treasurer’s investment pool did not receive a credit quality rating from a national rating agency. The State Treasurer’s investment pool 5 was rated AAf/S1+ by Standard and Poor’s at year end.

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

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 6 – RECEIVABLES**

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

	<u>General Fund</u>	<u>Title I Grants Fund</u>	<u>Non-Major Governmental Funds</u>
Due from other governmental entities:			
Due from federal government	\$ 35,463	\$ 203,959	\$ 234,987
Due from state government	7,294,341		1,070,421
Due from other districts			59,701
Net due from governmental entities	<u>\$ 7,329,804</u>	<u>\$ 203,959</u>	<u>\$ 1,365,109</u>

**NOTE 7 – CAPITAL ASSETS**

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

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 4,905,313	\$	\$	\$ 4,905,313
Construction in progress	<u>369,870</u>	<u>913,927</u>	<u>1,144,117</u>	<u>139,680</u>
Total capital assets, not being depreciated	<u>5,275,183</u>	<u>913,927</u>	<u>1,144,117</u>	<u>5,044,993</u>
Capital assets, being depreciated:				
Land improvements	1,602,650			1,602,650
Buildings and improvements	71,109,982	1,149,909		72,259,891
Vehicles, furniture and equipment	<u>5,075,728</u>	<u>504,081</u>	<u>57,371</u>	<u>5,522,438</u>
Total capital assets being depreciated	<u>77,788,360</u>	<u>1,653,990</u>	<u>57,371</u>	<u>79,384,979</u>
Less accumulated depreciation for:				
Land improvements	(1,109,595)	(61,250)		(1,170,845)
Buildings and improvements	(40,830,664)	(1,701,793)		(42,532,457)
Vehicles, furniture and equipment	<u>(3,636,995)</u>	<u>(269,422)</u>	<u>(57,371)</u>	<u>(3,849,046)</u>
Total accumulated depreciation	<u>(45,577,254)</u>	<u>(2,032,465)</u>	<u>(57,371)</u>	<u>(47,552,348)</u>
Total capital assets, being depreciated, net	<u>32,211,106</u>	<u>(378,475)</u>		<u>31,832,631</u>
Governmental activities capital assets, net	<u>\$ 37,486,289</u>	<u>\$ 535,452</u>	<u>\$ 1,144,117</u>	<u>\$ 36,877,624</u>



**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 7 – CAPITAL ASSETS**

Depreciation expense was charged to governmental functions as follows:

Instruction	\$1,831,312
Support services – administration	92,539
Operation and maintenance of plant services	44,335
Student transportation services	25,937
Operation of non-instructional services	38,342
Total depreciation expense – governmental activities	<u>\$2,032,465</u>

**Construction Commitments** – At year end, the District had contractual commitments related to various building improvements. At year end the District had spent \$139,680 on the projects and had estimated remaining contractual commitments of \$2.0 million. These projects are being funded by the School Facilities Board.

**NOTE 8 – SHORT TERM DEBT – REVOLVING LINE OF CREDIT**

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

**NOTE 9 – OBLIGATIONS UNDER LEASES**

**Capital Leases** – The District entered into a long-term lease agreement for the purchase of energy conservation upgrades. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of its future minimum lease payments as of the inception date. Revenues from the General Fund are transferred to the Energy and Water Savings Fund, a non-major governmental fund, to pay the capital lease obligation when due. The District receives a federal interest subsidy to fund the interest payments for the District-wide energy projects.

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

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 9 – OBLIGATIONS UNDER LEASES**

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

Year Ending June 30:	Governmental Activities
2020	\$ 621,371
2021	621,371
2022	621,371
2023	621,371
2024	621,371
2025-29	3,106,855
2030	436,066
Total minimum lease payments	6,649,776
Less: amount representing interest	2,532,263
Present value of minimum lease payments	\$ 4,117,513
Due within one year	\$ 374,319

**NOTE 10 – CHANGES IN LONG-TERM LIABILITIES**

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Obligations under capital leases	\$ 4,491,832	\$	\$ 374,319	\$ 4,117,513	\$ 374,319
Net OPEB liability	82,982	38,971		121,953	
Net pension liability	35,860,673		3,331,901	32,528,772	
Compensated absences payable	1,362,422	391,267	593,541	1,160,148	610,000
Governmental activity long-term liabilities	\$ 41,797,909	\$ 430,238	\$ 4,299,761	\$ 37,928,386	\$ 984,319

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 11 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

**Due to/from other fund** – At year end, the Title I Grants Fund, and several non-major governmental funds had negative cash balances of \$157,431 and \$133,229, respectively in the Treasurer’s pooled cash accounts. Negative cash on deposit with the County Treasurer was reduced by interfund borrowing with the General Fund. All interfund balances are expected to be paid within one year.

**Interfund transfers:**

	Transfers in		
	General	Non-Major Governmental	
Transfers out	Fund	Funds	Total
General Fund	\$	\$ 374,319	\$ 374,319
Title I Grants Fund	130,453		130,453
Non-Major Governmental Funds	341,624		341,624
Total	\$ 472,077	\$ 374,319	\$ 846,396

Transfers between funds were used to (1) to move federal grant funds restricted for indirect costs, (2) for the repayment of capital lease principal, and (3) to move cash balances remaining in discontinued funds.

**NOTE 12 – CONTINGENT LIABILITIES**

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

**NOTE 13 – RISK MANAGEMENT**

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

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

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 13 – RISK MANAGEMENT**

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

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

**NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

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

**Aggregate Amounts.** At June 30, 2019, the District reported the following aggregate amounts related to pensions and OPEB for all plans to which it contributes:

	Pension	OPEB
Net assets	\$	\$ (83,451)
Net liability	32,528,772	121,953
Deferred outflows of resources	4,876,661	347,371
Deferred inflows of resources	4,207,490	255,670
Expense	257,338	129,755
Contributions	2,799,977	155,276

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

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

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

\*With actuarially reduced benefits

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

Retired and disabled members, with at least five years of credited service, are eligible to receive health insurance premium benefits. 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.

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

Active members are eligible for a long-term disability benefit in the event they become unable to perform their work. The monthly benefit is equal to two-thirds of their 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 11.80 percent (11.64 percent for retirement and 0.16 percent for long-term disability) of the members’ annual covered payroll, and the District was required by statute to contribute at the actuarially determined rate of 11.80 percent (11.18 percent for retirement, 0.46 percent for health insurance premium benefit, and 0.16 percent for long-term disability) of the active members’ annual covered payroll. The District’s contributions for the year ended June 30, 2019 were as follows:

	Contributions
Pension	\$ 2,799,977
Health Insurance Premium	115,205
Long-Term Disability	40,071

Employers are also required to pay an Alternate Contribution Rate (ACR), for retired members who return to work in positions that would typically be filled by an employee who contributes to ASRS. The District was required by statute to contribute at the actuarially determined rate of 10.53 percent (10.41 for retirement, 0.06 percent for health insurance premium benefit, and 0.06 percent for long-term disability). ACR contributions are included in employer contributions presented above.

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

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

**Pension and OPEB Assets/Liability.** The net pension and OPEB assets/liability were measured as of June 30, 2018. 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, 2017, to the measurement date of June 30, 2018. The total liability as of June 30, 2018 reflects changes in actuarial assumptions based on the results of an actuarial experience study for the five-year period ended June 30, 2016, including decreasing the discount rate from 8.0 percent to 7.5 percent, changing the projected salary increases from 3-6.75 percent to 2.7-7.2 percent, decreasing the inflation rate from 3 percent to 2.3 percent, and changing the mortality rates. The District’s proportion of the net assets/liability was based on the District’s actual contributions to the applicable plan relative to the total of all participating employers’ contributions to the plan for the year ended June 30, 2018.

At June 30, 2019, the District reported the following amounts for its proportionate share of the ASRS plans net assets/liability. In addition, at June 30, 2018, the District’s percentage proportion for each plan and the related change from its proportion measured as of June 30, 2017 was:

	Net (Assets) Liability	District % Proportion	Increase (Decrease)
Pension	\$ 32,528,772	0.233	0.003
Health Insurance Premium	(83,451)	0.232	0.003
Long-Term Disability	121,953	0.233	0.004

**Pension/OPEB Expense and Deferred Outflows/Inflows of Resources.** The District has deferred outflows and inflows of resources related to the net pension and OPEB assets/liabilities. Certain changes in the net pension and OPEB assets/liability are recognized as pension and OPEB expense over a period of time rather than the year of occurrence. For the year ended June 30, 2019, the District recognized pension and OPEB expense as follows:

	Expense
Pension	\$ 257,338
Health Insurance Premium	85,438
Long-Term Disability	44,317

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

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

	Deferred Outflows of Resources		
	Pension	Health Insurance Premium	Long-Term Disability
Differences between expected and actual experience	\$ 896,141	\$	\$ 3,119
Changes of assumptions or other inputs	860,771	160,936	26,415
Changes in proportion and differences between contributions and proportionate share of contributions	319,772	62	1,563
Contributions subsequent to the measurement date	2,799,977	115,205	40,071
Total	\$ 4,876,661	\$ 276,203	\$ 71,168

	Deferred Inflows of Resources		
	Pension	Health Insurance Premium	Long-Term Disability
Differences between expected and actual experience	\$ 179,326	\$ 77,022	\$
Changes of assumptions or other inputs	2,884,122		
Net difference between projected and actual earnings on pension investments	782,240	166,706	11,812
Changes in proportion and differences between contributions and proportionate share of contributions	361,802	120	10
Total	\$ 4,207,490	\$ 243,848	\$ 11,822



**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

The amounts of deferred outflows of resources resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as an adjustment of the net pension and OPEB assets/liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized in pension and OPEB expense as follows:

Year ended June 30:	Pension	Health Insurance Premium	Long-Term Disability
2020	\$ 117,851	\$ (32,330)	\$ 574
2021	(711,253)	(32,331)	574
2022	(1,186,600)	(32,331)	574
2023	(350,804)	3,191	3,738
2024		10,951	4,318
Thereafter			9,497

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

	Pension	OPEB
Actuarial valuation date	June 30, 2017	June 30, 2017
Actuarial roll forward date	June 30, 2018	June 30, 2018
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return	7.5%	7.5%
Projected salary increases	2.7-7.2%	Not applicable
Inflation	2.3%	2.3%
Permanent base increases	Included	Not applicable
Mortality rates	2017 SRA Scale U-MP	Health Ins: 2017 SRA Scale U-MP, LTD: 2012 GLDT
Healthcare cost trend rate	Not applicable	Not applicable

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

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	50%	5.50%
Fixed income	30	3.83
Real estate	20	5.85
Total	<u>100%</u>	

**Discount Rate.** The discount rate used to measure the ASRS total pension and OPEB liability was 7.5 percent, which was a decrease of 0.5 from the discount rate used as of June 30, 2017. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board’s funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the plans’ fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total pension and OPEB liability.

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

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

	Proportionate share of the net (assets) liability		
		Current	
	1% Decrease	Discount Rate	1% Increase
Rate	6.5%	7.5%	8.5%
Pension	\$ 46,370,512	\$ 32,528,772	\$ 20,964,221
Health Insurance Premium	295,686	(83,451)	(406,400)
Long-Term Disability	138,206	121,953	106,182

**Pension and OPEB Plan Fiduciary Net Position.** Detailed information about the pension and OPEB plan’s fiduciary net position is available in the separately issued ASRS financial report. The report is available on the ASRS website at [www.azasrs.gov](http://www.azasrs.gov).

**REQUIRED SUPPLEMENTARY INFORMATION**

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**GENERAL**  
**YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Other local	\$	\$	\$ 1,510,941	\$ 1,510,941
Property taxes			6,432,728	6,432,728
State aid and grants			25,520,886	25,520,886
<b>Total revenues</b>			<u>33,464,555</u>	<u>33,464,555</u>
<b>Expenditures:</b>				
Current -				
Instruction	23,608,511	22,750,313	17,492,585	5,257,728
Support services - students and staff	2,659,208	2,659,208	3,397,161	(737,953)
Support services - administration	3,660,455	3,660,455	4,521,667	(861,212)
Operation and maintenance of plant services	5,737,303	5,737,303	5,919,769	(182,466)
Student transportation services		1,304,153	1,426,766	(122,613)
Operation of non-instructional services	244,433	244,433	287,982	(43,549)
<b>Total expenditures</b>	<u>35,909,910</u>	<u>36,355,865</u>	<u>33,045,930</u>	<u>3,309,935</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(35,909,910)</u>	<u>(36,355,865)</u>	<u>418,625</u>	<u>36,774,490</u>
<b>Other financing sources (uses):</b>				
Transfers in			1,384	1,384
Transfers out			(374,319)	(374,319)
<b>Total other financing sources (uses)</b>			<u>(372,935)</u>	<u>(372,935)</u>
<b>Changes in fund balances</b>	<u>(35,909,910)</u>	<u>(36,355,865)</u>	<u>45,690</u>	<u>36,401,555</u>
<b>Fund balances, beginning of year</b>			8,726,490	8,726,490
Increase (decrease) in reserve for prepaid items			32,744	32,744
Increase (decrease) in reserve for inventory			(5,750)	(5,750)
<b>Fund balances (deficits), end of year</b>	<u>\$ (35,909,910)</u>	<u>\$ (36,355,865)</u>	<u>\$ 8,799,174</u>	<u>\$ 45,155,039</u>

See accompanying notes to this schedule.

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
TITLE I GRANTS  
YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Federal aid, grants and reimbursements	\$	\$	\$ 2,447,251	\$ 2,447,251
<b>Total revenues</b>			<u>2,447,251</u>	<u>2,447,251</u>
<b>Expenditures:</b>				
Current -				
Instruction	1,283,455	1,784,197	1,549,803	234,394
Support services - students and staff	551,464	766,599	665,889	100,710
Support services - administration	165,959	230,708	200,399	30,309
Capital outlay	86,678	120,496	104,666	15,830
<b>Total expenditures</b>	<u>2,087,556</u>	<u>2,902,000</u>	<u>2,520,757</u>	<u>381,243</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(2,087,556)</u>	<u>(2,902,000)</u>	<u>(73,506)</u>	<u>2,828,494</u>
<b>Other financing sources (uses):</b>				
Transfers out			(130,453)	(130,453)
<b>Total other financing sources (uses)</b>			<u>(130,453)</u>	<u>(130,453)</u>
<b>Changes in fund balances</b>	<u>(2,087,556)</u>	<u>(2,902,000)</u>	<u>(203,959)</u>	<u>2,698,041</u>
<b>Fund balances, beginning of year</b>				
<b>Fund balances (deficits), end of year</b>	<u>\$ (2,087,556)</u>	<u>\$ (2,902,000)</u>	<u>\$ (203,959)</u>	<u>\$ 2,698,041</u>

See accompanying notes to this schedule.

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**ARIZONA STATE RETIREMENT SYSTEM**  
**LAST FIVE FISCAL YEARS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Measurement date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension (assets) liability	0.23%	0.23%	0.24%	0.24%	0.24%
District's proportionate share of the net pension (assets) liability	\$ 32,528,772	\$ 35,860,673	\$ 38,110,526	\$ 36,722,665	\$ 36,176,767
District's covered payroll	\$ 23,153,440	\$ 22,331,679	\$ 22,252,378	\$ 21,672,332	\$ 22,007,561
District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	140.49%	160.58%	171.26%	169.44%	164.38%
Plan fiduciary net position as a percentage of the total pension liability	73.40%	69.92%	67.06%	68.35%	69.49%

**SCHEDULE OF PENSION CONTRIBUTIONS**  
**ARIZONA STATE RETIREMENT SYSTEM**  
**LAST FIVE FISCAL YEARS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 2,799,977	\$ 2,523,725	\$ 2,407,355	\$ 2,414,383	\$ 2,360,117
Contributions in relation to the actuarially determined contribution	<u>2,799,977</u>	<u>2,523,725</u>	<u>2,407,355</u>	<u>2,414,383</u>	<u>2,360,117</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 25,044,517	\$ 23,153,440	\$ 22,331,679	\$ 22,252,378	\$ 21,672,332
Contributions as a percentage of covered payroll	11.18%	10.90%	10.78%	10.85%	10.89%

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

See accompanying notes to this schedule.

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY**  
**ARIZONA STATE RETIREMENT SYSTEM - HEALTH INSURANCE PREMIUM**  
**LAST TWO FISCAL YEARS**

	<u>2019</u>	<u>2018</u>
Measurement date	June 30, 2018	June 30, 2017
District's proportion of the net OPEB (assets) liability	0.23%	0.23%
District's proportionate share of the net OPEB (assets) liability	\$ (83,451)	\$ (124,515)
District's covered payroll	\$ 23,153,440	\$ 22,331,679
District's proportionate share of the net OPEB (assets) liability as a percentage of its covered payroll	(0.36)%	(0.56)%
Plan fiduciary net position as a percentage of the total OPEB liability	102.20%	103.57%

**SCHEDULE OF OPEB CONTRIBUTIONS**  
**ARIZONA STATE RETIREMENT SYSTEM - HEALTH INSURANCE PREMIUM**  
**LAST TWO FISCAL YEARS**

	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 115,205	\$ 101,875
Contributions in relation to the actuarially determined contribution	<u>115,205</u>	<u>101,875</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 25,044,517	\$ 23,153,440
Contributions as a percentage of covered payroll	0.46%	0.44%

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

See accompanying notes to this schedule.



**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY**  
**ARIZONA STATE RETIREMENT SYSTEM - LONG-TERM DISABILITY**  
**LAST TWO FISCAL YEARS**

	<u>2019</u>	<u>2018</u>
Measurement date	June 30, 2018	June 30, 2017
District's proportion of the net OPEB (assets) liability	0.23%	0.23%
District's proportionate share of the net OPEB (assets) liability	\$ 121,953	\$ 82,982
District's covered payroll	\$ 23,153,440	\$ 22,331,679
District's proportionate share of the net OPEB (assets) liability as a percentage of its covered payroll	0.53%	0.37%
Plan fiduciary net position as a percentage of the total OPEB liability	77.83%	84.44%

**SCHEDULE OF OPEB CONTRIBUTIONS**  
**ARIZONA STATE RETIREMENT SYSTEM - LONG-TERM DISABILITY**  
**LAST TWO FISCAL YEARS**

	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 40,071	\$ 37,046
Contributions in relation to the actuarially determined contribution	<u>40,071</u>	<u>37,046</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 25,044,517	\$ 23,153,440
Contributions as a percentage of covered payroll	0.16%	0.16%

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

See accompanying notes to this schedule.

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2019**

**NOTE 1 – BUDGETARY BASIS OF ACCOUNTING**

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

- Certain activities reported in the General Fund are budgeted in separate funds in accordance with Arizona Revised Statutes.

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

	Total Expenditures	Fund Balances End of Year
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	\$ 33,858,701	\$ 10,148,047
Activity budgeted as special revenue funds	(812,771)	(1,348,873)
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	\$ 33,045,930	\$ 8,799,174

**NOTE 2 – PENSION AND OPEB PLAN SCHEDULES**

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

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

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

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**GOVERNMENTAL FUNDS**

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE**  
**JUNE 30, 2019**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 2,348,743	\$ 728,517	\$ 3,077,260
Property taxes receivable		11,810	11,810
Accounts receivable	2,125		2,125
Due from governmental entities	1,034,743	330,366	1,365,109
Inventory	72,939		72,939
<b>Total assets</b>	<b><u>\$ 3,458,550</u></b>	<b><u>\$ 1,070,693</u></b>	<b><u>\$ 4,529,243</u></b>
 <b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 176,440	\$	\$ 176,440
Construction contracts payable		254,340	254,340
Due to other funds	133,229		133,229
Accrued payroll and employee benefits	76,212		76,212
<b>Total liabilities</b>	<b><u>385,881</u></b>	<b><u>254,340</u></b>	<b><u>640,221</u></b>
Deferred inflows of resources:			
Unavailable revenues - property taxes		10,913	10,913
Unavailable revenues - intergovernmental	45,338		45,338
<b>Total deferred inflows of resources</b>	<b><u>45,338</u></b>	<b><u>10,913</u></b>	<b><u>56,251</u></b>
Fund balances (deficits):			
Nonspendable	72,939		72,939
Restricted	2,999,730	805,440	3,805,170
Unassigned	(45,338)		(45,338)
<b>Total fund balances</b>	<b><u>3,027,331</u></b>	<b><u>805,440</u></b>	<b><u>3,832,771</u></b>
 <b>Total liabilities, deferred inflows of resources and fund balances</b>	 <b><u>\$ 3,458,550</u></b>	 <b><u>\$ 1,070,693</u></b>	 <b><u>\$ 4,529,243</u></b>

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE**  
**YEAR ENDED JUNE 30, 2019**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
<b>Revenues:</b>			
Other local	\$ 1,163,439	\$ 21,769	\$ 1,185,208
Property taxes		132,744	132,744
State aid and grants	4,053,410	1,307,191	5,360,601
Federal aid, grants and reimbursements	6,975,585	247,052	7,222,637
<b>Total revenues</b>	<u>12,192,434</u>	<u>1,708,756</u>	<u>13,901,190</u>
<b>Expenditures:</b>			
Current -			
Instruction	4,620,832		4,620,832
Support services - students and staff	1,369,940		1,369,940
Support services - administration	1,252,591		1,252,591
Operation and maintenance of plant services	7,198		7,198
Student transportation services	15,862		15,862
Operation of non-instructional services	3,636,415		3,636,415
Capital outlay	836,551	1,945,790	2,782,341
Debt service -			
Principal retirement		374,319	374,319
Interest and fiscal charges		247,052	247,052
<b>Total expenditures</b>	<u>11,739,389</u>	<u>2,567,161</u>	<u>14,306,550</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>453,045</u>	<u>(858,405)</u>	<u>(405,360)</u>
<b>Other financing sources (uses):</b>			
Transfers in		374,319	374,319
Transfers out	(340,240)	(1,384)	(341,624)
<b>Total other financing sources (uses)</b>	<u>(340,240)</u>	<u>372,935</u>	<u>32,695</u>
<b>Changes in fund balances</b>	<u>112,805</u>	<u>(485,470)</u>	<u>(372,665)</u>
<b>Fund balances, beginning of year</b>	2,882,827	1,290,910	4,173,737
Increase (decrease) in reserve for inventory	31,699		31,699
<b>Fund balances, end of year</b>	<u>\$ 3,027,331</u>	<u>\$ 805,440</u>	<u>\$ 3,832,771</u>



## SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

**E-Rate** - to account for financial resources received for broadband internet and telecommunications costs.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2019**

	Classroom Site	Instructional Improvement	Promote Informed Parent Choice
<b><u>ASSETS</u></b>			
Cash and investments	\$ 392,769	\$ 216,121	\$
Accounts receivable			
Due from governmental entities	487,813	112,885	4,695
Inventory			
<b>Total assets</b>	<b>\$ 880,582</b>	<b>\$ 329,006</b>	<b>\$ 4,695</b>
 <b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			4,695
Accrued payroll and employee benefits			
<b>Total liabilities</b>			4,695
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			4,695
Fund balances (deficits):			
Nonspendable			
Restricted	880,582	329,006	
Unassigned			(4,695)
<b>Total fund balances</b>	<b>880,582</b>	<b>329,006</b>	<b>(4,695)</b>
 <b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 880,582</b>	<b>\$ 329,006</b>	<b>\$ 4,695</b>

<u>Limited English &amp; Immigrant Students</u>	<u>Special Education Grants</u>	<u>Vocational Education</u>	<u>E-Rate</u>	<u>Other Federal Projects</u>	<u>College Credit Exam Incentives</u>
\$	\$	\$	\$ 173,214	\$	\$ 17,859
4,849	27,109	35,707	51,361	35,018	
<u>\$ 4,849</u>	<u>\$ 27,109</u>	<u>\$ 35,707</u>	<u>\$ 224,575</u>	<u>\$ 35,018</u>	<u>\$ 17,859</u>
\$	\$	\$	\$	\$	\$
4,849	27,109	31,706		9,839	
		4,001		25,179	
<u>4,849</u>	<u>27,109</u>	<u>35,707</u>		<u>35,018</u>	
	<u>27,109</u>	<u>9,695</u>		<u>3,839</u>	
			224,575		17,859
	<u>(27,109)</u>	<u>(9,695)</u>		<u>(3,839)</u>	
	<u>(27,109)</u>	<u>(9,695)</u>	<u>224,575</u>	<u>(3,839)</u>	<u>17,859</u>
<u>\$ 4,849</u>	<u>\$ 27,109</u>	<u>\$ 35,707</u>	<u>\$ 224,575</u>	<u>\$ 35,018</u>	<u>\$ 17,859</u>

(Continued)

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2019**

	Results-based Funding	Other State Projects	Food Service
<b><u>ASSETS</u></b>			
Cash and investments	\$ 97,242	\$ 32,954	\$ 976,838
Accounts receivable			
Due from governmental entities		139,357	76,248
Inventory			72,939
<b>Total assets</b>	<b>\$ 97,242</b>	<b>\$ 172,311</b>	<b>\$ 1,126,025</b>
 <b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$	\$ 110,000	\$ 66,440
Due to other funds			
Accrued payroll and employee benefits		4,043	
<b>Total liabilities</b>		<b>114,043</b>	<b>66,440</b>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Fund balances (deficits):			
Nonspendable			72,939
Restricted	97,242	58,268	986,646
Unassigned			
<b>Total fund balances</b>	<b>97,242</b>	<b>58,268</b>	<b>1,059,585</b>
 <b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 97,242</b>	<b>\$ 172,311</b>	<b>\$ 1,126,025</b>

<u>Civic Center</u>	<u>Community School</u>	<u>Extracurricular Activities Fees Tax Credit</u>	<u>Gifts and Donations</u>	<u>Fingerprint</u>	<u>Textbooks</u>
\$ 30,492	\$ 101,229	\$ 123,482	\$ 184,582 2,125	\$ 1,396	\$ 100
<u>\$ 30,492</u>	<u>\$ 101,229</u>	<u>\$ 123,482</u>	<u>\$ 186,707</u>	<u>\$ 1,396</u>	<u>\$ 100</u>
\$	\$	\$	\$	\$	\$
	41,789				
	<u>41,789</u>				
30,492	59,440	123,482	186,707	1,396	100
<u>30,492</u>	<u>59,440</u>	<u>123,482</u>	<u>186,707</u>	<u>1,396</u>	<u>100</u>
<u>\$ 30,492</u>	<u>\$ 101,229</u>	<u>\$ 123,482</u>	<u>\$ 186,707</u>	<u>\$ 1,396</u>	<u>\$ 100</u>

(Continued)

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2019**

	<u>Insurance Refund</u>	<u>Career Technical Education</u>	<u>Totals</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 465	\$	\$ 2,348,743
Accounts receivable			2,125
Due from governmental entities		59,701	1,034,743
Inventory			72,939
<b>Total assets</b>	<b>\$ 465</b>	<b>\$ 59,701</b>	<b>\$ 3,458,550</b>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$	\$	\$ 176,440
Due to other funds		55,031	133,229
Accrued payroll and employee benefits		1,200	76,212
<b>Total liabilities</b>	<b>\$</b>	<b>\$ 56,231</b>	<b>\$ 385,881</b>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			45,338
Fund balances (deficits):			
Nonspendable			72,939
Restricted	465	3,470	2,999,730
Unassigned			(45,338)
<b>Total fund balances</b>	<b>465</b>	<b>3,470</b>	<b>3,027,331</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 465</b>	<b>\$ 59,701</b>	<b>\$ 3,458,550</b>

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**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2019**

	Classroom Site	Instructional Improvement	Promote Informed Parent Choice
<b>Revenues:</b>			
Other local	\$ 9,541	\$ 2,110	\$
State aid and grants	2,926,820	253,721	
Federal aid, grants and reimbursements			245,401
<b>Total revenues</b>	<b>2,936,361</b>	<b>255,831</b>	<b>245,401</b>
<b>Expenditures:</b>			
Current -			
Instruction	2,926,418	223,309	209,300
Support services - students and staff	38,776	1,610	5,885
Support services - administration			22,571
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<b>2,965,194</b>	<b>224,919</b>	<b>237,756</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(28,833)</b>	<b>30,912</b>	<b>7,645</b>
<b>Other financing sources (uses):</b>			
Transfers out			(12,340)
<b>Total other financing sources (uses)</b>	<b></b>	<b></b>	<b>(12,340)</b>
<b>Changes in fund balances</b>	<b>(28,833)</b>	<b>30,912</b>	<b>(4,695)</b>
<b>Fund balances (deficits), beginning of year</b>	<b>909,415</b>	<b>298,094</b>	
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<b>\$ 880,582</b>	<b>\$ 329,006</b>	<b>\$ (4,695)</b>

Limited English & Immigrant Students	Special Education Grants	Vocational Education	E-Rate	Other Federal Projects	State Vocational Education
\$	\$	\$	\$	\$	\$
258,297	1,065,040	364,431	1,271,984	200,177	194,727
<u>258,297</u>	<u>1,065,040</u>	<u>364,431</u>	<u>1,271,984</u>	<u>200,177</u>	<u>194,727</u>
98,381	231,887	267,679		42,924	27,984
114,317	735,163	45,765		103,969	137,641
	6,638	5,975	1,133,103	37,287	9,976
			450		308
	4,203	4,310			5,023
33,453	60,670	75,954	24,184	10,740	13,795
<u>246,151</u>	<u>1,038,561</u>	<u>399,683</u>	<u>1,157,737</u>	<u>194,920</u>	<u>194,727</u>
12,146	26,479	(35,252)	114,247	5,257	
(12,146)	(53,588)	(3,070)		(9,096)	
<u>(12,146)</u>	<u>(53,588)</u>	<u>(3,070)</u>		<u>(9,096)</u>	
	(27,109)	(38,322)	114,247	(3,839)	
		28,627	110,328		
<u>\$</u>	<u>\$ (27,109)</u>	<u>\$ (9,695)</u>	<u>\$ 224,575</u>	<u>\$ (3,839)</u>	<u>\$</u>

(Continued)

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2019**

	Gifted	College Credit Exam Incentives	Results-based Funding
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants	4,281	13,901	299,610
Federal aid, grants and reimbursements			
<b>Total revenues</b>	4,281	13,901	299,610
<b>Expenditures:</b>			
Current -			
Instruction	1,977	5,942	249,592
Support services - students and staff	1,536		20,865
Support services - administration	768		11,437
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			24,965
<b>Total expenditures</b>	4,281	5,942	306,859
<b>Excess (deficiency) of revenues over expenditures</b>		7,959	(7,249)
<b>Other financing sources (uses):</b>			
Transfers out			
<b>Total other financing sources (uses)</b>			
<b>Changes in fund balances</b>		7,959	(7,249)
<b>Fund balances (deficits), beginning of year</b>		9,900	104,491
Increase (decrease) in reserve for inventory			
<b>Fund balances, end of year</b>	\$	\$ 17,859	\$ 97,242

Other State Projects	Food Service	Civic Center	Community School	Extracurricular Activities Fees Tax Credit	Gifts and Donations
\$ 360,350	\$ 375,225	\$ 12,691	\$ 67,593	\$ 41,609	\$ 253,133
	3,570,255				
<u>360,350</u>	<u>3,945,480</u>	<u>12,691</u>	<u>67,593</u>	<u>41,609</u>	<u>253,133</u>
57,856			108,686	46,939	98,326
128,012			1,225		30,005
			4,186		17,447
		6,440			2,326
	3,636,415				
151,514	73,877		4,030		25,977
<u>337,382</u>	<u>3,710,292</u>	<u>6,440</u>	<u>118,127</u>	<u>46,939</u>	<u>174,081</u>
<u>22,968</u>	<u>235,188</u>	<u>6,251</u>	<u>(50,534)</u>	<u>(5,330)</u>	<u>79,052</u>
	(250,000)				
	<u>(250,000)</u>				
<u>22,968</u>	<u>(14,812)</u>	<u>6,251</u>	<u>(50,534)</u>	<u>(5,330)</u>	<u>79,052</u>
35,300	1,042,698	24,241	109,974	128,812	107,655
	31,699				
<u>\$ 58,268</u>	<u>\$ 1,059,585</u>	<u>\$ 30,492</u>	<u>\$ 59,440</u>	<u>\$ 123,482</u>	<u>\$ 186,707</u>

(Continued)

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2019**

	Fingerprint	Textbooks	Insurance Refund
<b>Revenues:</b>			
Other local	\$ 12	\$	\$ 2,252
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>	12		2,252
<b>Expenditures:</b>			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			3,203
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>			3,203
<b>Excess (deficiency) of revenues over expenditures</b>	12		(951)
<b>Other financing sources (uses):</b>			
Transfers out			
<b>Total other financing sources (uses)</b>			
<b>Changes in fund balances</b>	12		(951)
<b>Fund balances (deficits), beginning of year</b>	1,384	100	1,416
Increase (decrease) in reserve for inventory			
<b>Fund balances, end of year</b>	\$ 1,396	\$ 100	\$ 465

Career Technical Education	Totals
\$ 399,273	\$ 1,163,439
	4,053,410
	6,975,585
<u>399,273</u>	<u>12,192,434</u>
23,632	4,620,832
5,171	1,369,940
	1,252,591
	7,198
	15,862
	3,636,415
337,392	836,551
<u>366,195</u>	<u>11,739,389</u>
<u>33,078</u>	<u>453,045</u>
	(340,240)
	<u>(340,240)</u>
33,078	112,805
(29,608)	2,882,827
	31,699
<u>\$ 3,470</u>	<u>\$ 3,027,331</u>

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2019**

	Classroom Site		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$ 9,541	\$ 9,541
State aid and grants		2,926,820	2,926,820
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>2,936,361</u>	<u>2,936,361</u>
<b>Expenditures:</b>			
Current -			
Instruction	3,681,937	2,926,418	755,519
Support services - students and staff	109,431	38,776	70,655
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>3,791,368</u>	<u>2,965,194</u>	<u>826,174</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(3,791,368)</u>	<u>(28,833)</u>	<u>3,762,535</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
Insurance recoveries			
<b>Total other financing sources (uses)</b>			
<b>Changes in fund balances</b>	<u>(3,791,368)</u>	<u>(28,833)</u>	<u>3,762,535</u>
<b>Fund balances (deficits), beginning of year</b>		909,415	909,415
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (3,791,368)</u>	<u>\$ 880,582</u>	<u>\$ 4,671,950</u>

Instructional Improvement			Promote Informed Parent Choice		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 2,110	\$ 2,110	\$	\$	\$
	253,721	253,721			
	<u>255,831</u>	<u>255,831</u>		<u>245,401</u>	<u>245,401</u>
				<u>245,401</u>	<u>245,401</u>
234,559	223,309	11,250	234,164	209,300	24,864
1,691	1,610	81	6,584	5,885	699
			25,252	22,571	2,681
<u>236,250</u>	<u>224,919</u>	<u>11,331</u>	<u>266,000</u>	<u>237,756</u>	<u>28,244</u>
<u>(236,250)</u>	<u>30,912</u>	<u>267,162</u>	<u>(266,000)</u>	<u>7,645</u>	<u>273,645</u>
				(12,340)	(12,340)
				<u>(12,340)</u>	<u>(12,340)</u>
<u>(236,250)</u>	<u>30,912</u>	<u>267,162</u>	<u>(266,000)</u>	<u>(4,695)</u>	<u>261,305</u>
	298,094	298,094			
<u>\$ (236,250)</u>	<u>\$ 329,006</u>	<u>\$ 565,256</u>	<u>\$ (266,000)</u>	<u>\$ (4,695)</u>	<u>\$ 261,305</u>

(Continued)



**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2019**

	Limited English & Immigrant Students		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		258,297	258,297
<b>Total revenues</b>		258,297	258,297
<b>Expenditures:</b>			
Current -			
Instruction	108,713	98,381	10,332
Support services - students and staff	126,321	114,317	12,004
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	36,966	33,453	3,513
<b>Total expenditures</b>	272,000	246,151	25,849
<b>Excess (deficiency) of revenues over expenditures</b>	(272,000)	12,146	284,146
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out		(12,146)	(12,146)
Insurance recoveries			
<b>Total other financing sources (uses)</b>		(12,146)	(12,146)
<b>Changes in fund balances</b>	(272,000)		272,000
<b>Fund balances (deficits), beginning of year</b>			
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	\$ (272,000)	\$	\$ 272,000

Special Education Grants			Vocational Education		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	1,065,040	1,065,040		364,431	364,431
	1,065,040	1,065,040		364,431	364,431
274,631	231,887	42,744	223,020	267,679	(44,659)
870,676	735,163	135,513	38,130	45,765	(7,635)
7,862	6,638	1,224	4,978	5,975	(997)
4,978	4,203	775	3,591	4,310	(719)
71,853	60,670	11,183	63,281	75,954	(12,673)
1,230,000	1,038,561	191,439	333,000	399,683	(66,683)
(1,230,000)	26,479	1,256,479	(333,000)	(35,252)	297,748
	(53,588)	(53,588)		(3,070)	(3,070)
	(53,588)	(53,588)		(3,070)	(3,070)
(1,230,000)	(27,109)	1,202,891	(333,000)	(38,322)	294,678
				28,627	28,627
\$ (1,230,000)	\$ (27,109)	\$ 1,202,891	\$ (333,000)	\$ (9,695)	\$ 323,305

(Continued)

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2019**

	Medicaid Reimbursement		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 3,736	\$ 3,736
State aid and grants			
Federal aid, grants and reimbursements		329,165	329,165
<b>Total revenues</b>		<u>332,901</u>	<u>332,901</u>
<b>Expenditures:</b>			
Current -			
Instruction	46,040	19,605	26,435
Support services - students and staff			
Support services - administration	399	170	229
Operation and maintenance of plant services	17,613	7,500	10,113
Student transportation services			
Operation of non-instructional services			
Capital outlay	185,948	79,181	106,767
<b>Total expenditures</b>	<u>250,000</u>	<u>106,456</u>	<u>143,544</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(250,000)</u>	<u>226,445</u>	<u>476,445</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
Insurance recoveries			
<b>Total other financing sources (uses)</b>			
<b>Changes in fund balances</b>	<u>(250,000)</u>	<u>226,445</u>	<u>476,445</u>
<b>Fund balances (deficits), beginning of year</b>		436,356	436,356
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (250,000)</u>	<u>\$ 662,801</u>	<u>\$ 912,801</u>

National Forest Fees			E-Rate		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	119,873	119,873		1,271,984	1,271,984
	119,873	119,873		1,271,984	1,271,984
10,000	2,446	7,554	195,071	1,133,103	(938,032)
			77	450	(373)
			4,852	24,184	(19,332)
10,000	2,446	7,554	200,000	1,157,737	(957,737)
(10,000)	117,427	127,427	(200,000)	114,247	314,247
(10,000)	117,427	127,427	(200,000)	114,247	314,247
	83,585	83,585		110,328	110,328
\$ (10,000)	\$ 201,012	\$ 211,012	\$ (200,000)	\$ 224,575	\$ 424,575

(Continued)

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2019**

	Other Federal Projects		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		200,177	200,177
<b>Total revenues</b>		200,177	200,177
<b>Expenditures:</b>			
Current -			
Instruction	50,018	42,924	7,094
Support services - students and staff	196,563	103,969	92,594
Support services - administration	74,081	37,287	36,794
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	21,338	10,740	10,598
<b>Total expenditures</b>	342,000	194,920	147,080
<b>Excess (deficiency) of revenues over expenditures</b>	(342,000)	5,257	347,257
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out		(9,096)	(9,096)
Insurance recoveries			
<b>Total other financing sources (uses)</b>		(9,096)	(9,096)
<b>Changes in fund balances</b>	(342,000)	(3,839)	338,161
<b>Fund balances (deficits), beginning of year</b>			
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	\$ (342,000)	\$ (3,839)	\$ 338,161

State Vocational Education			Gifted		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 194,727	\$ 194,727	\$	\$ 4,281	\$ 4,281
	<u>194,727</u>	<u>194,727</u>		<u>4,281</u>	<u>4,281</u>
9,485	27,984	(18,499)	3,048	1,977	1,071
46,651	137,641	(90,990)	2,368	1,536	832
3,381	9,976	(6,595)	1,184	768	416
104	308	(204)			
1,702	5,023	(3,321)			
<u>4,677</u>	<u>13,795</u>	<u>(9,118)</u>			
<u>66,000</u>	<u>194,727</u>	<u>(128,727)</u>	<u>6,600</u>	<u>4,281</u>	<u>2,319</u>
<u>(66,000)</u>		<u>66,000</u>	<u>(6,600)</u>		<u>6,600</u>
<u>(66,000)</u>		<u>66,000</u>	<u>(6,600)</u>		<u>6,600</u>
<u>\$ (66,000)</u>	<u>\$</u>	<u>\$ 66,000</u>	<u>\$ (6,600)</u>	<u>\$</u>	<u>\$ 6,600</u>

(Continued)

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2019**

	College Credit Exam Incentives		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants		13,901	13,901
Federal aid, grants and reimbursements			
<b>Total revenues</b>		13,901	13,901
<b>Expenditures:</b>			
Current -			
Instruction	10,000	5,942	4,058
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	10,000	5,942	4,058
<b>Excess (deficiency) of revenues over expenditures</b>	(10,000)	7,959	17,959
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
Insurance recoveries			
<b>Total other financing sources (uses)</b>			
<b>Changes in fund balances</b>	(10,000)	7,959	17,959
<b>Fund balances (deficits), beginning of year</b>		9,900	9,900
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	\$ (10,000)	\$ 17,859	\$ 27,859

Results-based Funding			Rural Assistance		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	299,610	299,610			
	<u>299,610</u>	<u>299,610</u>			
329,419	249,592	79,827			
27,538	20,865	6,673			
15,094	11,437	3,657			
<u>32,949</u>	<u>24,965</u>	<u>7,984</u>			
<u>405,000</u>	<u>306,859</u>	<u>98,141</u>			
<u>(405,000)</u>	<u>(7,249)</u>	<u>397,751</u>			
<u>(405,000)</u>	<u>(7,249)</u>	<u>397,751</u>			
	104,491	104,491		62,392	62,392
<u>\$ (405,000)</u>	<u>\$ 97,242</u>	<u>\$ 502,242</u>	<u>\$</u>	<u>\$ 62,392</u>	<u>\$ 62,392</u>

(Continued)



**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2019**

	Other State Projects		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants		360,350	360,350
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>360,350</u>	<u>360,350</u>
<b>Expenditures:</b>			
Current -			
Instruction	94,317	57,856	36,461
Support services - students and staff	208,685	128,012	80,673
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	<u>246,998</u>	<u>151,514</u>	<u>95,484</u>
<b>Total expenditures</b>	<u>550,000</u>	<u>337,382</u>	<u>212,618</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(550,000)</u>	<u>22,968</u>	<u>572,968</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
Insurance recoveries			
<b>Total other financing sources (uses)</b>			
<b>Changes in fund balances</b>	<u>(550,000)</u>	<u>22,968</u>	<u>572,968</u>
<b>Fund balances (deficits), beginning of year</b>		35,300	35,300
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (550,000)</u>	<u>\$ 58,268</u>	<u>\$ 608,268</u>

School Plant			Food Service		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 3,193	\$ 3,193	\$	\$ 375,225	\$ 375,225
	<u>3,193</u>	<u>3,193</u>		<u>3,570,255</u>	<u>3,570,255</u>
	<u>3,193</u>	<u>3,193</u>		<u>3,945,480</u>	<u>3,945,480</u>
10,500		10,500			
			3,920,355	3,636,415	283,940
			79,645	73,877	5,768
<u>10,500</u>		<u>10,500</u>	<u>4,000,000</u>	<u>3,710,292</u>	<u>289,708</u>
<u>(10,500)</u>	<u>3,193</u>	<u>13,693</u>	<u>(4,000,000)</u>	<u>235,188</u>	<u>4,235,188</u>
				(250,000)	(250,000)
				<u>(250,000)</u>	<u>(250,000)</u>
<u>(10,500)</u>	<u>3,193</u>	<u>13,693</u>	<u>(4,000,000)</u>	<u>(14,812)</u>	<u>3,985,188</u>
	30,052	30,052		1,042,698	1,042,698
				31,699	31,699
<u>\$ (10,500)</u>	<u>\$ 33,245</u>	<u>\$ 43,745</u>	<u>\$ (4,000,000)</u>	<u>\$ 1,059,585</u>	<u>\$ 5,059,585</u>

(Continued)

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2019**

	Civic Center		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 12,691	\$ 12,691
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>	25,000	12,691	12,691
<b>Expenditures:</b>			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services	25,000	6,440	18,560
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	25,000	6,440	18,560
<b>Excess (deficiency) of revenues over expenditures</b>	(25,000)	6,251	31,251
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
Insurance recoveries			
<b>Total other financing sources (uses)</b>			
<b>Changes in fund balances</b>	(25,000)	6,251	31,251
<b>Fund balances (deficits), beginning of year</b>		24,241	24,241
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	\$ (25,000)	\$ 30,492	\$ 55,492

Community School			Auxiliary Operations		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 67,593	\$ 67,593	\$	\$ 289,735	\$ 289,735
	<u>67,593</u>	<u>67,593</u>		<u>289,735</u>	<u>289,735</u>
110,410	108,686	1,724	500,000	254,325	245,675
1,244	1,225	19		8	(8)
4,252	4,186	66			
<u>4,094</u>	<u>4,030</u>	<u>64</u>	<u>500,000</u>	<u>254,333</u>	<u>245,667</u>
<u>120,000</u>	<u>118,127</u>	<u>1,873</u>	<u>500,000</u>	<u>254,333</u>	<u>245,667</u>
<u>(120,000)</u>	<u>(50,534)</u>	<u>69,466</u>	<u>(500,000)</u>	<u>35,402</u>	<u>535,402</u>
<u>(120,000)</u>	<u>(50,534)</u>	<u>69,466</u>	<u>(500,000)</u>	<u>35,402</u>	<u>535,402</u>
	109,974	109,974		173,916	173,916
<u>\$ (120,000)</u>	<u>\$ 59,440</u>	<u>\$ 179,440</u>	<u>\$ (500,000)</u>	<u>\$ 209,318</u>	<u>\$ 709,318</u>

(Continued)

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2019**

	Extracurricular Activities Fees Tax Credit		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 41,609	\$ 41,609
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>		41,609	41,609
<b>Expenditures:</b>			
Current -			
Instruction	100,000	46,939	53,061
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	100,000	46,939	53,061
<b>Excess (deficiency) of revenues over expenditures</b>	(100,000)	(5,330)	94,670
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
Insurance recoveries			
<b>Total other financing sources (uses)</b>			
<b>Changes in fund balances</b>	(100,000)	(5,330)	94,670
<b>Fund balances (deficits), beginning of year</b>		128,812	128,812
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	\$ (100,000)	\$ 123,482	\$ 223,482

Gifts and Donations			Fingerprint		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 253,133	\$ 253,133	\$	\$ 12	\$ 12
	<u>253,133</u>	<u>253,133</u>		<u>12</u>	<u>12</u>
84,724	98,326	(13,602)			
25,854	30,005	(4,151)			
15,034	17,447	(2,413)			
2,004	2,326	(322)			
<u>22,384</u>	<u>25,977</u>	<u>(3,593)</u>			
<u>150,000</u>	<u>174,081</u>	<u>(24,081)</u>			
<u>(150,000)</u>	<u>79,052</u>	<u>229,052</u>		<u>12</u>	<u>12</u>
<u>(150,000)</u>	<u>79,052</u>	<u>229,052</u>		<u>12</u>	<u>12</u>
	107,655	107,655		1,384	1,384
<u>\$ (150,000)</u>	<u>\$ 186,707</u>	<u>\$ 336,707</u>	<u>\$</u>	<u>\$ 1,396</u>	<u>\$ 1,396</u>

(Continued)

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2019**

	Insurance Proceeds		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 82	\$ 82
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>82</u>	<u>82</u>
<b>Expenditures:</b>			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services	15,000	152	14,848
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>15,000</u>	<u>152</u>	<u>14,848</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(15,000)</u>	<u>(70)</u>	<u>14,930</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
Insurance recoveries		4,261	4,261
<b>Total other financing sources (uses)</b>		<u>4,261</u>	<u>4,261</u>
<b>Changes in fund balances</b>	<u>(15,000)</u>	<u>4,191</u>	<u>19,191</u>
<b>Fund balances (deficits), beginning of year</b>		9,861	9,861
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (15,000)</u>	<u>\$ 14,052</u>	<u>\$ 29,052</u>

Textbooks			Litigation Recovery		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$ 2,662	\$ 2,662
				2,662	2,662
			40,000		40,000
			40,000		40,000
			(40,000)	2,662	42,662
			(40,000)	2,662	42,662
	100	100			
\$	\$ 100	\$ 100	\$ (40,000)	\$ 2,662	\$ 42,662

(Continued)



**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2019**

	Indirect Costs		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>			
<b>Expenditures:</b>			
Current -			
Instruction			
Support services - students and staff	97,010	119,908	(22,898)
Support services - administration	146,723	181,357	(34,634)
Operation and maintenance of plant services	32,489	40,158	(7,669)
Student transportation services			
Operation of non-instructional services	23,778	29,391	(5,613)
Capital outlay			
<b>Total expenditures</b>	<u>300,000</u>	<u>370,814</u>	<u>(70,814)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(300,000)</u>	<u>(370,814)</u>	<u>(70,814)</u>
<b>Other financing sources (uses):</b>			
Transfers in		470,693	470,693
Transfers out			
Insurance recoveries			
<b>Total other financing sources (uses)</b>		<u>470,693</u>	<u>470,693</u>
<b>Changes in fund balances</b>	<u>(300,000)</u>	<u>99,879</u>	<u>399,879</u>
<b>Fund balances (deficits), beginning of year</b>		15,440	15,440
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (300,000)</u>	<u>\$ 115,319</u>	<u>\$ 415,319</u>

Insurance Refund			Advertisement		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 2,252	\$ 2,252	\$	\$ 7,332	\$ 7,332
	<u>2,252</u>	<u>2,252</u>		<u>7,332</u>	<u>7,332</u>
			6,695	1,915	4,780
5,000	3,203	1,797	5,785	1,655	4,130
			2,520	721	1,799
<u>5,000</u>	<u>3,203</u>	<u>1,797</u>	<u>15,000</u>	<u>4,291</u>	<u>10,709</u>
<u>(5,000)</u>	<u>(951)</u>	<u>4,049</u>	<u>(15,000)</u>	<u>3,041</u>	<u>18,041</u>
<u>(5,000)</u>	<u>(951)</u>	<u>4,049</u>	<u>(15,000)</u>	<u>3,041</u>	<u>18,041</u>
	1,416	1,416		5,690	5,690
<u>\$ (5,000)</u>	<u>\$ 465</u>	<u>\$ 5,465</u>	<u>\$ (15,000)</u>	<u>\$ 8,731</u>	<u>\$ 23,731</u>

(Continued)

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2019**

	Career Technical Education		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 399,273	\$ 399,273
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>		399,273	399,273
<b>Expenditures:</b>			
Current -			
Instruction	40,657	23,632	17,025
Support services - students and staff	8,896	5,171	3,725
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	580,447	337,392	243,055
<b>Total expenditures</b>	630,000	366,195	263,805
<b>Excess (deficiency) of revenues over expenditures</b>	(630,000)	33,078	663,078
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
Insurance recoveries			
<b>Total other financing sources (uses)</b>			
<b>Changes in fund balances</b>	(630,000)	33,078	663,078
<b>Fund balances (deficits), beginning of year</b>		(29,608)	(29,608)
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	\$ (630,000)	\$ 3,470	\$ 633,470

District Services			Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 70,055	\$ 70,055	\$	\$ 1,540,234	\$ 1,540,234
				4,053,410	4,053,410
				7,424,623	7,424,623
	<u>70,055</u>	<u>70,055</u>		<u>13,018,267</u>	<u>13,018,267</u>
79,460	23,609	55,851	6,261,297	4,920,286	1,341,011
85,213	25,318	59,895	1,767,642	1,489,856	277,786
85,327	25,352	59,975	599,309	1,463,537	(864,228)
			100,783	55,008	45,775
			97,602	41,214	56,388
			3,944,133	3,665,806	278,327
			1,357,952	916,453	441,499
<u>250,000</u>	<u>74,279</u>	<u>175,721</u>	<u>14,128,718</u>	<u>12,552,160</u>	<u>1,576,558</u>
<u>(250,000)</u>	<u>(4,224)</u>	<u>245,776</u>	<u>(14,128,718)</u>	<u>466,107</u>	<u>14,594,825</u>
				470,693	470,693
				(340,240)	(340,240)
				4,261	4,261
				<u>134,714</u>	<u>134,714</u>
<u>(250,000)</u>	<u>(4,224)</u>	<u>245,776</u>	<u>(14,128,718)</u>	<u>600,821</u>	<u>14,729,539</u>
	43,565	43,565		3,743,684	3,743,684
				31,699	31,699
<u>\$ (250,000)</u>	<u>\$ 39,341</u>	<u>\$ 289,341</u>	<u>\$ (14,128,718)</u>	<u>\$ 4,376,204</u>	<u>\$ 18,504,922</u>

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## CAPITAL PROJECTS FUNDS

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

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

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

**Emergency Deficiencies Correction** - to account for monies received from the School Facilities Board to correct emergency deficiencies.

**Building Renewal** - to account for monies received 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.

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

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS**  
**JUNE 30, 2019**

	Unrestricted Capital Outlay	Adjacent Ways	Energy and Water Savings
<b><u>ASSETS</u></b>			
Cash and investments	\$ 582,465	\$ 5,985	\$ 115,497
Property taxes receivable	11,810		
Due from governmental entities	225,598		
<b>Total assets</b>	<b>\$ 819,873</b>	<b>\$ 5,985</b>	<b>\$ 115,497</b>
 <b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES</u></b>			
<b><u>AND FUND BALANCES</u></b>			
Liabilities:			
Construction contracts payable	\$ 137,534	\$ _____	\$ _____
<b>Total liabilities</b>	<b>137,534</b>	_____	_____
Deferred inflows of resources:			
Unavailable revenues - property taxes	10,913		
Fund balances:			
Restricted	671,426	5,985	115,497
<b>Total fund balances</b>	<b>671,426</b>	<b>5,985</b>	<b>115,497</b>
 <b>Total liabilities, deferred inflows of resources and fund balances</b>	 <b>\$ 819,873</b>	 <b>\$ 5,985</b>	 <b>\$ 115,497</b>

Building Renewal Grant	Totals
\$ 24,570	\$ 728,517
	11,810
104,768	330,366
\$ 129,338	\$ 1,070,693

\$ 116,806	\$ 254,340
116,806	254,340

	10,913
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12,532	805,440
12,532	805,440

\$ 129,338	\$ 1,070,693
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**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**NON-MAJOR CAPITAL PROJECTS FUNDS**  
**YEAR ENDED JUNE 30, 2019**

	Unrestricted Capital Outlay	Adjacent Ways	Energy and Water Savings
<b>Revenues:</b>			
Other local	\$ 21,719	\$ 50	\$
Property taxes	132,744		
State aid and grants	781,429		
Federal aid, grants and reimbursements			247,052
<b>Total revenues</b>	935,892	50	247,052
<b>Expenditures:</b>			
Capital outlay	1,403,761		25,950
Debt service -			
Principal retirement			374,319
Interest and fiscal charges			247,052
<b>Total expenditures</b>	1,403,761		647,321
<b>Excess (deficiency) of revenues over expenditures</b>	(467,869)	50	(400,269)
<b>Other financing sources (uses):</b>			
Transfers in			374,319
Transfers out			
<b>Total other financing sources (uses)</b>			374,319
<b>Changes in fund balances</b>	(467,869)	50	(25,950)
<b>Fund balances, beginning of year</b>	1,139,295	5,935	141,447
<b>Fund balances, end of year</b>	\$ 671,426	\$ 5,985	\$ 115,497

<u>Emergency Deficiencies Correction</u>	<u>Building Renewal</u>	<u>Building Renewal Grant</u>	<u>Totals</u>
\$	\$	\$	\$ 21,769
			132,744
		525,762	1,307,191
			247,052
		<u>525,762</u>	<u>1,708,756</u>
		516,079	1,945,790
			374,319
			247,052
		<u>516,079</u>	<u>2,567,161</u>
		<u>9,683</u>	<u>(858,405)</u>
			374,319
<u>(1,349)</u>	<u>(35)</u>		<u>(1,384)</u>
<u>(1,349)</u>	<u>(35)</u>		<u>372,935</u>
<u>(1,349)</u>	<u>(35)</u>	<u>9,683</u>	<u>(485,470)</u>
1,349	35	2,849	1,290,910
<u>\$</u>	<u>\$</u>	<u>\$ 12,532</u>	<u>\$ 805,440</u>

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL CAPITAL PROJECTS FUNDS**  
**YEAR ENDED JUNE 30, 2019**

	Unrestricted Capital Outlay		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 21,719	\$ 21,719
Property taxes		132,744	132,744
State aid and grants		781,429	781,429
<b>Total revenues</b>		935,892	935,892
<b>Expenditures:</b>			
Capital outlay	2,537,561	1,403,761	1,133,800
Debt service - Principal retirement			
<b>Total expenditures</b>	2,537,561	1,403,761	1,133,800
<b>Excess (deficiency) of revenues over expenditures</b>	(2,537,561)	(467,869)	2,069,692
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses)</b>			
<b>Changes in fund balances</b>	(2,537,561)	(467,869)	2,069,692
<b>Fund balances, beginning of year</b>		1,139,295	1,139,295
<b>Fund balances (deficits), end of year</b>	\$ (2,537,561)	\$ 671,426	\$ 3,208,987

Adjacent Ways			Energy and Water Savings		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 50	\$ 50	\$	\$	\$
	50	50			
5,830		5,830	100,681	25,950	74,731
5,830		5,830	374,319	374,319	74,731
(5,830)	50	5,880	(475,000)	(400,269)	74,731
				374,319	374,319
				374,319	374,319
(5,830)	50	5,880	(475,000)	(25,950)	449,050
	5,935	5,935		141,447	141,447
\$ (5,830)	\$ 5,985	\$ 11,815	\$ (475,000)	\$ 115,497	\$ 590,497

(Continued)

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL CAPITAL PROJECTS FUNDS**  
**YEAR ENDED JUNE 30, 2019**

	Emergency Deficiencies Correction		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$	\$
Property taxes			
State aid and grants			
<b>Total revenues</b>			
<b>Expenditures:</b>			
Capital outlay			
Debt service -			
Principal retirement			
<b>Total expenditures</b>			
<b>Excess (deficiency) of revenues over expenditures</b>			
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out		(1,349)	(1,349)
<b>Total other financing sources (uses)</b>		(1,349)	(1,349)
<b>Changes in fund balances</b>		(1,349)	(1,349)
<b>Fund balances, beginning of year</b>		1,349	1,349
<b>Fund balances (deficits), end of year</b>	\$	\$	\$

Building Renewal			Building Renewal Grant		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
				525,762	525,762
				525,762	525,762
			530,000	516,079	13,921
			530,000	516,079	13,921
			(530,000)	9,683	539,683
	(35)	(35)			
	(35)	(35)			
	(35)	(35)	(530,000)	9,683	539,683
	35	35		2,849	2,849
\$	\$	\$	\$ (530,000)	\$ 12,532	\$ 542,532

(Continued)

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL CAPITAL PROJECTS FUNDS**  
**YEAR ENDED JUNE 30, 2019**

	Totals		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 21,769	\$ 21,769
Property taxes		132,744	132,744
State aid and grants		1,307,191	1,307,191
<b>Total revenues</b>		<u>1,461,704</u>	<u>1,461,704</u>
<b>Expenditures:</b>			
Capital outlay	3,174,072	1,945,790	1,228,282
Debt service - Principal retirement	374,319	374,319	
<b>Total expenditures</b>	<u>3,548,391</u>	<u>2,320,109</u>	<u>1,228,282</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(3,548,391)</u>	<u>(858,405)</u>	<u>2,689,986</u>
<b>Other financing sources (uses):</b>			
Transfers in		374,319	374,319
Transfers out		(1,384)	(1,384)
<b>Total other financing sources (uses)</b>		<u>372,935</u>	<u>372,935</u>
<b>Changes in fund balances</b>	<u>(3,548,391)</u>	<u>(485,470)</u>	<u>3,062,921</u>
<b>Fund balances, beginning of year</b>		1,290,910	1,290,910
<b>Fund balances (deficits), end of year</b>	<u>\$ (3,548,391)</u>	<u>\$ 805,440</u>	<u>\$ 4,353,831</u>

## **AGENCY FUNDS**

**Student Activities** - to account for monies raised by students to finance student clubs and organizations but held by the District as an agent.

**Employee Withholding** - to account for voluntary deductions temporarily held by the District as an agent.



**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**COMBINING STATEMENT OF ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**JUNE 30, 2019**

	<u>Student Activities</u>	<u>Employee Withholding</u>	<u>Totals</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 301,481	\$ 2,736,421	\$ 3,037,902
<b>Total assets</b>	<u>\$ 301,481</u>	<u>\$ 2,736,421</u>	<u>\$ 3,037,902</u>
<b><u>LIABILITIES</u></b>			
Deposits held for others	\$	\$ 2,736,421	\$ 2,736,421
Due to student groups	301,481		301,481
<b>Total liabilities</b>	<u>\$ 301,481</u>	<u>\$ 2,736,421</u>	<u>\$ 3,037,902</u>

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**YEAR ENDED JUNE 30, 2019**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<b><u>STUDENT ACTIVITIES FUND</u></b>				
<u>Assets</u>				
Cash and investments	\$ <u>238,400</u>	\$ <u>597,223</u>	\$ <u>534,142</u>	\$ <u>301,481</u>
Total assets	\$ <u><u>238,400</u></u>	\$ <u><u>597,223</u></u>	\$ <u><u>534,142</u></u>	\$ <u><u>301,481</u></u>
<u>Liabilities</u>				
Due to student groups	\$ <u>238,400</u>	\$ <u>597,223</u>	\$ <u>534,142</u>	\$ <u>301,481</u>
Total liabilities	\$ <u><u>238,400</u></u>	\$ <u><u>597,223</u></u>	\$ <u><u>534,142</u></u>	\$ <u><u>301,481</u></u>
 <b><u>EMPLOYEE WITHHOLDING FUND</u></b>				
<u>Assets</u>				
Cash and investments	\$ <u>2,774,160</u>	\$ <u>3,658,874</u>	\$ <u>3,696,613</u>	\$ <u>2,736,421</u>
Total assets	\$ <u><u>2,774,160</u></u>	\$ <u><u>3,658,874</u></u>	\$ <u><u>3,696,613</u></u>	\$ <u><u>2,736,421</u></u>
<u>Liabilities</u>				
Deposits held for others	\$ <u>2,774,160</u>	\$ <u>3,658,874</u>	\$ <u>3,696,613</u>	\$ <u>2,736,421</u>
Total liabilities	\$ <u><u>2,774,160</u></u>	\$ <u><u>3,658,874</u></u>	\$ <u><u>3,696,613</u></u>	\$ <u><u>2,736,421</u></u>
 <b><u>TOTAL AGENCY FUNDS</u></b>				
<u>Assets</u>				
Cash and investments	\$ <u>3,012,560</u>	\$ <u>4,256,097</u>	\$ <u>4,230,755</u>	\$ <u>3,037,902</u>
Total assets	\$ <u><u>3,012,560</u></u>	\$ <u><u>4,256,097</u></u>	\$ <u><u>4,230,755</u></u>	\$ <u><u>3,037,902</u></u>
<u>Liabilities</u>				
Deposits held for others	\$ <u>2,774,160</u>	\$ <u>3,658,874</u>	\$ <u>3,696,613</u>	\$ <u>2,736,421</u>
Due to student groups	<u>238,400</u>	<u>597,223</u>	<u>534,142</u>	<u>301,481</u>
Total liabilities	\$ <u><u>3,012,560</u></u>	\$ <u><u>4,256,097</u></u>	\$ <u><u>4,230,755</u></u>	\$ <u><u>3,037,902</u></u>

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## STATISTICAL SECTION

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

### **Financial Trends**

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

### **Revenue Capacity**

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

### **Debt Capacity**

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

### **Demographic and Economic Information**

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

### **Operating Information**

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

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

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**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(Accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
<b>Net Position:</b>					
Net investment in capital assets	\$ 36,877,624	\$ 37,486,289	\$ 38,529,030	\$ 40,119,052	\$ 39,123,617
Restricted	3,889,022	4,178,509	4,883,871	3,693,321	3,633,377
Unrestricted	<u>(26,426,469)</u>	<u>(30,070,102)</u>	<u>(31,752,175)</u>	<u>(33,679,724)</u>	<u>(29,636,142)</u>
Total net position	<u><u>\$ 14,340,177</u></u>	<u><u>\$ 11,594,696</u></u>	<u><u>\$ 11,660,726</u></u>	<u><u>\$ 10,132,649</u></u>	<u><u>\$ 13,120,852</u></u>
	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>
<b>Net Position:</b>					
Net investment in capital assets	\$ 43,014,187	\$ 44,433,464	\$ 46,424,928	\$ 48,067,811	\$ 50,149,015
Restricted	3,309,623	2,945,307	3,291,140	3,634,815	2,561,269
Unrestricted	<u>5,357,054</u>	<u>5,978,755</u>	<u>6,987,397</u>	<u>7,299,567</u>	<u>4,806,543</u>
Total net position	<u><u>\$ 51,680,864</u></u>	<u><u>\$ 53,357,526</u></u>	<u><u>\$ 56,703,465</u></u>	<u><u>\$ 59,002,193</u></u>	<u><u>\$ 57,516,827</u></u>

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

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

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE**  
**LAST TEN FISCAL YEARS**  
**(Accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
<b>Expenses</b>					
Instruction	\$ 24,872,368	\$ 24,072,866	\$ 22,408,932	\$ 23,525,935	\$ 22,440,680
Support services - students and staff	5,229,905	5,449,204	5,276,967	5,483,484	4,905,221
Support services - administration	6,172,924	4,960,490	4,162,846	4,478,669	4,461,827
Operation and maintenance of plant services	5,790,573	5,636,155	5,867,444	6,604,096	5,936,508
Student transportation services	1,801,260	1,636,593	1,450,864	1,695,230	1,429,372
Operation of non-instructional services	3,977,145	4,135,684	3,996,101	3,766,708	3,467,581
Interest on long-term debt	247,052	247,052	247,052	247,052	185,289
Total expenses	<u>48,091,227</u>	<u>46,138,044</u>	<u>43,410,206</u>	<u>45,801,174</u>	<u>42,826,478</u>
<b>Program Revenues</b>					
Charges for services:					
Instruction	1,303,927	1,372,292	524,312	898,129	819,582
Operation of non-instructional services	363,154	352,739	542,971	645,256	553,264
Other activities	67,601	75,289	72,268	26,608	9,995
Operating grants and contributions	10,512,461	9,139,458	9,069,827	8,931,060	8,955,372
Capital grants and contributions	1,075,396	454,387	684,547	430,224	663,486
Total program revenues	<u>13,322,539</u>	<u>11,394,165</u>	<u>10,893,925</u>	<u>10,931,277</u>	<u>11,001,699</u>
<b>Net (Expense)/Revenue</b>	<u>\$ (34,768,688)</u>	<u>\$ (34,743,879)</u>	<u>\$ (32,516,281)</u>	<u>\$ (34,869,897)</u>	<u>\$ (31,824,779)</u>

(Continued)

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE**  
**LAST TEN FISCAL YEARS**  
**(Accrual basis of accounting)**

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Expenses</b>					
Instruction	\$ 22,833,252	\$ 23,435,167	\$ 23,336,434	\$ 23,181,026	\$ 24,213,118
Support services - students and staff	5,011,712	5,563,174	5,414,032	5,141,271	5,891,203
Support services - administration	5,605,931	4,376,413	4,651,401	4,194,317	4,853,542
Operation and maintenance of plant services	5,942,992	7,416,269	6,417,548	5,469,394	6,013,804
Student transportation services	1,448,341	1,045,587	1,014,229	955,687	1,478,335
Operation of non-instructional services	3,290,374	3,467,143	3,167,870	3,137,343	3,491,665
Total expenses	<u>44,132,602</u>	<u>45,303,753</u>	<u>44,001,514</u>	<u>42,079,038</u>	<u>45,941,667</u>
<b>Program Revenues</b>					
Charges for services:					
Instruction	888,926	1,134,003	1,076,381	702,344	668,149
Operation of non-instructional services	541,492	377,753	482,218	486,621	831,300
Other activities	11,552	41,880	43,684	69,121	357,116
Operating grants and contributions	8,983,843	10,346,138	9,289,318	10,861,067	8,884,945
Capital grants and contributions	845,392	836,780	1,405,375	869,134	435,009
Total program revenues	<u>11,271,205</u>	<u>12,736,554</u>	<u>12,296,976</u>	<u>12,988,287</u>	<u>11,176,519</u>
<b>Net (Expense)/Revenue</b>	<u>\$ (32,861,397)</u>	<u>\$ (32,567,199)</u>	<u>\$ (31,704,538)</u>	<u>\$ (29,090,751)</u>	<u>\$ (34,765,148)</u>

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

**(Concluded)**



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

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
<b>Net (Expense)/Revenue</b>	\$ (34,768,688)	\$ (34,743,879)	\$ (32,516,281)	\$ (34,869,897)	\$ (31,824,779)
<b>General Revenues:</b>					
Taxes:					
Property taxes, levied for general purposes	6,389,627	6,242,512	6,396,266	6,814,673	6,183,049
Property taxes, levied for capital outlay	143,657		701,519	183,584	23,704
Investment income	78,440	102,867	5,960	1,771	2,347
Unrestricted county aid	970,551	979,476	960,056	1,024,971	1,089,235
Unrestricted state aid	29,482,856	27,159,885	25,852,900	25,948,981	24,850,383
Unrestricted federal aid	449,038	187,251	127,657	339,244	285,002
<b>Total general revenues</b>	<b>37,514,169</b>	<b>34,671,991</b>	<b>34,044,358</b>	<b>34,313,224</b>	<b>32,433,720</b>
<b>Changes in Net Position</b>	<b>\$ 2,745,481</b>	<b>\$ (71,888)</b>	<b>\$ 1,528,077</b>	<b>\$ (556,673)</b>	<b>\$ 608,941</b>

(Continued)

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Net (Expense)/Revenue</b>	\$ (32,861,397)	\$ (32,567,199)	\$ (31,704,538)	\$ (29,090,751)	\$ (34,765,148)
<b>General Revenues:</b>					
Taxes:					
Property taxes, levied for general purposes	6,735,592	5,610,350	5,813,395	4,767,206	5,519,984
Property taxes, levied for capital outlay	21,276	724	45,052	907,395	250,538
Investment income	1,882	4,526	14,177	14,318	61,672
Unrestricted county aid	1,083,233	1,120,660	1,006,745	867,640	692,271
Unrestricted state aid	23,309,790	22,316,870	22,367,166	23,587,092	23,426,916
Unrestricted federal aid	32,962	168,130	159,275	432,466	3,146,481
<b>Total general revenues</b>	<u>31,184,735</u>	<u>29,221,260</u>	<u>29,405,810</u>	<u>30,576,117</u>	<u>33,097,862</u>
<b>Changes in Net Position</b>	<u>\$ (1,676,662)</u>	<u>\$ (3,345,939)</u>	<u>\$ (2,298,728)</u>	<u>\$ 1,485,366</u>	<u>\$ (1,667,286)</u>

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

**(Concluded)**

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
General Fund:					
Nonspendable	\$ 804,452	\$ 777,458	\$ 2,677,571	\$ 2,682,239	\$ 2,865,844
Unassigned	9,343,595	9,019,027	7,606,015	7,221,824	4,302,740
Total General Fund	\$ 10,148,047	\$ 9,796,485	\$ 10,283,586	\$ 9,904,063	\$ 7,168,584
All Other Governmental Funds:					
Nonspendable	\$ 72,939	\$ 41,240	\$ 25,204	\$ 39,488	\$ 9,556
Restricted	3,805,170	4,137,269	4,750,952	3,643,831	6,223,608
Unassigned	(249,297)	(213,910)	(1,855)	(20,365)	(78,437)
Total all other governmental funds	\$ 3,628,812	\$ 3,964,599	\$ 4,774,301	\$ 3,662,954	\$ 6,154,727

**(Continued)**

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
General Fund:					
Nonspendable	\$ 2,024,019	\$ 2,607,564	\$ 2,679,399	\$ 2,785,723	\$
Unassigned	3,807,294	4,451,606	4,586,499	4,932,394	
Reserved					613,832
Unreserved					1,939,140
Total General Fund	<u>\$ 5,831,313</u>	<u>\$ 7,059,170</u>	<u>\$ 7,265,898</u>	<u>\$ 7,718,117</u>	<u>\$ 2,552,972</u>
All Other Governmental Funds:					
Nonspendable	\$ 407,991	\$ 419,728	\$ 378,731	\$ 379,176	\$
Restricted	2,899,240	2,260,605	2,900,870	3,016,894	
Unassigned	(16,262)		(2,004)	(144,944)	
Reserved					55,421
Unreserved, reported in:					
Special revenue funds					2,244,864
Capital projects funds					1,814,760
Debt service fund					661,645
Total all other governmental funds	<u>\$ 3,290,969</u>	<u>\$ 2,680,333</u>	<u>\$ 3,277,597</u>	<u>\$ 3,251,126</u>	<u>\$ 4,776,690</u>

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

**Note:** The provisions of the Governmental Accounting Standards Board (GASB) Statement No. 54 were adopted in fiscal year 2011. The standard replaces the previous reserved and unreserved fund balance categories with the following five fund balance classifications: nonspendable, restricted, committed, assigned, and unassigned fund balance.

**(Concluded)**

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**GOVERNMENTAL FUNDS REVENUES**  
**LAST TEN FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<u><b>2019</b></u>	<u><b>2018</b></u>	<u><b>2017</b></u>	<u><b>2016</b></u>	<u><b>2015</b></u>
<b>Federal sources:</b>					
Federal grants	\$ 6,548,671	\$ 5,081,466	\$ 5,291,190	\$ 5,848,153	\$ 5,936,588
National School Lunch Program	3,570,255	3,481,969	3,694,711	3,240,734	2,916,497
Total federal sources	<u>10,118,926</u>	<u>8,563,435</u>	<u>8,985,901</u>	<u>9,088,887</u>	<u>8,853,085</u>
<b>State sources:</b>					
State equalization assistance	26,302,315	24,280,377	23,434,614	23,522,069	22,521,165
State grants	872,869	765,781	211,449	191,545	340,421
School Facilities Board	525,762	286,735	270,606	94,372	578,636
Other revenues	3,180,541	2,817,116	2,418,286	2,426,912	2,223,246
Total state sources	<u>30,881,487</u>	<u>28,150,009</u>	<u>26,334,955</u>	<u>26,234,898</u>	<u>25,663,468</u>
<b>Local sources:</b>					
Property taxes	6,565,472	6,319,994	7,196,232	7,076,126	6,239,069
County aid	970,551	979,476	960,056	1,024,971	1,089,235
Food service sales	363,154	373,883	342,784	366,488	321,490
Investment income	78,440	102,867	5,960	1,771	2,347
Other revenues	1,660,799	1,672,822	1,161,181	1,529,229	1,299,041
Total local sources	<u>9,638,416</u>	<u>9,449,042</u>	<u>9,666,213</u>	<u>9,998,585</u>	<u>8,951,182</u>
<b>Total revenues</b>	<u><u>\$ 50,638,829</u></u>	<u><u>\$ 46,162,486</u></u>	<u><u>\$ 44,987,069</u></u>	<u><u>\$ 45,322,370</u></u>	<u><u>\$ 43,467,735</u></u>

(Continued)

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**GOVERNMENTAL FUNDS REVENUES**  
**LAST TEN FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Federal sources:</b>					
Federal grants	\$ 5,725,910	\$ 7,947,065	\$ 7,688,892	\$ 7,824,514	\$ 6,375,868
State Fiscal Stabilization (ARRA)				432,466	3,146,481
Education Jobs (ARRA)			16,469	1,073,039	
National School Lunch Program	2,990,852	2,744,351	2,455,401	2,426,939	2,752,115
Total federal sources	<u>8,716,762</u>	<u>10,691,416</u>	<u>10,160,762</u>	<u>11,756,958</u>	<u>12,274,464</u>
<b>State sources:</b>					
State equalization assistance	21,000,432	20,475,833	20,669,750	22,165,959	21,669,544
State grants	191,669	389,872	505,982	64,142	183,072
School Facilities Board	734,523				
Other revenues	2,309,367	1,883,703	1,472,775	1,421,133	1,757,372
Total state sources	<u>24,235,991</u>	<u>22,749,408</u>	<u>22,648,507</u>	<u>23,651,234</u>	<u>23,609,988</u>
<b>Local sources:</b>					
Property taxes	6,246,607	6,139,340	5,838,045	6,035,404	5,930,160
County aid	1,083,233	1,120,660	1,006,745	867,640	692,271
Food service sales	283,342	377,753	482,218	486,621	567,469
Investment income	2,058	4,526	14,177	14,518	61,672
Other revenues	1,377,686	1,402,977	1,636,735	1,008,027	1,443,520
Total local sources	<u>8,992,926</u>	<u>9,045,256</u>	<u>8,977,920</u>	<u>8,412,210</u>	<u>8,695,092</u>
<b>Total revenues</b>	<u>\$ 41,945,679</u>	<u>\$ 42,486,080</u>	<u>\$ 41,787,189</u>	<u>\$ 43,820,402</u>	<u>\$ 44,579,544</u>

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

**(Concluded)**

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO**  
**LAST TEN FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<u><b>2019</b></u>	<u><b>2018</b></u>	<u><b>2017</b></u>	<u><b>2016</b></u>	<u><b>2015</b></u>
<b>Expenditures:</b>					
Current -					
Instruction	\$ 23,962,674	\$ 21,544,161	\$ 20,533,977	\$ 20,410,639	\$ 20,508,378
Support services - students and staff	5,552,906	5,435,952	5,343,852	5,216,378	4,792,224
Support services - administration	6,185,603	4,540,920	4,171,939	4,162,357	4,369,418
Operation and maintenance of plant services	5,974,777	5,719,277	5,857,887	6,138,384	6,348,486
Student transportation services	1,467,980	1,361,996	1,330,052	1,366,153	1,348,739
Operation of non-instructional services	3,953,788	4,033,108	3,917,178	3,698,297	3,372,165
Capital outlay	2,966,909	2,325,749	1,700,991	3,847,257	4,400,186
Debt service -					
Interest and fiscal charges	247,052	247,052	247,052	247,052	185,289
Principal retirement	374,319	374,319	374,319	374,319	
<b>Total expenditures</b>	<u><u>\$ 50,686,008</u></u>	<u><u>\$ 45,582,534</u></u>	<u><u>\$ 43,477,247</u></u>	<u><u>\$ 45,460,836</u></u>	<u><u>\$ 45,324,885</u></u>
Expenditures for capitalized assets	\$ 1,423,800	\$ 891,137	\$ 332,758	\$ 264,750	\$ 3,644,827
Debt service as a percentage of noncapital expenditures	1%	1%	1%	1%	0%

(Continued)

**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO**  
**LAST TEN FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Expenditures:</b>					
Current -					
Instruction	\$ 20,051,550	\$ 19,979,335	\$ 20,060,538	\$ 20,875,644	\$ 21,239,567
Support services - students and staff	4,913,457	5,220,032	5,101,760	5,447,383	5,736,061
Support services - administration	4,913,313	4,532,917	4,291,553	4,424,062	4,592,638
Operation and maintenance of plant services	5,814,636	6,942,476	6,013,271	6,047,437	6,029,150
Student transportation services	1,347,043	830,545	798,821	813,024	849,427
Operation of non-instructional services	3,212,163	3,390,950	3,063,647	3,057,415	3,379,676
Capital outlay	1,715,456	2,362,979	2,776,578	2,011,502	2,167,907
<b>Total expenditures</b>	<u>\$ 41,967,618</u>	<u>\$ 43,259,234</u>	<u>\$ 42,106,168</u>	<u>\$ 42,676,467</u>	<u>\$ 43,994,426</u>
Expenditures for capitalized assets	\$ 746,563	\$ 229,501	\$ 593,639	\$ 161,979	\$ 295,499
Debt service as a percentage of noncapital expenditures	0%	0%	0%	0%	0%

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

**(Concluded)**



**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**OTHER FINANCING SOURCES AND USES AND NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	Fiscal Year Ended June 30				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Excess (deficiency) of revenues over expenditures</b>	\$ (47,179)	\$ 579,952	\$ 1,509,822	\$ (138,466)	\$ (1,857,150)
<b>Other financing sources (uses):</b>					
Capital lease agreements					5,614,789
Transfers in	846,396	1,256,598	1,958,049	387,081	296,355
Transfers out	(846,396)	(1,256,598)	(1,958,049)	(387,081)	(296,355)
Insurance recoveries	4,261	7,322			
Total other financing sources (uses)	4,261	7,322			5,614,789
<b>Changes in fund balances</b>	\$ (42,918)	\$ 587,274	\$ 1,509,822	\$ (138,466)	\$ 3,757,639
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Excess (deficiency) of revenues over expenditures</b>	\$ (21,939)	\$ (773,154)	\$ (318,979)	\$ 1,143,935	\$ 585,118
<b>Other financing sources (uses):</b>					
Transfers in	371,284	358,998	378,009	1,289,709	383,784
Transfers out	(371,284)	(358,998)	(378,009)	(1,289,709)	(383,784)
Total other financing sources (uses)					
<b>Changes in fund balances</b>	\$ (21,939)	\$ (773,154)	\$ (318,979)	\$ 1,143,935	\$ 585,118

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

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

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Commercial, Industrial, Utilities and Mining	\$ 72,230,527	\$ 69,084,932	\$ 66,414,514	\$ 67,698,388	\$ 67,274,676
Agricultural and Vacant	6,948,129	7,156,336	7,428,020	8,189,154	8,276,709
Residential (Owner Occupied)	30,421,872	29,020,768	28,047,483	27,808,387	28,267,349
Residential (Rental)	11,686,260	11,480,384	11,349,489	11,024,605	10,906,594
Railroad, Private Cars and Airlines	850,875	873,388	795,164	837,159	878,574
Historical Property	254,776	245,531	248,289	256,823	260,756
Certain Government Property Improvements	17,832	18,555			
<b>Total</b>	<b>\$ 122,410,271</b>	<b>\$ 117,879,894</b>	<b>\$ 114,282,959</b>	<b>\$ 115,814,516</b>	<b>\$ 115,864,658</b>
Gross Full Cash Value	\$ 1,177,223,148	\$ 1,073,727,883	\$ 1,054,465,130	\$ 1,035,334,466	\$ 1,024,131,950
Ratio of Net Limited Assessed Value to Gross Full Cash Value	10%	11%	11%	11%	11%
Total Direct Rate	5.87	5.90	6.82	6.55	5.88

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Commercial, Industrial, Utilities and Mining	\$ 66,475,415	\$ 72,052,584	\$ 72,946,427	\$ 79,448,555	\$ 80,948,281
Agricultural and Vacant	8,278,123	9,055,481	8,891,678	8,805,461	8,628,818
Residential (Owner Occupied)	32,454,833	37,472,296	44,495,621	50,665,379	47,486,777
Residential (Rental)	12,627,106	14,015,251	11,086,477	10,913,097	10,041,090
Railroad, Private Cars and Airlines	750,161	717,725	613,981	585,253	585,214
Historical Property	277,052	302,603	308,149	291,592	283,900
Certain Government Property Improvements					
<b>Total</b>	<b>\$ 120,862,690</b>	<b>\$ 133,615,940</b>	<b>\$ 138,342,333</b>	<b>\$ 150,709,337</b>	<b>\$ 147,974,080</b>
Gross Full Cash Value	\$ 1,057,679,595	\$ 1,164,547,766	\$ 1,222,714,962	\$ 1,241,827,641	\$ 1,241,461,962
Ratio of Net Limited Assessed Value to Gross Full Cash Value	11%	11%	11%	12%	12%
Total Direct Rate	5.61	5.16	4.68	4.41	4.34

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

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

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

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Commercial, Industrial, Utilities and Mining	\$ 78,209,448	\$ 70,732,495	\$ 67,826,278	\$ 68,357,520	\$ 68,652,936
Agricultural and Vacant	10,232,040	10,002,370	10,594,148	8,281,629	8,410,864
Residential (Owner Occupied)	36,257,926	32,499,584	31,478,951	28,456,853	28,286,701
Residential (Rental)	13,010,260	12,187,749	12,297,971	11,228,475	10,916,924
Railroad, Private Cars and Airlines	1,020,838	1,013,199	849,064	852,453	886,339
Historical Property	268,421	251,330	260,191	263,094	260,756
Certain Government Property Improvements	27,933	18,555			
<b>Total</b>	<b>\$ 139,026,866</b>	<b>\$ 126,705,282</b>	<b>\$ 123,306,603</b>	<b>\$ 117,440,024</b>	<b>\$ 117,414,520</b>
Gross Full Cash Value	\$ 1,177,223,148	\$ 1,073,727,883	\$ 1,054,465,130	\$ 1,035,334,466	\$ 1,024,131,950
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	12%	12%	12%	11%	11%
Estimated Net Full Cash Value	997,177,042	908,206,646	883,500,051	811,634,791	801,405,009
Total Direct Rate	5.87	5.90	6.82	6.55	5.88

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Commercial, Industrial, Utilities and Mining	\$ 66,827,731	\$ 73,252,740	\$ 75,382,901	\$ 80,492,271	\$ 83,230,913
Agricultural and Vacant	8,413,798	9,413,432	9,587,128	9,742,155	10,159,005
Residential (Owner Occupied)	32,481,625	37,589,237	45,117,397	52,962,019	54,275,058
Residential (Rental)	12,659,089	14,111,982	11,344,063	11,266,885	10,887,462
Railroad, Private Cars and Airlines	756,856	730,503	680,959	692,215	683,687
Historical Property	273,458	304,839	314,080	313,985	314,408
Certain Government Property Improvements	3,594		2,354		
<b>Total</b>	<b>\$ 121,416,151</b>	<b>\$ 135,402,733</b>	<b>\$ 142,428,882</b>	<b>\$ 155,469,530</b>	<b>\$ 159,550,533</b>
Gross Full Cash Value	\$ 1,057,679,595	\$ 1,164,547,766	\$ 1,222,714,962	\$ 1,241,827,641	\$ 1,241,461,962
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	11%	12%	12%	13%	13%
Estimated Net Full Cash Value	839,759,842	935,073,952	992,856,504	1,085,334,090	1,094,650,707
Total Direct Rate	5.61	5.16	4.68	4.41	4.34

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

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

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

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Commercial, Industrial, Utilities and Mining	18 %	18 %	18 %	19 %	19 %
Agricultural and Vacant	15	15	15	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	14	15	14	15	16

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Commercial, Industrial, Utilities and Mining	20 %	20 %	20 %	21 %	22 %
Agricultural and Vacant	16	16	16	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	15	15	15	17	18

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

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

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

<b>Fiscal Year Ended June 30</b>	<b>Overlapping Rates</b>								
	<b>State Equalization</b>	<b>County</b>	<b>Nogales Suburban F.D.</b>	<b>Flood Control District</b>	<b>Community College District</b>	<b>Fire District Assistance</b>	<b>District Direct Rates</b>		
							<b>Primary</b>	<b>Secondary</b>	<b>Total</b>
2019	0.47	3.88	3.25	0.78	0.49	0.10	4.23	1.64	5.87
2018	0.49	3.83	3.25	0.77	0.50	0.10	4.35	1.55	5.90
2017	0.50	3.81	3.25	0.76	0.49	0.10	5.24	1.58	6.82
2016	0.51	3.81	3.25	0.76	0.47	0.10	5.07	1.49	6.55
2015	0.51	3.65	3.25	0.73	0.00	0.10	4.47	1.40	5.88
2014	0.51	3.42	3.25	0.68	0.00	0.10	4.25	1.36	5.61
2013	0.47	2.82	3.25	0.56	0.00	0.10	3.92	1.24	5.16
2012	0.00	2.82	3.25	0.56	0.00	0.10	3.50	1.18	4.68
2011	0.00	2.82	3.25	0.56	0.00	0.10	3.29	1.12	4.41
2010	0.00	2.90	3.25	0.58	0.00	0.10	3.22	1.12	4.34

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

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

<u>Taxpayer</u>	<u>2019</u>		<u>2010</u>	
	<u>Net Limited Assessed Valuation</u>	<u>Percentage of District's Net Limited Assessed Valuation</u>	<u>Net Limited Assessed Valuation</u>	<u>Percentage of District's Net Full Cash Assessed Valuation</u>
Unisource Energy Corporation	\$ 18,816,000	15.37 %	\$ 7,099,999	4.45 %
Delta Properties LLP	11,088,000	9.06	2,680,449	1.68
Union Pacific Railroad	3,135,000	2.56		
Crisantes Properties LLC	2,487,000	2.03		
Wal-Mart Stores Inc.	2,364,000	1.93	1,786,966	1.12
Mariposa Shopping Center LP	2,355,000	1.92	1,850,786	1.16
Alta Real Estate, LLC	1,987,000	1.62		
Qwest Corporation	1,580,000	1.29	2,090,112	1.31
SOAC Properties Corporation	1,481,000	1.21		
Tubac Management Co. LLC	1,471,000	1.20	1,228,539	0.77
Nogales Plaza Shopping Center			1,021,123	0.64
Vatere LLC			1,467,865	0.92
Lawyers Title Agency of AZ LLC			1,372,135	0.86
Rio Rico Properties			1,324,269	0.83
<b>Total</b>	<u>\$ 46,764,000</u>	<u>38.19 %</u>	<u>\$ 21,922,243</u>	<u>13.74 %</u>

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

- Note:** 1) On November 6, 2012, voters approved Proposition 117, an amendment to the Arizona Constitution. Beginning with Tax Year 2015 (Fiscal Year 2016), both primary and secondary taxes are levied against the net limited assessed value.
- 2) Information for principal property taxpayers is presented county-wide as this is the most accurate information currently available.

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

<b>Fiscal Year Ended June 30</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Fiscal Years</b>	<b>Collected to the End of the Current Fiscal Year</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2019	\$ 6,455,083	\$ 6,038,250	93.54 %	\$	\$ 6,038,250	93.54 %
2018	6,164,627	5,814,024	94.31	331,495	6,145,519	99.69
2017	7,215,860	6,798,942	94.22	400,706	7,199,648	99.78
2016	7,560,396	7,149,410	94.56	396,268	7,545,678	99.81
2015	6,302,910	5,866,725	93.08	425,729	6,292,454	99.83
2014	6,207,635	5,732,278	92.34	465,310	6,197,588	99.84
2013	6,305,308	5,844,337	92.69	452,329	6,296,666	99.86
2012	5,878,054	5,421,345	92.23	446,657	5,868,002	99.83
2011	5,959,257	5,414,606	90.86	536,435	5,951,041	99.86
2010	5,916,518	5,324,652	90.00	591,866	5,916,518	100.00

**Source:** The source of this information is the 2019 Santa Cruz County Treasurer's records.

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

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

Fiscal Year Ended June 30	General Obligation Bonds					Total Outstanding Debt				
	General Obligation Bonds	Less: Amounts Restricted for Principal	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Capital Leases	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Percentage of Personal Income
2019	\$	\$	\$	%	\$	\$ 4,117,513	\$ 4,117,513	0.35 %	\$ 190	N/A %
2018						4,491,832	4,491,832	0.42	220	0.27
2017						4,866,151	4,866,151	0.46	243	0.30
2016						5,240,470	5,240,470	0.51	256	0.34
2015						5,614,789	5,614,789	0.55	269	0.40
2014										
2013										
2012										
2011										
2010										

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

**Note:** N/A indicates that the information is not available.



**NOGALES UNIFIED SCHOOL DISTRICT NO. 1**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**JUNE 30, 2019**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Overlapping:			
City of Nogales	\$ 2,633,129	100.00 %	\$ 2,633,129
Subtotal, Overlapping Debt			<u>2,633,129</u>
Direct:			
Nogales Unified School District No. 1			<u>4,117,513</u>
Total Direct and Overlapping Governmental Activities Debt			<u><u>\$ 6,750,642</u></u>

**DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS**

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation		0 %
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 122	
As a Percentage of Net Limited Assessed Valuation		2.15 %
As a Percentage of Gross Full Cash Value		0.22 %

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

- Notes:**
- 1) Estimated percentage of debt outstanding applicable to the District is calculated based on a portion of the District's net limited assessed valuation as a percentage of the net limited assessed valuation of the overlapping jurisdiction.
  - 2) Outstanding debt as of June 30, 2018 is presented for the overlapping governments as this is the most recent available information.

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

**Class B Bond Legal Debt Margin Calculation for Fiscal Year 2019:**

Net full cash assessed valuation	\$ 139,026,866
Debt limit (20% of assessed value)	27,805,373
Debt applicable to limit	
Legal debt margin	<u>\$ 27,805,373</u>

**Total Legal Debt Margin Calculation for Fiscal Year 2019:**

Net full cash assessed valuation	\$ 139,026,866
Debt limit (30% of assessed value)	41,708,060
Debt applicable to limit	
Legal debt margin	<u>\$ 41,708,060</u>

**Fiscal Year Ended June 30**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Debt Limit	\$ 41,708,060	\$ 38,011,585	\$ 36,991,981	\$ 35,232,007	\$ 35,224,356
Total net debt applicable to limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$ 41,708,060</u>	<u>\$ 38,011,585</u>	<u>\$ 36,991,981</u>	<u>\$ 35,232,007</u>	<u>\$ 35,224,356</u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Debt Limit	\$ 36,424,845	\$ 40,620,820	\$ 42,728,665	\$ 46,640,859	\$ 47,865,160
Total net debt applicable to limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$ 36,424,845</u>	<u>\$ 40,620,820</u>	<u>\$ 42,728,665</u>	<u>\$ 46,640,859</u>	<u>\$ 47,865,160</u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

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

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

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

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands)</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>	<u>Estimated District Population</u>
2018	52,390	\$ 1,816,567	\$ 39,057	9.3 %	21,618
2017	51,507	1,681,736	36,392	9.5	20,456
2016	50,581	1,611,877	35,052	9.9	20,000
2015	50,270	1,563,237	33,646	11.5	20,456
2014	49,554	1,408,494	30,164	13.2	20,837
2013	46,768	1,297,082	27,734	18.2	20,456
2012	47,303	1,322,797	27,964	19.2	20,751
2011	47,676	1,193,646	25,037	18.9	20,948
2010	47,420	1,189,267	25,056	16.2	20,878
2009	47,900	1,137,493	25,987	14.6	21,709

**Sources:** The source of the "Personal Income" and "Per Capita" information is the Bureau of Economic Analysis. The source of the "Population" and "Unemployment Rate" information from 2009 through 2010 is the University of Arizona, Eller College of Management, Economic and Business Research Center. For 2011 through 2018, the source of the information is the Arizona Office of Employment and Population Statistics.

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

<u>Employer</u>	<u>2019</u>		<u>2010</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Nogales Unified School District	556	2.88 %	700	3.83 %
Santa Cruz Valley Unified School District #35	420	2.17	450	2.46
Santa Cruz County	400	2.07	390	2.13
Super Wal-Mart	357	1.85	600	3.28
Mariposa Community Health Center, Inc.	322	1.67	198	1.08
City of Nogales	280	1.45	309	1.69
Carondelet Health Network - Holy Cross Hospital	174	0.90	264	1.44
Tubac Golf Resort	169	0.87	200	1.09
U.S. Border Patrol			638	3.49
U.S. Customs and Border Protection			425	2.32
Total	<u>2,678</u>	<u>13.86</u> %	<u>4,174</u>	<u>22.81</u> %
Total employment	<u>19,315</u>		<u>18,300</u>	

**Source:** The source of this information is the U.S. Census Bureau.

**Note:** Employee data could only be obtained from eight sources in fiscal year 2019.

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

	<b>Full-time Equivalent Employees as of June 30</b>				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Supervisory</b>					
Consultants/supervisors of instruction	10	10	10	10	10
Principals	10	10	10	10	10
Assistant principals	4	4	4	4	4
Total supervisory	<u>24</u>	<u>24</u>	<u>24</u>	<u>24</u>	<u>24</u>
<b>Instruction</b>					
Teachers	281	281	281	281	278
Other professionals (instructional)	15	15	13	13	13
Aides	77	77	77	77	77
Total instruction	<u>373</u>	<u>373</u>	<u>371</u>	<u>371</u>	<u>368</u>
<b>Student Services</b>					
Librarians	3	3	3	3	3
Other	20	20	20	35	35
Total student services	<u>23</u>	<u>23</u>	<u>23</u>	<u>38</u>	<u>38</u>
<b>Support and Administration</b>					
Clerical/secretarial/other workers	53	53	53	53	53
Custodial/maintenance/mechanic workers	62	62	62	62	62
Technicians	6	6	6	6	6
Security guard/truancy officer	18	18	18	18	18
Total support and administration	<u>139</u>	<u>139</u>	<u>139</u>	<u>139</u>	<u>139</u>
<b>Total</b>	<u><u>559</u></u>	<u><u>559</u></u>	<u><u>557</u></u>	<u><u>572</u></u>	<u><u>569</u></u>

(Continued)

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Supervisory</b>					
Consultants/supervisors of instruction	10	10	10	15	15
Principals	10	10	10	10	10
Assistant principals	4	4	4	5	5
Total supervisory	<u>24</u>	<u>24</u>	<u>24</u>	<u>30</u>	<u>30</u>
<b>Instruction</b>					
Teachers	276	276	273	282	296
Other professionals (instructional)	13	14	14	16	16
Aides	77	77	75	78	87
Total instruction	<u>366</u>	<u>367</u>	<u>362</u>	<u>376</u>	<u>399</u>
<b>Student Services</b>					
Librarians	3	3	3	3	3
Other	35	37	37	42	49
Total student services	<u>38</u>	<u>40</u>	<u>40</u>	<u>45</u>	<u>52</u>
<b>Support and Administration</b>					
Clerical/secretarial/other workers	53	52	52	55	55
Custodial/maintenance/mechanic workers	62	62	61	62	63
Technicians	7	16	8	8	8
Security guard/truancy officer	18	8	15	15	15
Total support and administration	<u>140</u>	<u>138</u>	<u>136</u>	<u>140</u>	<u>141</u>
<b>Total</b>	<u><u>568</u></u>	<u><u>569</u></u>	<u><u>562</u></u>	<u><u>591</u></u>	<u><u>622</u></u>

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

**(Concluded)**

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

<b>Fiscal Year Ended June 30</b>	<b>Average Daily Membership</b>	<b>Operating Expenditures</b>	<b>Cost per Pupil</b>	<b>Percentage Change</b>	<b>Expenses</b>	<b>Cost per Pupil</b>	<b>Percentage Change</b>	<b>Teaching Staff</b>	<b>Pupil-Teacher Ratio</b>	<b>Percentage of Free/Reduced Students</b>
2019	5,506	\$ 47,097,728	\$ 8,554	13.22 %	\$ 48,091,227	\$ 8,734	6.84 %	373	14.8	83.0 %
2018	5,644	42,635,414	7,555	2.52	46,138,044	8,175	5.18	373	15.1	83.0
2017	5,585	41,154,885	7,369	(0.70)	43,410,206	7,773	(6.26)	371	15.1	83.0
2016	5,524	40,992,208	7,421	1.57	45,801,174	8,291	7.95	371	14.9	83.1
2015	5,576	40,739,410	7,306	2.68	42,826,478	7,681	(1.55)	368	15.2	83.0
2014	5,657	40,252,162	7,116	(2.15)	44,132,602	7,802	(3.15)	366	15.5	83.0
2013	5,624	40,896,255	7,272	3.17	45,303,753	8,055	2.15	367	15.3	81.5
2012	5,580	39,329,590	7,048	(2.30)	44,001,514	7,886	5.64	362	15.4	82.0
2011	5,637	40,664,965	7,214	(0.09)	42,079,038	7,465	(5.87)	376	15.0	81.0
2010	5,793	41,826,519	7,220	(7.07)	45,941,667	7,931	(10.67)	399	14.5	82.0

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

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

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

	<b>Fiscal Year Ended June 30</b>									
	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>
<b><u>Schools</u></b>										
<b>Elementary</b>										
Buildings	56	56	56	56	56	56	56	56	56	56
Square feet	268,715	268,715	268,715	268,715	268,715	268,715	268,715	268,715	268,715	268,715
Enrollment	2,266	2,366	2,391	2,581	2,678	2,355	2,355	2,545	2,630	2,680
<b>Middle</b>										
Buildings	14	14	14	14	14	14	14	14	14	14
Square feet	160,113	160,113	160,113	160,113	160,113	160,113	160,113	160,113	160,113	160,113
Enrollment	1,372	1,347	1,298	1,282	1,298	1,390	1,390	1,379	1,335	1,393
<b>High</b>										
Buildings	36	36	36	36	36	36	36	36	36	36
Square feet	260,935	260,935	260,935	260,935	260,935	260,935	260,935	260,935	260,935	260,935
Enrollment	1,868	1,930	1,896	1,800	1,810	1,880	1,880	1,807	1,834	1,901
<b><u>Administrative</u></b>										
Buildings	7	7	7	7	7	7	7	7	7	7
Square feet	47,417	47,417	47,417	47,417	47,417	47,417	47,417	47,417	47,417	47,417
<b><u>Transportation</u></b>										
Garages	2	2	2	2	2	2	2	2	2	2
<b><u>Athletics</u></b>										
Football fields	4	4	4	4	4	4	4	4	4	4
Soccer fields	9	9	9	9	9	9	9	9	9	9
Running tracks	4	4	4	4	4	4	4	4	4	4
Baseball/softball	11	11	11	11	11	11	11	11	11	11
Swimming pools	1	1	1	1	1	1	1	1	1	1
Playgrounds	13	13	13	13	13	13	13	13	13	13

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



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