

**BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
SELLS, ARIZONA**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2021

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**ANNUAL COMPREHENSIVE FINANCIAL REPORT
OF
BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
FOR THE
FISCAL YEAR ENDED JUNE 30, 2021**

SELLS, ARIZONA

PREPARED BY: BUSINESS AND FINANCE DEPARTMENT

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INTRODUCTORY SECTION

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BABOQUIVARI UNIFIED SCHOOL DISTRICT

P.O. Box 248
Sells, Arizona 85634

(520) 383-6746
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www.busd40.org

December 29, 2021

Citizens and Governing Board
Indian Oasis Baboquivari Unified School District No. 40
dba: Baboquivari Unified School District No. 40
PO Box 248
Sells, Arizona 85634-0248

State law mandates that school districts are required to undergo an annual single audit and publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States by a certified public accounting firm licensed in the state of Arizona. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the Baboquivari Unified School District No. 40 for the fiscal year ended June 30, 2021.

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

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

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

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

PROFILE OF THE DISTRICT

The District is one of 18 public school districts located in Pima County, Arizona. The District was initially founded as Indian Oasis Elementary District #40 in 1919, Baboquivari High School District #24 was founded in 1913 and discontinued in 1917 and subsequently reorganized in 1934. On July 1, 1953 it was annexed and lapsed into what is now San Fernando Elementary District #35 and Altar Valley Elementary District #51. Baboquivari High School District #40 was organized in 1979 and in 1982, Indian Oasis-Baboquivari Unified District #40 was consolidated as it exists today. The District serves an estimated 1,000 students from preschool through grade 12.

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 revenues and 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.

Citizens and Governing Board
Baboquivari Unified School District No. 40

Consequently, the District's financial statements include only the funds of those organizational entities for which its elected governing board is financially accountable. The District's major operations include education, student transportation, construction and maintenance of District facilities, food services, and athletic functions.

The Baboquivari Unified School District No. 40 is located within the Tohono O'odham Nation, a federally recognized tribe that includes approximately 28,000 members occupying tribal lands in Southwestern Arizona. The Tohono O'odham Nation is the second largest reservation in Arizona in both population and geographical size with a land base of 2.8 million acres and 4,460 square miles, approximately the size of the State of Connecticut. The District's transportation department covers the main Tohono O'odham reservation within Pima County, Arizona on a daily basis to transport students. More than three-quarters of the Tohono O'odham Reservation is within the borders of the Baboquivari Unified School District. The San Xavier District is separate from the main reservation, is located in Tucson, and is not part of the Baboquivari Unified School District. The Tohono O'odham reservation is within the Santa Rosa, Sierrita, Combabi, Sand Tank and Saucedo mountain range. Land elevations range between 850 and 8,000 feet above sea level. The area is bounded on three sides by township lines and is bounded to the South by the country of Mexico. Access to some of the villages is difficult, if not impossible, during strong rains.

The District schools are comprised of a Primary Campus serving preschool through Grade 3; Intermediate Campus serving grades four through six; Secondary Campus serving grades seven through 12; and an Alternative Campus serving grades six through 12. Our demographic includes 99.7% Tohono O'odham students.

Our Vision is our students will be LOVED, ENCOURAGED, and PREPARED to take on the world by embracing our HIMDAG (our way of life). We work towards our vision by providing several social emotional support systems to include Social and Emotional Learning (SEL), Positive Behavior Intervention Support (PBIS), Trust Based Relational Intervention (TBRI). These support systems are utilized through a Multi-Tiered System of Supports (MTSS) for Tier 1, Tier 2, and Tier 3 level students depending on their needs.

Our mission is to create healthy, inspiring, motivating, developing, achieving graduates (HIMDAG), through a systematic and embedded approach to being a Trauma Informed District. We use the ideas of connecting and creating relationships with students and families to create positive learning experiences for all students. Our purpose each day is to create a positive academic impact on every child's life.

In order to achieve this success, we have had to create optimal opportunities to recruit and retain excelling staff. We have done this by becoming the highest paying entry salary for all certified teachers in the state of Arizona. We also provide housing or a commuter bus that will bring staff in from Tucson and back home. All teachers receive laptops to do their work on the bus if desired. We also support our staff by paying 100% of their medical benefit. Hiring the best teachers will ensure that our students are receiving a quality education. These strategies have resulted in moving our graduation rate from 48% in 2012 to 63% in 2021. Our attendance rate for the district has risen from 68% in 2012 to 88% in 2021. AzMERIT testing and scores were suspended during the COVID-19 pandemic.

We work with many agencies to support our student's emotional and behavioral needs as well as work with local and state colleges to support a seamless transition to college and/or career. Our financial team works diligently to support schools and students as well as being proactive in having processes in place to support compliance in use of funds.

Due to COVID-19, our schools operated virtually the entire year. We opened school at the beginning of the FY22 year with a full virtual model and transitioned into a hybrid A/B model to maintain social distancing as required by the Tohono O'odham Nations COVID executive order. We were fortunate enough to have all the technology to support students with devices as well as technology to support teachers with devices, document cameras, and other assistive technology. While we had the technology, we did not have the connectivity infrastructure through our sole source vendor on the Nation. This caused many challenges for our families as they could not afford the service or simply could not receive the service for many reasons. We were forced to create paper packets for many students and that caused further challenges in having families pick up and drop off work. We did not complete any post testing as we could not bring students into our schools. We were able to continue feeding our students with the support of our food service vendor and our transportation department, who helped deliver meals and both continue to do so. During the 21-22 school year we have had to quarantine on several occasions due to high-risk exposures to COVID. The District continues to struggle with recruitment and retention of educators and has started recruiting J1 and H1b international teachers. As a result, the District has increased staffing and has ability to retain these educators for a three-year window. In order to utilize this process extensively in the future the District will have to address the housing needs of the increased staff relocating to the district from outside the nation. The District will also need to update the current housing provided to teachers in the district to make sure the conditions are sufficient.

BUDGET PROCESS AND CONTROLS

The annual budget process serves as the foundation for the District's financial planning and control. Every year, the District's Governing Board adopts a budget and approves the related appropriations for each fund. Year to date expenditure budgets for all funds are presented at monthly board meetings and are available for review for each school and department. Every April, year-end deadlines are provided to each school and department to ensure the general fund grant funds are maximized and no more than 15% budget balances are carried forward to the new year when allowed. The Expenditure Budget is revised (when required), approved by the board and submitted to the Arizona Department of Education a maximum of four times a year. 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. In funds where the District is not required to legally adopt a budget, over expenditures of budgeted funds may occur. The budget for these funds is simply an estimate and does not prevent the District from exceeding the budget as long as the necessary revenue is earned. The District is not required to prepare an annual budget of revenue; therefore, a deficit budgeted fund balance may be presented. However, this does not affect the District's ability to expend monies.

FACTORS AFFECTING FINANCIAL CONDITION

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

Local Economy

Remoteness and lack of economic development have resulted in a high poverty rate and a high unemployment rate. Jobs are concentrated in federal, state, and tribal agencies.

The District serves a total student population of approximately 1,000. Ninety-nine plus percent of these students are Native American, and 100% of the students receive free breakfast and lunch with the Community Eligibility Provision Agreement with the National School Breakfast/Lunch Program.

The primary sources of funding for the District are Federal Impact Aid from the federal government since all trust land is exempt from property taxes and state and county equalization payments. Federal special project grants also provide a significant source of funding.

Long-Term Financial Planning

There is very little building or financial growth on the Tohono O'odham Reservation or in the community of Sells at this time. Subsequently, Baboquivari School District is not a growing district, therefore the projected enrollment for FY2021-2022 is equal to the current year enrollment. There are some buildings that are aging and in need of repair. The Primary School has the oldest facilities, between 50-60 years old, and is currently being renovated along with the transportation facilities. The funding for the renovations are being paid from Impact Aid funds.

There is a preventive maintenance plan in place to ensure the care of all facilities. The Intermediate Campus' oldest building is 39 years old and the newest building is 29 years old. The Baboquivari Middle/High School facility is the newest facility, the oldest building is 28 years old and the newest building is 16 years old.

Pension Plan

The District contributes to a cost-sharing multiple-employer defined benefit pension plan administered by the Arizona State Retirement System. Benefits are established by state statute and generally provide retirement, death, long-term disability, survivor, and health insurance premium benefits. The District's contribution to the System for the year ended June 30, 2021 was equal to the required contribution for the year.

AWARDS AND ACKNOWLEDGEMENTS

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, 2017, 2018, 2019 and 2020. Fiscal year 2017 was the first year the District has received this prestigious award in recent years. 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, 2017, 2018, 2019 and 20. 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 annual comprehensive financial report continues to meet the programs' requirements and we are submitting it to ASBO and GFOA to determine its eligibility for the fiscal year ended June 30, 2021 certificates.

Acknowledgments

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

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

Respectfully submitted,



Dr. Christopher Bonn
Superintendent

**BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2021**

GOVERNING BOARD

Juan C Buendia
President

Anna Marie Stevens
Clerk

Ella Mae Greasewood
Member

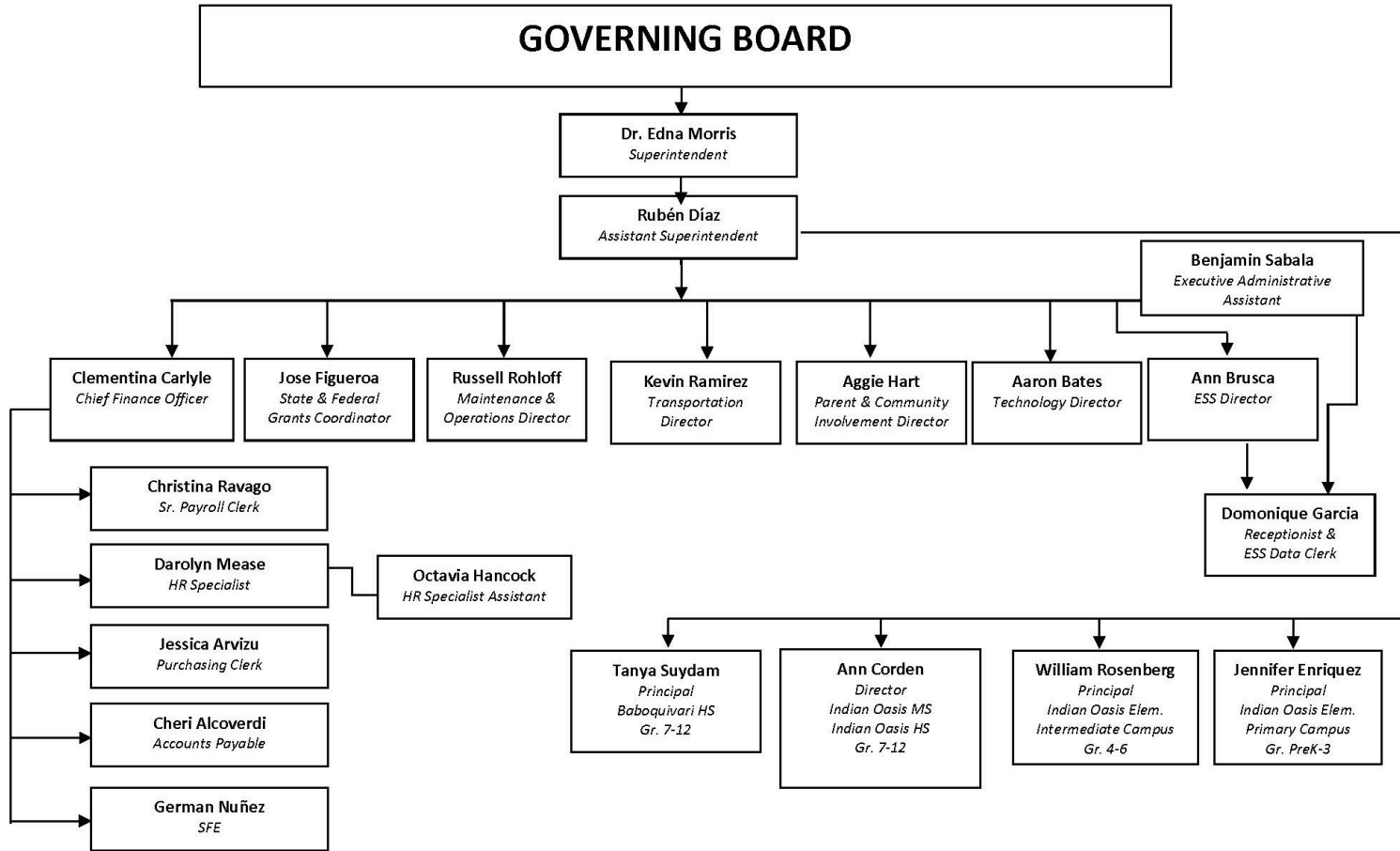
Sylvia Hendricks
Member

Kathleen Vance
Member

ADMINISTRATIVE STAFF

Dr. Edna Morris
Superintendent

**BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
ORGANIZATIONAL CHART
JUNE 30, 2021**





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

Baboquivari Unified School District 40

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

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



A handwritten signature in black ink that reads 'W. Edward Chabal'.

W. Edward Chabal
President

A handwritten signature in black ink that reads 'David J. Lewis'.

David J. Lewis
Executive Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Baboquivari Unified School District No. 40
Arizona

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

Governing Board
Baboquivari Unified School District No. 40
Sells, Arizona

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 Baboquivari Unified School District No. 40 (District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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.

Auditors' 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 auditors' 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 District'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 District'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 Baboquivari Unified School District No. 40 as of June 30, 2021, and the respective changes in financial position 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, other postemployment benefit information, pension schedules and budgetary comparison 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.

Supplementary and 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 combining and individual nonmajor fund financial statements and schedules and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor 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 nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2021, on our consideration of the District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District’s internal control over financial reporting and compliance.

The introductory and statistical sections 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.



CliftonLarsonAllen LLP

Tucson, Arizona
December 29, 2021

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**BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2021**

As management of the Baboquivari Unified School District No. 40 (the District), we offer the readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- ◆ The assets and deferred outflows of resources of the District exceeded the liabilities and deferred inflows of resources at the close of the fiscal year by \$33,035,179 (net position).
- ◆ The District's net position increased by \$296,176.
- ◆ As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$16,886,516, an increase of \$542,047 in comparison with the prior year.
- ◆ At the end of year, unassigned fund balance for the General Fund was \$16,555,707.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic 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 statement of net position presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflow of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as useful indicators of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the government'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 the future fiscal periods (e.g., earned but unused vacation leave).

The government-wide financial statements present functions of the District that are principally supported by intergovernmental revenues (governmental activities). The governmental activities of the District include instruction, support services, operation and maintenance of plant services, student transportation services, and operation of noninstructional services.

The government-wide financial statements can be found immediately following this MD&A.

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2021

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, like other state and local governments, 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 focus on near-term inflows and outflows 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 a government'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 government'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.

The District maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund and Special Projects Fund, which are considered to be major funds. Data from the other six governmental funds are combined into a single, aggregated presentation.

An operating budget for expenditures is prepared and adopted by the District each fiscal year for the General and Special Projects Funds. Budgetary control is ultimately exercised at the fund level. Budgetary control is maintained through the use of periodic reports that compare actual expenditures against budgeted amounts. The expenditure budget can be revised annually, per Arizona Revised Statutes. The District does not adopt a revenue budget; therefore, a deficit budgeted fund balance exists in all budgeted funds. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year-end.

As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

The basic governmental fund financial statements can be found on pages 24 - 27 of this report.

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. The fiduciary funds are custodial in nature and do not present results of operations or a measurement focus.

The basic fiduciary fund financial statement can be found on page 28-29 of this report.

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2021

Notes to the basic financial statements. The notes to the basic financial statements 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 basic financial statements can be found on pages 30 - 47 of this report.

Required Supplementary Information Other Than the MD&A. The required supplementary information other than the MD&A found immediately following the notes to the financial statements include the schedule of funding progress for the other postemployment benefit plan, pension schedules, and the schedule of revenues, expenditures and changes in fund balance – budget and actual for the General Fund and Special Projects Fund. Notes to the required supplementary information follow the budgetary comparison schedules.

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information other than the MD&A. Combining and individual fund statements and schedules can be found on pages 52 - 65 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$33,035,179 (net position) as of June 30, 2021.

By far the largest portion of the District's net position reflects its net investment in capital assets (e.g., land improvements, buildings, furniture, equipment, and vehicles). The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. An additional portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The District reported an unrestricted net position in the current year of \$2,436,752.

**BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2021**

A summary of changes in the District's Statement of Net Position for the fiscal years ended June 30, 2021 and 2020 is as follows:

| | Governmental Activities | | Percent Change |
|----------------------------------|-------------------------|----------------------|-------------------|
| | 2021 | 2020 | |
| Current and Other Assets | \$ 19,110,359 | \$ 19,400,430 | (1.5)% |
| Capital Assets | 29,930,042 | 29,772,085 | 0.5 |
| Noncurrent Assets | 69,341 | 25,892 | 167.8 |
| Total Assets | <u>49,109,742</u> | <u>49,198,407</u> | (0.2) |
| Deferred Outflows of Resources | 3,486,488 | 1,643,939 | 112.1 |
| Current Liabilities | 2,258,275 | 3,337,266 | (32.3) |
| Noncurrent Liabilities | 16,928,880 | 13,599,813 | 24.5 |
| Total Liabilities | <u>19,187,155</u> | <u>16,937,079</u> | 13.3 |
| Deferred Inflows of Resources | 191,395 | 1,166,264 | (83.6) |
| Net Position: | | | |
| Net Investment in Capital Assets | 29,930,042 | 29,772,085 | 0.5 |
| Restricted | 668,385 | 676,413 | (1.2) |
| Unrestricted | 2,619,253 | 2,290,505 | 14.4 |
| Total Net Position | <u>\$ 33,217,680</u> | <u>\$ 32,739,003</u> | 1.5 |

The increases in noncurrent assets, deferred outflows of resources, and noncurrent liabilities and decrease in deferred inflows of resources are related to changes in the actuarial calculations of the District's pension and other postemployment benefits in relation to the prior year calculations. Current liabilities decreased by 32.3%. This was due to decreased accounts payable related to construction expenditures due to ongoing capital improvement projects in the previous year. Restricted net position decreased 1.2% due to decreased funds made available for their restricted purpose. Each of these funds is expected to be required to meet planned expenses in the upcoming year. Unrestricted net position increased 6.4% due to the majority of the prior year capital improvement projects being completed during the current year.

**BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2021**

Overall, net position of the District increased \$296,176. Key elements of this increase are presented in the following Condensed Statement of Changes in Net Position for the fiscal years ended June 30, 2021 and 2020:

| | Governmental Activities | | |
|---|-------------------------|----------------------|----------------|
| | 2021 | 2020 | Percent Change |
| REVENUES | | | |
| Program Revenues: | | | |
| Charges for Services | \$ 172,240 | \$ 226,856 | (24.1)% |
| Operating Grants and Contributions | 5,184,015 | 4,698,434 | 10.3 |
| Capital Grants and Contributions | 9,489 | - | 100.0 |
| General Revenues: | | | |
| Grants and Contributions Not Restricted to Specific Programs: | | | |
| State Equalization and Additional State Aid | 6,658,544 | 6,861,246 | (3.0) |
| County Equalization | 759,934 | 742,699 | 2.3 |
| Federal Grants and Aid | 8,590,557 | 8,356,664 | 2.8 |
| Investment Earnings | 92,961 | 318,751 | (70.8) |
| Other | 83,624 | 82,566 | 1.3 |
| Total Revenues | <u>21,551,364</u> | <u>21,287,216</u> | 1.2 |
| EXPENSES | | | |
| Instruction | 8,617,250 | 8,741,620 | (1.4) |
| Support Services: | | | |
| Students and Instructional Staff | 2,841,244 | 2,804,251 | 1.3 |
| Administration | 3,122,681 | 2,993,122 | 4.3 |
| Operation and Maintenance of Plant | 3,971,005 | 3,219,483 | 23.3 |
| Student Transportation | 1,419,610 | 1,500,862 | (5.4) |
| Operation of Noninstructional Services | 1,100,897 | 915,232 | 20.3 |
| Total Expenses | <u>21,072,687</u> | <u>20,174,570</u> | 4.5 |
| Change in Net Position | 478,677 | 1,112,646 | (57.0) |
| Net Position - Beginning of Year, as Restated | <u>32,739,003</u> | <u>31,626,357</u> | 3.5 |
| Net Position - End of Year | <u>\$ 33,217,680</u> | <u>\$ 32,739,003</u> | 1.5 |

**BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2021**

Program revenues, which consist of charges for services, operating grants and contributions and capital grants and contributions, increased from the prior year by \$257,953. Operating grants and contributions increased 6.5% due to an increase in revenue passed through from the federal government.

District expenses increased over the prior year by \$898,117. The District reported increases in students and instructional staff, administration, operation and maintenance of plant, and operation of noninstructional services. The increases were due staff raises and additional expenses related to maintenance of schools. The District reported a decrease in instruction and student transportation by a total of \$205,622 largely due to school closures due to COVID-19.

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 a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$16,886,516, an increase of \$542,047 in comparison with the prior year. Of this amount \$16,218,131 constitutes unassigned fund balance, which is available for spending at the District's discretion. The remaining fund balance is either in nonspendable form or restricted to indicate that it is not available for new spending.

At fiscal year-end June 30, 2021 fund balances were as follows:

| Fund | Balance | Increase (Decrease) from 2019-20 |
|-----------------------------|---------------|--|
| General Fund | \$ 16,555,707 | \$ 887,651 |
| Special Projects Fund | (155,075) | (225,105) |
| Nonmajor Governmental Funds | 668,385 | 62,002 |

The General Fund increase in fund balance was due to decreased expenditures related to capital projects.

The Special Projects Fund decreased \$225,105 due to decreased intergovernmental revenues.

The Nonmajor Governmental Funds increased by \$62,002. The increase was in large part due to a decrease in expenditures being paid out of the Classroom Site Fund and Food Service Fund related to COVID-19 closures, decreasing the expenditures in this fund during the current year.

**BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2021**

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget totaled \$336,324. In Arizona, school districts build their original "adopted" budget based on the previous year's 100th day average daily attendance. The District is allowed to increase or decrease its budget. The District also moved budget capacity between line items due to changes in operations during the year. Actual General Fund expenditures were \$7,315 less than budget during the fiscal year. Actual expenditures were within 0.1% of budget. The District's regular education line item was over budget and special education instruction line item was under budget.

Capital Asset and Debt Administration

Capital assets. The District's investment in capital assets for its governmental activities as of June 30, 2021, amounts to \$29,930,042 (net of accumulated depreciation). This investment in capital assets includes land improvements, construction in progress, buildings and improvements, and furniture, equipment and vehicles. The amount represents a net increase of 0.5% from last year. Total depreciation expense for the year was \$1,696,884.

Major capital asset events during the current fiscal year included removal of carpeting from classrooms and major renovations at the primary school, transportation building, and various projects around the District. The primary renovations were completed in fiscal year 2021. Renovations to the transportation department were started during fiscal year 2020 and the majority completed in fiscal year 2021. The remaining capital asset projects are projected to be completed during fiscal year 2022.

Capital Assets (Net)
June 30, 2021 and 2020

| | Governmental Activities | |
|-------------------------------------|-------------------------|---------------|
| | 2021 | 2020 |
| Land Improvements | \$ 1,657,709 | \$ 1,342,471 |
| Construction of Progress | 519,651 | 6,343,687 |
| Buildings and Building Improvements | 24,693,871 | 18,903,314 |
| Furniture, Equipment, and Vehicles | 3,058,811 | 3,182,613 |
| Total Capital Assets, Net | \$ 29,930,042 | \$ 29,772,085 |

Additional information on the District's capital assets can be found in Note 3.A.3. of this report.

Long-term debt. At the end of the current fiscal year, the District had no long-term debt.

**BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2021**

Economic Factors and Next Year's Budgets and Rates

Many factors were considered by the District's administration during the process of developing the fiscal year 2021-2022 budget. Among them:

- Inflation funding and Average Daily Membership
- Utility costs and efficiency opportunities
- Arizona State Retirement and health insurance benefit costs
- Custodial expenses
- Employee salaries and employee retention
- COVID-19 pandemic related expenditures

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Business Services Department, Baboquivari Unified School District No. 40, P.O. Box 248, Sells, Arizona 85634-0248.

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BASIC FINANCIAL STATEMENTS

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BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
STATEMENT OF NET POSITION
JUNE 30, 2021

| | <u>Governmental Activities</u> |
|---|------------------------------------|
| ASSETS | |
| Current Assets: | |
| Cash and Investments | \$ 15,871,795 |
| Receivables, Net: | |
| Interest | 15,729 |
| Intergovernmental | <u>3,222,835</u> |
| Total Current Assets | 19,110,359 |
| Noncurrent Assets: | |
| Capital Assets: | |
| Nondepreciable | 519,651 |
| Depreciable, Net | 29,410,391 |
| Other Postemployment Benefits Asset | <u>69,341</u> |
| Total Noncurrent Assets | <u>29,999,383</u> |
| Total Assets | 49,109,742 |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Deferred Outflow Related to Other Postemployment Benefits | 184,538 |
| Deferred Outflow Related to Pensions | <u>3,301,950</u> |
| Total Deferred Outflows of Resources | <u>3,486,488</u> |
| LIABILITIES | |
| Current Liabilities: | |
| Accounts Payable | 1,380,290 |
| Accrued Wages and Benefits | 661,052 |
| Compensated Absences Payable | <u>216,933</u> |
| Total Current Liabilities | 2,258,275 |
| Noncurrent Liabilities: | |
| Compensated Absences Payable, Long-Term | 96,819 |
| Net Pension Liability | 16,758,210 |
| Net Other Postemployment Benefits Liability | <u>73,851</u> |
| Total Noncurrent Liabilities | <u>16,928,880</u> |
| Total Liabilities | 19,187,155 |
| DEFERRED INFLOWS OF RESOURCES | |
| Deferred Inflows Related to Other Postemployment Benefits | 138,338 |
| Deferred Inflows Related to Pensions | <u>53,057</u> |
| Total Deferred Inflows of Resources | <u>191,395</u> |
| NET POSITION | |
| Net Investment in Capital Assets | 29,930,042 |
| Restricted for: | |
| Classroom Site | 264,683 |
| Instructional Improvement | 172,528 |
| Noninstructional Services | 221,875 |
| Food Services | 9,299 |
| Unrestricted | <u>2,619,253</u> |
| Total Net Position | <u>\$ 33,217,680</u> |

See accompanying Notes to Basic Financial Statements.

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED JUNE 30, 2021

| <u>Functions/Programs</u> | <u>Expenses</u> | <u>Program Revenues</u> | | | <u>Net (Expense) Revenue and Changes in Net Position</u> |
|--|----------------------|---------------------------------|---|---|--|
| Primary Government: | | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | <u>Capital Grants and Contributions</u> | <u>Governmental Activities</u> |
| Governmental Activities: | | | | | |
| Instruction | \$ 8,617,250 | \$ 105,619 | \$ 3,646,377 | \$ - | \$ (4,865,254) |
| Support Services: | | | | | |
| Students | 1,578,357 | 1,504 | 465,768 | - | (1,111,085) |
| Instructional Staff | 1,262,887 | 1,129 | 497,849 | - | (763,909) |
| General Administration | 501,621 | 169 | 4,356 | - | (497,096) |
| School Administration | 1,213,459 | 2,236 | 26,502 | - | (1,184,722) |
| Business and Other Support Services | 1,407,601 | 3,116 | 179,135 | - | (1,225,350) |
| Operation and Maintenance of Plant | 3,971,005 | 2,579 | 363,836 | 9,489 | (3,595,101) |
| Student Transportation | 1,419,610 | 421 | 194 | - | (1,418,995) |
| Operation of Noninstructional Services | 1,100,897 | 55,466 | - | - | (1,045,431) |
| Total | <u>\$ 21,072,687</u> | <u>\$ 172,240</u> | <u>\$ 5,184,015</u> | <u>\$ 9,489</u> | <u>(15,706,943)</u> |
| | | | General Revenues: | | |
| | | | Grants and Contributions Not Restricted to | | |
| | | | Specific Programs State Equalization | | |
| | | | | | 6,658,544 |
| | | | County Equalization | | |
| | | | | | 759,934 |
| | | | Federal Aid not Restricted | | |
| | | | | | 8,590,557 |
| | | | Investment Earnings | | |
| | | | | | 92,961 |
| | | | Other | | |
| | | | | | 83,624 |
| | | | Total General Revenues | | |
| | | | | | <u>16,185,620</u> |
| | | | Change in Net Position | | |
| | | | | | 478,677 |
| | | | Net Position - Beginning of Year | | |
| | | | | | <u>32,739,003</u> |
| | | | Net Position - End of Year | | |
| | | | | | <u>\$ 33,217,680</u> |

See accompanying Notes to Basic Financial Statements.

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2021

| | General Fund | Special Projects | Nonmajor | Totals |
|---|-------------------|---------------------|----------------|-------------------|
| ASSETS | | | | |
| Cash and Investments | \$ 15,042,535 | \$ - | \$ 829,260 | \$ 15,871,795 |
| Receivables: | | | | |
| Accrued Interest | 15,729 | - | - | 15,729 |
| Intergovernmental | 2,019,250 | 1,189,227 | 14,358 | 3,222,835 |
| Due from Other Funds | 934,856 | - | - | 934,856 |
| Total Assets | \$ 18,012,370 | \$ 1,189,227 | \$ 843,618 | \$ 20,045,215 |
| LIABILITIES | | | | |
| Accounts Payable | \$ 1,012,311 | \$ 219,642 | \$ 148,337 | \$ 1,380,290 |
| Accrued Wages and Benefits | 444,352 | 199,293 | 17,407 | 661,052 |
| Due to Other Funds | - | 925,367 | 9,489 | 934,856 |
| Total Liabilities | 1,456,663 | 1,344,302 | 175,233 | 2,976,198 |
| FUND BALANCES | | | | |
| Restricted | - | - | 668,385 | 668,385 |
| Unassigned | 16,555,707 | (155,075) | - | 16,400,632 |
| Total Fund Balances | 16,555,707 | (155,075) | 668,385 | 17,069,017 |
| Total Liabilities and Fund Balances | \$ 18,012,370 | \$ 1,189,227 | \$ 843,618 | \$ 20,045,215 |

See accompanying Notes to Basic Financial Statements.

**BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
RECONCILIATION OF THE BALANCE SHEET OF THE
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2021**

| | | |
|--|--|---------------|
| Total Fund Balances for Governmental Funds | | \$ 17,069,017 |
|--|--|---------------|

Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

| | | | |
|--------------------------------|---------------------|--|------------|
| Governmental Capital Assets | \$ 63,232,522 | | |
| Less: Accumulated Depreciation | <u>(33,302,480)</u> | | 29,930,042 |

Deferred outflows and inflows of resources related to pensions and other postemployment benefits are applicable to future periods and, therefore, are not reported in the funds:

| | | | |
|--|------------------|--|-----------|
| Deferred Outflows of Resources Related to Pensions and Other Postemployment Benefits | 3,486,488 | | |
| Deferred Inflows of Resources Related to Pensions and Other Postemployment Benefits | <u>(191,395)</u> | | 3,295,093 |

Long-term liabilities that pertain to governmental funds, including bonds payable, are not due and payable in the current period and therefore are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position.

| | | | |
|--|------------------|--|---------------------|
| Other Postemployment Benefits Asset | 69,341 | | |
| Pension and Other Postemployment Benefit Liabilities | (16,832,061) | | |
| Compensated Absences Payable | <u>(313,752)</u> | | <u>(17,076,472)</u> |

| | | |
|---|--|-----------------------------|
| Total Net Position of Governmental Activities | | <u><u>\$ 33,217,680</u></u> |
|---|--|-----------------------------|

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – GOVERNMENTAL FUNDS
FISCAL YEAR ENDED JUNE 30, 2021

| | General Fund | Special Projects | Nonmajor | Totals |
|--|----------------------|---------------------|-------------------|----------------------|
| REVENUES | | | | |
| Intergovernmental | \$ 16,009,035 | \$ 3,666,769 | \$ 1,526,735 | \$ 21,202,539 |
| Auxiliary Operations | 4,907 | - | - | 4,907 |
| Charges for Services | 100,072 | - | 42,000 | 142,072 |
| Contributions and Donations | - | - | 25,261 | 25,261 |
| Investment Earnings | 89,271 | 335 | 3,355 | 92,961 |
| Other | 60,551 | - | 23,073 | 83,624 |
| Total Revenues | <u>16,263,836</u> | <u>3,667,104</u> | <u>1,620,424</u> | <u>21,551,364</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Instruction | 4,752,699 | 2,109,143 | 507,627 | 7,369,469 |
| Support Services: | | | | |
| Students | 1,050,024 | 461,395 | 1,234 | 1,512,653 |
| Instructional Staff | 737,843 | 493,175 | 945 | 1,231,963 |
| General Administration | 491,972 | 4,315 | - | 496,287 |
| School Administration | 1,159,261 | 26,253 | 1,983 | 1,187,497 |
| Business and Other Support Services | 1,042,733 | 177,453 | 2,977 | 1,223,163 |
| Operations and Maintenance of Plant | 3,709,573 | 360,420 | 45,046 | 4,115,039 |
| Student Transportation | 1,226,141 | 192 | - | 1,226,333 |
| Operation of Noninstructional Services | 107,665 | - | 974,728 | 1,082,393 |
| Capital Outlay: | | | | |
| Facilities Acquisition | 1,382,019 | - | - | 1,382,019 |
| Total Expenditures | <u>15,659,930</u> | <u>3,632,346</u> | <u>1,534,540</u> | <u>20,826,816</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 603,906 | 34,758 | 85,884 | 724,548 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | 283,745 | - | - | 283,745 |
| Transfers Out | - | (259,863) | (23,882) | (283,745) |
| Total Other Financing Sources (Uses) | <u>283,745</u> | <u>(259,863)</u> | <u>(23,882)</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCES | 887,651 | (225,105) | 62,002 | 724,548 |
| Fund Balances - Beginning of Year | <u>15,668,056</u> | <u>70,030</u> | <u>606,383</u> | <u>16,344,469</u> |
| FUND BALANCES - END OF YEAR | <u>\$ 16,555,707</u> | <u>\$ (155,075)</u> | <u>\$ 668,385</u> | <u>\$ 17,069,017</u> |

See accompanying Notes to Basic Financial Statements.

**BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED JUNE 30, 2021**

Net Change in Fund Balances - Total Governmental Funds \$ 724,548

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

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

| | | |
|-------------------------------------|--------------------|---------|
| Expenditure for Capital Assets, Net | \$ 1,886,865 | |
| Net Book Value of Assets Disposed | (59,409) | |
| Depreciation Expense | <u>(1,696,884)</u> | 130,572 |

Governmental funds report pension and other postemployment benefits contributions as expenditures when made. However, in the statement of activities, pension and other postemployment benefits expenses are the cost of benefits earned, adjusted for member contributions, in the recognition of changes in deferred outflows and inflows or resources related to pensions and other postemployment benefits, and the investment experience.

| | | |
|---|--------------------|-----------|
| Pension and Other Postemployment Benefits Contributions | 1,235,414 | |
| Pension and Other Postemployment Benefits Expense | <u>(1,584,361)</u> | (348,947) |

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

| | | |
|--------------------------------|--|-----------------|
| Change in Compensated Absences | | <u>(27,496)</u> |
|--------------------------------|--|-----------------|

| | | |
|---|--|--------------------------|
| Change in Net Position of Governmental Activities | | <u><u>\$ 478,677</u></u> |
|---|--|--------------------------|

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES – CUSTODIAL FUNDS
JUNE 30, 2021

| | <u>Custodial Funds</u> |
|-----------------------|------------------------|
| ASSETS | |
| Current Assets: | |
| Cash and Investments | \$ 233,264 |
| Receivables | 824 |
| Total Assets | <u>\$ 234,088</u> |
| LIABILITIES | |
| Current Liabilities: | |
| Accounts Payable | \$ 182,037 |
| Due to Student Groups | 52,051 |
| Total Liabilities | <u>\$ 234,088</u> |

See accompanying Notes to Basic Financial Statements.

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES – CUSTODIAL FUNDS
FISCAL YEAR ENDED JUNE 30, 2021

| | Balance July 1, 2020 | Additions | Deletions | Balance June 30, 2021 |
|------------------------|-------------------------|---------------------|-----------------------|--------------------------|
| Custodial Funds | | | | |
| Assets: | | | | |
| Cash and Investments | \$ 205,519 | \$ 1,357,134 | \$ (1,329,389) | \$ 233,264 |
| Receivables | 9,114 | 824 | (9,114) | 824 |
| Total Assets | <u>\$ 214,633</u> | <u>\$ 1,357,958</u> | <u>\$ (1,338,503)</u> | <u>\$ 234,088</u> |
| Liabilities: | | | | |
| Accounts Payable | \$ 160,674 | \$ 182,037 | \$ (160,674) | \$ 182,037 |
| Due to Student Groups | 53,959 | 1,511 | (3,419) | 52,051 |
| Total Liabilities | <u>\$ 214,633</u> | <u>\$ 183,548</u> | <u>\$ (164,093)</u> | <u>\$ 234,088</u> |

See accompanying Notes to Basic Financial Statements.

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Baboquivari Unified School District No. 40 (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America applicable to governmental units adopted by the Governmental Accounting Standards Board (GASB).

A. Reporting Entity

The District is a special purpose government that is governed by a separately elected governing body. It is legally separate from and fiscally independent of other state and local governments. In evaluating how to define the District, for financial reporting purposes, management has identified no potential component units. The decision to include a potential component unit in the reporting entity would have been made by applying criteria set forth in accounting principles generally accepted in the United States of America. Generally, component units are legally separate organizations for which the elected officials of the primary government (i.e., the District) are financially accountable. The primary government is financially accountable for a potential component unit if it: appoints a voting majority of the potential component unit's governing body; and, either is able to impose its will on the potential component unit or there is a possibility of the potential component unit to provide specific financial benefits to, or impose specific financial burdens on the primary government. In addition, a primary government may be financially accountable for a potential component unit even though the potential component unit may have a separately elected governing board, a board appointed by another government, or a jointly appointed board if the potential component unit is fiscally dependent on the primary government (e.g., the primary government must approve the potential component unit's budget, tax rates, etc.). Because no potential component units were identified in defining the District's reporting entity, none have been included in the District's reporting entity. Consequently, the District's financial statements present only the funds of those organizational entities for which its elected governing board is financially accountable.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. As a general rule, the effect of interfund activity has been removed from these statements. Interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which are normally supported by intergovernmental revenues are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District had no business-type activities during the fiscal year.

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

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. Other items not properly 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

The government-wide and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*; however, the District only reports custodial funds in its fiduciary fund types, which do not present results of operations or a measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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, except expenditures related to compensated absences and claims and judgments, which are recorded only when payment is due.

Intergovernmental grants and aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The District reports the following major governmental funds:

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. It is described as the Maintenance and Operation Fund by Arizona Revised Statutes (A.R.S.) and is budgeted within four subsections titled regular education, special education, pupil transportation, and K-3 reading program.

The Special Projects Fund is a special revenue fund which accounts for the revenues and expenditures of state and federally funded educational grants.

Additionally, the District reports the following fund type:

The Custodial Fund does not present results of operations or a measurement focus and is described as follows:

The Student Activities Fund accounts for monies raised by students to finance student clubs and organizations but held by the District as an agent.

The Employee Insurance Fund accounts for monies held to pay insurance premiums of the District employees.

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

Amounts reported as program revenues include charges for services and operating grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues.

When both restricted and unrestricted resources are available for use, for governmental activities it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity

1. Deposits and Investments

The District's cash and investments are considered to be cash on hand, demand deposits, cash and investments held by the State and County Treasurer, and highly liquid investments with maturities of three months or less from the date of acquisition.

A.R.S. require the District to deposit certain cash with the County Treasurer, which is pooled for investment purposes. No income from investments reported in one fund is assigned directly to another fund.

A.R.S. authorize the District to invest public monies in the State and County Treasurer's investment pools; U.S. Treasury obligations; specified state and local government bonds; and interest-earning investment contracts such as savings accounts, certificates of deposit, and repurchase agreements in eligible depositories.

The State Board of Investment provides oversight for the State Treasurer's pools, and the Local Government Investment Pool Advisory Committee provides consultation and advice to the Treasurer. The fair value of a participant's position in the pool approximates the value of that participant's pool shares. No comparable oversight is provided for the County Treasurer's investment pool, and that pool's structure does not provide for shares.

2. Receivables

Intergovernmental receivables are comprised of federal grants and aid (\$1,190,158), state and county equalization and additional state aid (\$1,989,852) and other miscellaneous state grants (\$42,825).

Interest receivable represents investment interest related to the pooled accounts held with the Pima County Treasurer.

3. Short-Term Interfund Receivables/Payables

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

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

4. Capital Assets

Capital assets, which include land improvements, buildings and improvements, furniture, equipment and vehicles, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on all assets is provided on a straight-line basis over the following estimated useful lives:

| | |
|------------------------------------|----------------|
| Land Improvements | 20 to 25 Years |
| Buildings and Improvements | 20 to 80 Years |
| Furniture, Equipment, and Vehicles | 5 to 35 Years |

5. Deferred Outflows of Resources

The deferred outflows of resources reported in the government-wide financial statements, represent amounts related to the requirements of accounting and financial reporting for pensions and other postemployment benefits under GASB 68 and 75.

6. Compensated Absences

The liability for compensated absences reported in the government-wide financial statements consists of unpaid, accumulated leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

7. Pension Plans and Other Postemployment Benefits

For purposes of measuring the net pension and other postemployment benefits liability, deferred outflows of resources and deferred inflows of resources related to pensions and other postemployment benefits, and pension and other postemployment benefits expense, information about the fiduciary net position of the Arizona State Retirement System (ASRS) and additions to/deductions from ASRS's fiduciary net position have been determined on the same basis as they are reported by ASRS. 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.

8. Deferred Inflows of Resources

The District recognizes the acquisition of net position that is applicable to a future reporting period as deferred inflows of resources. Reported amounts are related to the requirements of accounting and financial reporting for pensions and other postemployment benefits under GASB 68 and 75.

9. Net Position

In the government-wide financial statements, net position is reported in three categories: net investment in capital assets; restricted net position; and unrestricted net position. Net investment in capital assets is separately reported because the District reports all District capital assets which make up a significant portion of total net position. Restricted net position accounts for the portion of net position restricted by parties outside the District. Unrestricted net position is the remaining net position not included in the previous two categories.

10. Fund Balances

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 and spendable fund balances. Spendable fund balances include restricted, committed, assigned, and unassigned fund balance classifications.

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

10. Fund Balances (Continued)

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

Restricted fund balances are those that have externally imposed restrictions on the usage by creditors, grantors, contributors, or laws and regulations.

The committed fund balances are self-imposed limitations approved by the Governing Board, which is the highest level of decision-making authority within the District. Only the Governing Board can remove or change the constraints placed on committed fund balances. The Governing Board must commit fund balances before the end of the fiscal year through formal board action.

Assigned fund balances are resources constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The Governing Board has authorized the Chief Financial Officer, through formal action at a board meeting, to make assignments of resources for specific purposes.

The unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not reported in the other classifications. Also, deficits in fund balances of the other governmental funds are reported as unassigned.

It is the District's policy to utilize restricted fund balances first, then committed, assigned and unassigned fund balances when resources are available for the same purpose.

The District has classified its fund balances as follows:

| | General Fund | Special Projects Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|----------------------------|----------------------|-----------------------------|-----------------------------------|--------------------------------|
| Fund Balances: | | | | |
| Restricted: | | | | |
| Classroom Site | \$ - | \$ - | \$ 264,683 | \$ 264,683 |
| Instructional Improvements | - | - | 172,528 | 172,528 |
| Other Special Revenues | - | - | 221,875 | 221,875 |
| Food Service | - | - | 9,299 | 9,299 |
| Unassigned | <u>16,555,707</u> | <u>(155,075)</u> | <u>-</u> | <u>16,400,632</u> |
| Total Fund Balance | <u>\$ 16,555,707</u> | <u>\$ (155,075)</u> | <u>\$ 668,385</u> | <u>\$ 17,069,017</u> |

**BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
 NOTES TO BASIC FINANCIAL STATEMENTS
 FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

The District adopts an annual operating budget for expenditures for all governmental fund types on essentially the same modified accrual basis of accounting used to record actual expenditures. The Governing Board presents a proposed budget to the Superintendent of Public Instruction and County School Superintendent on or by July 5. The Governing Board legally adopts the final budget by July 15, after a public hearing has been held. Once adopted the budget can be increased or decreased only for specific reasons set forth in the A.R.S. All appropriations lapse at year-end.

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

A budget of revenue from all sources for the fiscal year is not prepared by the District.

No supplementary budgetary appropriations were necessary during the year.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Assets

1. Deposits and Investments

Deposits and investments at June 30, 2021 consist of the following:

| | |
|---------------------------------------|----------------------|
| Deposits: | |
| Cash in Bank | \$ 5,000 |
| Investments: | |
| Cash on Deposit with County Treasurer | 16,100,059 |
| Total Deposits and Investments | <u>16,105,059</u> |
| Less: Fiduciary Funds | <u>(233,264)</u> |
| Total Cash and Investments | <u>\$ 15,871,795</u> |

Deposits - Custodial credit risk is the risk that, in the event of a failure by a counterparty, the District will not be able to recover its deposits or collateralized securities that are in the possession of an outside party. The District does not have a formal policy regarding custodial credit risk. The carrying amount of the District's deposits at June 30, 2021, was \$5,000 and the bank balance was \$205,223.

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2021

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

1. Deposits and Investments (Continued)

Investments - At June 30, 2021, the District's investments were reported at fair value, which were based on quoted market prices. The District's investment in the County Treasurer's investment pool represents a proportionate interest in those pools' portfolios; however, the District's portion is not identified with a specific investment and is not subject to custodial credit risk. The District's investments with the County Treasurer's investment pool are invested in Level 1 investments valued using quoted market prices in active markets and Level 2 investments valued using quoted prices in nonactive markets.

Interest Rate Risk. In accordance with its investment policy, the District manages its exposure to declines in fair values by limiting the average maturity of its investments to one year or less. The District does not hold any fixed rate debt securities.

Credit Risk. In accordance with the District's investment policy, the District only invests in the State or County Treasurer investment pools, U.S. government securities or state or local bonds. The District's cash on deposit with the County Treasurer and U.S. Treasury Securities did not receive a credit quality rating from a national credit rating agency.

Concentration of Credit Risk. The District does not have a formal investment policy that addresses concentration of credit risk; all investments are recorded with the County Treasurer or are on deposit with the trustee.

2. Receivables

Governmental funds report accrued interest and intergovernmental receivables in connection with resources that have been earned but not yet received.

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2021

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

3. Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|--|----------------------|---------------------|--------------------|----------------------|
| Governmental Activities: | | | | |
| Capital Assets, Not Being Depreciated: | | | | |
| Construction in Progress | \$ 6,343,687 | \$ 1,228,214 | \$ (7,052,250) | \$ 519,651 |
| Total Capital Assets, Not Being Depreciated | 6,343,687 | 1,228,214 | (7,052,250) | 519,651 |
| Capital Assets, Being Depreciated: | | | | |
| Land Improvements | 5,734,431 | 539,452 | - | 6,273,883 |
| Buildings and Improvements | 42,530,081 | 6,801,961 | (114,772) | 49,217,270 |
| Furniture, Equipment, and Vehicles | 6,824,845 | 396,873 | - | 7,221,718 |
| Total Capital Assets, Being Depreciated | 55,089,357 | 7,738,286 | (114,772) | 62,712,871 |
| Accumulated Depreciation for: | | | | |
| Land Improvements | (4,391,960) | (224,214) | - | (4,616,174) |
| Buildings and Improvements | (23,626,767) | (951,995) | 55,363 | (24,523,399) |
| Furniture, Equipment, and Vehicles | (3,642,232) | (520,675) | - | (4,162,907) |
| Total Accumulated Depreciation | (31,660,959) | (1,696,884) | 55,363 | (33,302,480) |
| Total Capital Assets, Being Depreciated, Net | 23,428,398 | 6,041,402 | (59,409) | 29,410,391 |
| Governmental Activities Capital Assets, Net | <u>\$ 29,772,085</u> | <u>\$ 6,041,402</u> | <u>\$ (59,409)</u> | <u>\$ 29,930,042</u> |

Depreciation expense was charged to functions as follows at June 30, 2021:

| | |
|--|---------------------|
| Governmental Activities: | |
| Instruction | \$ 1,030,309 |
| Support Services: | |
| Students | 12,807 |
| Instructional Staff | 4,011 |
| General Administration | 35,382 |
| School Administration | 8,381 |
| Business and Other Support Services | 172,256 |
| Operations and Maintenance of Plant | 138,631 |
| Student Transportation | 232,525 |
| Operation of Noninstructional Services | 62,582 |
| Total | <u>\$ 1,696,884</u> |

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2021

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

3. Capital Assets (Continued)

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

| Project | Governmental Activities | |
|----------------------------------|-------------------------|---------------------|
| | Spent-to-Date | Estimated Remaining |
| Transportation Auto Shop Project | \$ 501,455 | \$ 3,891 |
| Roofing Secondary Project | 42,250 | 113,941 |
| IO Primary - Gym Roofing Project | 7,500 | 22,492 |
| Primary SPED Project | 25,680 | 266,358 |
| Alternative MS/HS SPED Project | 39,304 | 10,697 |
| Totals | \$ 616,189 | \$ 417,379 |

B. Interfund Receivables, Payables, and Transfers

As of June 30, 2021, interfund receivables and payables were as follows:

| Due To | Due From | | |
|--------------|-----------------------|----------------|------------|
| | Special Projects Fund | Nonmajor Funds | Total |
| General Fund | \$ 852,032 | \$ 9,489 | \$ 861,521 |

The above interfund receivable and payables were recorded to eliminate the cash short-falls in individual funds at June 30, 2021. The District expects to recover the cash short-falls within one year.

Interfund transfers for the year ended June 30, 2021 consisted of the following:

| | General Fund | Special Projects Fund | Nonmajor Funds | Totals |
|---------------|--------------|-----------------------|----------------|------------|
| Transfers In | \$ 283,745 | \$ - | \$ - | \$ 283,745 |
| Transfers Out | - | (259,863) | (23,882) | (283,745) |
| Totals | \$ 283,745 | \$ (259,863) | \$ (23,882) | \$ - |

The transfers from the Special Projects Fund, Nonmajor Funds, and General Fund were made to fund the District's indirect costs on grants passed through the Arizona Department of Education.

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2021

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Long-Term Obligations

Compensated absences and the other postemployment benefits obligation are paid by the applicable fund where each employee is regularly paid, primarily the General Fund.

Changes in long-term obligations for the year ended June 30, 2021 are as follows:

| | Beginning of Year | Increases | Decreases | End of Year | Due within One Year |
|--|----------------------|---------------------|---------------------|----------------------|------------------------|
| Other Liabilities: | | | | | |
| Net Pension and Other Postemployment Benefits Liability | \$ 13,534,037 | \$ 3,224,173 | \$ - | \$ 16,758,210 | \$ - |
| Compensated Absences | 286,256 | 240,175 | (212,679) | 313,752 | 216,933 |
| Total Other Liabilities | <u>13,820,293</u> | <u>3,464,348</u> | <u>(212,679)</u> | <u>17,071,962</u> | <u>216,933</u> |
| Total Long-Term Obligations | <u>\$ 13,820,293</u> | <u>\$ 3,464,348</u> | <u>\$ (212,679)</u> | <u>\$ 17,071,962</u> | <u>\$ 216,933</u> |

NOTE 4 OTHER INFORMATION

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

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

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. Alliance is a public entity risk pool operating as a common risk management and insurance program for school districts in the state. The District pays annual premiums to Alliance for its employee workers' compensation coverage. The agreement provides that 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.

**BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Risk Management (Continued)

The District continues to carry commercial insurance for all other risks of loss, including employee dental and life insurance. There have been no significant reductions in coverage from the prior year and settled claims for each of the past three fiscal years have not exceeded the insurance coverage amounts.

B. Retirement Plans

Cost-Sharing Pension and Other Postemployment Benefit Plans

At June 30, 2021, the District reported the following related to pensions and other postemployment benefits (OPEB) to which it contributes:

| <u>Statement of Net Position and Statement of Activities</u> | <u>Governmental Activities</u> |
|--|------------------------------------|
| Net OPEB Asset | \$ 69,341 |
| Net Pension and OPEB Liability | 16,758,210 |
| Deferred Outflows of Resources | 3,301,950 |
| Deferred Inflows of Resources | 53,057 |
| Pension and OPEB Expense | 1,584,361 |

The District had no accrued payroll and benefits for outstanding pension and other postemployment benefit contribution amounts payable for the year ended June 30, 2021. Disclosures related to the OPEB plan for ASRS are not included as the assets, liabilities, deferred inflows of resources, deferred outflows of resources, and OPEB expense are not significant to the District's financial statements.

Arizona State Retirement System

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); 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. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on its web site at www.azasrs.gov.

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2021

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

Arizona State Retirement System (Continued)

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

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

* With actuarially reduced benefits.

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

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 year ended June 30, 2021, active ASRS members were required by statute to contribute at the actuarially determined rate of 12.22% (12.04% for retirement and 0.18% for long-term disability) of the members' annual covered payroll, and the District was required by statute to contribute at the actuarially determined rate of 12.22% (11.65% for retirement, 0.39% for the health insurance premium benefit, and 0.18% for long-term disability) of the active members' annual covered payroll.

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2021

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

Arizona State Retirement System (Continued)

In addition, the District was required by statute to contribute at the actuarially determined rate of 10.21% (10.14% for retirement, 0.00% for health insurance premium benefits, and 0.07% for long-term disability) of annual covered payroll of retired members who worked for the District in positions that would typically be filled by an employee who contributes to the ASRS.

The District's contributions to the pension plan for the year ended June 30, 2021 were \$1,168,083.

The District's contributions for the current and two preceding years for OPEB, all of which were equal to the required contributions, were as follows:

| <u>Year Ended June 30,</u> | <u>Health Benefit Supplement Fund</u> | <u>Long-Term Disability Fund</u> |
|----------------------------|---|--------------------------------------|
| 2021 | \$ 49,988 | \$ 17,343 |
| 2020 | 49,705 | 17,289 |
| 2019 | 44,214 | 16,078 |

During the fiscal year ended June 30, 2021, the District paid for ASRS pension and OPEB contributions as follows: 78.6% from the General Fund and 21.4% from other funds.

Pension Liability - At June 30, 2021, the District reported a liability of \$16,758,210 for its proportionate share of the ASRS' net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2019, to the measurement date of June 30, 2020. The total pension liability as of June 30, 2020, reflects a change in actuarial assumption for changes in loads for future potential permanent benefit increases.

The District's reported liability at June 30, 2021, increased by \$3,224,173 from the District's prior year liability of \$13,534,037 because of changes in the ASRS' net pension liability. The ASRS' publicly available financial report provides details on the change in the net pension liability.

The District's proportion of the net pension liability was based on the District's fiscal year 2019 contributions. The District's proportion measured as of June 30, 2020 and 2019 was 0.09672% and 0.09301%, respectively.

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2021

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

Arizona State Retirement System (Continued)

Pension Expense and Deferred Outflows/Inflows of Resources - For the year ended June 30, 2021, the District recognized pension expense for ASRS of \$1,555,829. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Differences Between Expected and Actual Experience | \$ 151,607 | \$ - |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 1,616,349 | - |
| Changes in Assumptions | - | - |
| Changes in Proportion and Differences Between District's Contributions and Proportionate Share of Contributions | 365,911 | 53,057 |
| Contributions Subsequent to the Measurement Date | 1,168,083 | - |
| Total | \$ 3,301,950 | \$ 53,057 |

The \$1,168,083 reported as deferred outflows of resources related to ASRS pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions will be recognized in pension expense as follows:

| Year Ending June 30, | Amounts |
|----------------------|------------|
| 2022 | \$ 327,269 |
| 2023 | 668,962 |
| 2024 | 584,651 |
| 2025 | 499,928 |

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

| | |
|-----------------------------|---------------------|
| Actuarial Valuation Date | June 30, 2019 |
| Actuarial Roll Forward Date | June 30, 2020 |
| Actuarial Cost Method | Entry Age Normal |
| Investment Rate of Return | 7.5% |
| Projected Salary Increases | 2.7 - 7.2% |
| Inflation | 2.3% |
| Permanent Benefit Increase | Included |
| Mortality Rates | 2017 SRA Scale U-MP |

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2021

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

Arizona State Retirement System (Continued)

Actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial study for the five-year period ended June 30, 2016.

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

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Real Return Geometric Basis</u> |
|--|------------------------------|--|
| Equity | 50% | 6.39% |
| Fixed Income - Credit | 20% | 5.44% |
| Fixed Income - Interest Rate Sensitive | 10% | 0.22% |
| Real Estate | 20% | 5.85% |
| Total | <u>100%</u> | |

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

**BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
 NOTES TO BASIC FINANCIAL STATEMENTS
 FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

Arizona State Retirement System (Continued)

Sensitivity of the District's Proportionate Share of the ASRS Net Pension Liability to Changes in the Discount Rate - The following table presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.5%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate.

| | One Percent Decrease (6.5%) | Current Discount Rate (7.5%) | One Percent Increase (8.5%) |
|--|-----------------------------------|------------------------------------|-----------------------------------|
| | <u> </u> | <u> </u> | <u> </u> |
| District's Proportionate Share of the Net Pension Liability | <u>\$ 22,916,625</u> | <u>\$ 16,758,210</u> | <u>\$ 11,610,092</u> |

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued ASRS financial report.

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BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY AND
CONTRIBUTIONS COST SHARING PENSION PLANS
FISCAL YEAR ENDED JUNE 30, 2021

Schedule of the District's Proportionate Share of Net Pension Liability

| | Reporting Year (Measurement Date) | | | | | |
|--|--------------------------------------|----------------|----------------|----------------|----------------|----------------|
| | 2021 (2020) | 2020 (2019) | 2019 (2018) | 2018 (2017) | 2017 (2016) | 2016 (2015) |
| District's Proportion of the Net Pension Liability | 0.096720% | 0.093010% | 0.094150% | 0.095050% | 0.104320% | 0.099360% |
| District's Proportionate Share of the Net Pension Liability | \$ 16,758,210 | \$ 13,534,037 | \$ 13,130,612 | \$ 14,806,937 | \$ 16,838,296 | \$ 15,476,759 |
| District's Covered Payroll | \$ 10,436,054 | \$ 9,614,637 | \$ 9,117,311 | \$ 8,994,701 | \$ 9,285,702 | \$ 10,019,801 |
| District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 160.58% | 140.76% | 144.02% | 164.62% | 181.34% | 154.46% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 69.33% | 73.24% | 73.00% | 69.92% | 67.06% | 68.35% |

Schedule of the District's Contributions

| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|--|---------------|------------------|-----------------|-----------------|---------------|-----------------|
| Contractually Required Contribution | \$ 1,210,447 | \$ 1,096,653 | \$ 1,020,007 | \$ 999,412 | \$ 1,059,845 | \$ 996,612 |
| Contributions in Relation to the Contractually Required Contribution | 1,168,083 | 1,208,038 | 1,095,296 | 1,009,685 | 1,005,410 | 1,051,783 |
| Contribution Deficiency (Excess) | <u>42,364</u> | <u>(111,385)</u> | <u>(75,289)</u> | <u>(10,273)</u> | <u>54,435</u> | <u>(55,171)</u> |
| District's Covered Payroll | \$ 10,171,050 | \$ 10,436,054 | \$ 9,614,637 | \$ 9,117,311 | \$ 8,994,701 | \$ 9,285,702 |
| Contributions as a Percentage of Covered Payroll | 11.48% | 11.58% | 11.39% | 11.07% | 11.18% | 11.33% |

NOTE: Information is only available for the current and previous five fiscal years. Schedule is intended to show information for 10 years, additional years' information will be displayed as it becomes available.

See Notes to Required Supplementary Information.

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND – BUDGETARY BASIS
FISCAL YEAR ENDED JUNE 30, 2021

| | Budgeted Amounts | | Actual | Variance from Final Budget |
|---|------------------|--------------|--------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental | | | \$ 7,418,478 | |
| Investment Loss | | | (344) | |
| Other | | | 749 | |
| Total Revenues | | | 7,418,883 | |
| EXPENDITURES | | | | |
| Regular Education: | | | | |
| Instruction | \$ 2,894,499 | \$ 2,618,678 | 2,666,861 | \$ (48,183) |
| Support Services - Students | 216,027 | 223,866 | 215,502 | 8,364 |
| Support Services - Instructional Staff | 165,915 | 280,050 | 285,326 | (5,276) |
| Support Services - General Administration | 272,638 | 264,342 | 302,057 | (37,715) |
| Support Services - School Administration | 850,082 | 829,570 | 833,728 | (4,158) |
| Support Services - Business | 487,485 | 782,393 | 754,024 | 28,369 |
| Operations and Maintenance of Plant | 1,897,672 | 2,245,715 | 2,330,231 | (84,516) |
| Other | 22,646 | 19,124 | - | 19,124 |
| Operation of Noninstructional Services | 29,632 | 28,923 | 29,033 | (110) |
| School Sponsored Cocurricular Activities | 22,560 | 12,000 | - | 12,000 |
| School Sponsored Athletics | 90,000 | - | - | - |
| Total Regular Education | 6,949,156 | 7,304,661 | 7,416,762 | (112,101) |
| Special Education: | | | | |
| Instruction | 972,790 | 961,576 | 808,338 | 153,238 |
| Support Services - Students | - | - | 31,672 | (31,672) |
| Support Services - Instructional Staff | 22,076 | 6,989 | 19,266 | (12,277) |
| Operations and Maintenance of Plant | - | 10,900 | - | 10,900 |
| Total Special Education | 994,866 | 979,465 | 859,276 | 120,189 |
| K-3 Reading Program | 52,023 | 48,243 | 49,016 | (773) |
| Total Expenditures | \$ 7,996,045 | \$ 8,332,369 | 8,325,054 | \$ 7,315 |
| Deficiency of Revenues | | | | |
| Under Expenditures | | | (906,171) | |
| OTHER FINANCING SOURCES | | | | |
| Transfers In | | | 349,625 | |
| Total Other Financing Sources | | | 349,625 | |
| NET CHANGE IN FUND BALANCE | | | (556,546) | |
| Fund Balance - Beginning of Year | | | 715,866 | |
| FUND BALANCE - END OF YEAR | | | \$ 159,320 | |

See Notes to Required Supplementary Information.

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – SPECIAL PROJECTS FUND – BUDGETARY BASIS
FISCAL YEAR ENDED JUNE 30, 2021

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|------------------|--------------|--------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental | | | \$ 3,666,769 | |
| Investment Loss | | | 335 | |
| Other | | | - | |
| Total Revenues | | | 3,667,104 | |
| EXPENDITURES | | | | |
| Current: | | | | |
| Instruction | \$ 674,160 | \$ 674,160 | 2,109,143 | \$ (1,434,983) |
| Support Services: | | | | |
| Students | 2,719,115 | 2,719,115 | 461,395 | 2,257,720 |
| Instructional Staff | - | - | 493,175 | (493,175) |
| General Administration | 2,222 | 2,222 | 4,315 | (2,093) |
| School Administration | - | - | 26,253 | (26,253) |
| Business and Other Support Services | - | - | 177,453 | (177,453) |
| Operations and Maintenance of Plant | - | - | 360,420 | (360,420) |
| Student Transportation | - | - | 192 | (192) |
| Operation of Noninstructional Services | - | - | - | - |
| Facilities Acquisition | 200,000 | 200,000 | - | 200,000 |
| Total Expenditures | \$ 3,595,497 | \$ 3,595,497 | 3,632,346 | \$ (36,849) |
| Deficiency of Revenues Under Expenditures | | | 34,758 | |
| OTHER FINANCING USES | | | | |
| Transfers Out | | | (259,863) | |
| Total Other Financing Uses | | | (259,863) | |
| NET CHANGE IN FUND BALANCE | | | (225,105) | |
| Fund Balance - Beginning of Year | | | 70,030 | |
| FUND BALANCE - END OF YEAR | | | \$ (155,075) | |

See the table of contents for page numbers of the schedules that encompass the above sections.

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN THE MD&A
FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1 BASIS OF ACCOUNTING

The General Fund budgetary comparison schedules are prepared on the budgetary basis of accounting. See the reconciliation of the General Fund Statement of Revenues Expenditures and Changes in Fund Balances Budget to Actual to the Statement of Revenues, Expenditures, and Changes in Fund Balances below.

For external reporting purposes, the General Fund includes revenues, expenditures, other financing sources, and uses and fund balances of other internally maintained funds. The General Fund, however, is budgeted based on the internally maintained General Fund. The budget submitted to the Arizona Department of Education does not include nonmaintenance and nonoperational activity. Therefore, the following reconciliation is necessary to reconcile the General Fund Budgetary Comparison Schedule to the Statement of Revenues, Expenditures, and Changes in Fund Balances.

| | Total | Total | Other | Fund Balance | Fund Balance |
|--|---------------------|---------------------|----------------------------------|----------------------|---------------------|
| | Revenues | Expenditures | Financing Sources and Uses | Beginning of Year | End of Year |
| Statement of Revenues, Expenditures, and Changes in Fund Balance | \$ 16,263,836 | \$ 15,659,930 | \$ 283,745 | \$ 15,668,056 | \$ 16,555,707 |
| Nonmaintenance and Operation Activity Included in General Fund | <u>(8,844,953)</u> | <u>(7,334,876)</u> | <u>65,880</u> | <u>(14,952,190)</u> | <u>(16,396,387)</u> |
| Budgetary Comparison Schedule - General Fund | <u>\$ 7,418,883</u> | <u>\$ 8,325,054</u> | <u>\$ 349,625</u> | <u>\$ 715,866</u> | <u>\$ 159,320</u> |

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**Combining and Individual Fund
Statements and Schedules**

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Classroom Site Fund - accounts for the revenues and expenditures of State apportioned educational sales tax monies.

Instructional Improvement Fund - accounts for revenues and expenditures for State apportioned Indian Gaming monies.

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

Other Special Revenue Funds - accounts for the revenues and expenditures of the following activities or objectives: civic center, community school, extracurricular activity fee tax credit, career & technology & vocational education program, fingerprinting, textbooks, joint technological education, and grants and gifts to teachers.

CAPITAL PROJECTS FUNDS

Deficiencies Correction Fund - accounts for funds used to correct deficiencies in existing school facilities.

Building Renewal Grant Fund – accounts 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.

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

| | Special Revenue | | | |
|--|------------------------|------------------------------|-------------------|--------------------------|
| | Classroom Site Fund | Instructional Improvement | Food Service | Other Special Revenue |
| ASSETS | | | | |
| Cash and Investments | \$ 275,283 | \$ 173,342 | \$ 96,798 | \$ 234,087 |
| Receivables: | | | | |
| Intergovernmental | - | 229 | 3,872 | 768 |
| Total Assets | <u>\$ 275,283</u> | <u>\$ 173,571</u> | <u>\$ 100,670</u> | <u>\$ 234,855</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| LIABILITIES | | | | |
| Accounts Payable | \$ - | \$ - | \$ 87,662 | \$ 10,925 |
| Accrued Wages and Benefits | 10,600 | 1,043 | 3,709 | 2,055 |
| Due to Other Funds | - | - | - | - |
| Total Liabilities | <u>10,600</u> | <u>1,043</u> | <u>91,371</u> | <u>12,980</u> |
| FUND BALANCES | | | | |
| Restricted | <u>264,683</u> | <u>172,528</u> | <u>9,299</u> | <u>221,875</u> |
| Total Fund Balances | <u>264,683</u> | <u>172,528</u> | <u>9,299</u> | <u>221,875</u> |
| Total Liabilities and Fund Balances | <u>\$ 275,283</u> | <u>\$ 173,571</u> | <u>\$ 100,670</u> | <u>\$ 234,855</u> |

| Total Special Revenue Funds | Capital Projects | | Total Capital Projects Funds | Total Nonmajor Governmental Funds |
|--------------------------------|-----------------------------|---------------------|---------------------------------|---|
| | Deficiencies Corrections | Building Renewal | | |
| \$ 779,510 | \$ 49,750 | \$ - | \$ 49,750 | \$ 829,260 |
| 4,869 | - | 9,489 | 9,489 | 14,358 |
| <u>\$ 784,379</u> | <u>\$ 49,750</u> | <u>\$ 9,489</u> | <u>\$ 59,239</u> | <u>\$ 843,618</u> |
| | | | | |
| \$ 98,587 | \$ 49,750 | \$ - | \$ 49,750 | \$ 148,337 |
| 17,407 | - | - | - | 17,407 |
| - | - | 9,489 | 9,489 | 9,489 |
| <u>115,994</u> | <u>49,750</u> | <u>9,489</u> | <u>59,239</u> | <u>175,233</u> |
| | | | | |
| 668,385 | - | - | - | 668,385 |
| <u>668,385</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>668,385</u> |
| | | | | |
| <u>\$ 784,379</u> | <u>\$ 49,750</u> | <u>\$ 9,489</u> | <u>\$ 59,239</u> | <u>\$ 843,618</u> |

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
FISCAL YEAR ENDED JUNE 30, 2021

| | Special Revenue | | | |
|---|------------------------|------------------------------|-----------------|--------------------------|
| | Classroom Site Fund | Instructional Improvement | Food Service | Other Special Revenue |
| REVENUES | | | | |
| Intergovernmental | \$ 523,393 | \$ 41,542 | \$ 918,162 | \$ - |
| Charges for Services | - | - | - | 42,000 |
| Contributions and Donations | - | - | - | 25,261 |
| Investment Earnings | 668 | 1,222 | - | 1,465 |
| Other | 293 | 18 | 1,080 | 21,682 |
| Total Revenues | <u>524,354</u> | <u>42,782</u> | <u>919,242</u> | <u>90,408</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Instruction | 450,813 | 38,094 | - | 18,720 |
| Support Services: | | | | |
| Students | - | - | - | 1,234 |
| Instructional Staff | - | - | - | 945 |
| School Administration | - | - | - | 1,983 |
| Services | - | - | - | 2,977 |
| Operations and Maintenance of Plant | - | - | - | 1,408 |
| Operation of Noninstructional Services | - | - | 974,728 | - |
| Total Expenditures | <u>450,813</u> | <u>38,094</u> | <u>974,728</u> | <u>27,267</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 73,541 | 4,688 | (55,486) | 63,141 |
| OTHER FINANCING SOURCES | | | | |
| Transfers In | - | - | - | - |
| Transfers Out | - | - | - | (15) |
| Total Other Financing Sources | <u>-</u> | <u>-</u> | <u>-</u> | <u>(15)</u> |
| NET CHANGE IN FUND BALANCE | 73,541 | 4,688 | (55,486) | 63,126 |
| Fund Balance - Beginning of Year | <u>191,142</u> | <u>167,840</u> | <u>64,785</u> | <u>158,749</u> |
| FUND BALANCE - END OF YEAR | <u>\$ 264,683</u> | <u>\$ 172,528</u> | <u>\$ 9,299</u> | <u>\$ 221,875</u> |

| Total Special Revenue Funds | Capital Projects | | | Total Capital Projects Funds | Total Nonmajor Governmental Funds |
|--------------------------------|-----------------------------|---------------------|---------------|---------------------------------|---|
| | Deficiencies Corrections | Building Renewal | | | |
| \$ 1,483,097 | \$ 34,149 | \$ 9,489 | \$ 43,638 | \$ 1,526,735 | |
| 42,000 | - | - | - | 42,000 | |
| 25,261 | - | - | - | 25,261 | |
| 3,355 | - | - | - | 3,355 | |
| 23,073 | - | - | - | 23,073 | |
| <u>1,576,786</u> | <u>34,149</u> | <u>9,489</u> | <u>43,638</u> | <u>1,620,424</u> | |
| 507,627 | - | - | - | 507,627 | |
| 1,234 | - | - | - | 1,234 | |
| 945 | - | - | - | 945 | |
| 1,983 | - | - | - | 1,983 | |
| 2,977 | - | - | - | 2,977 | |
| 1,408 | 34,149 | 9,489 | 43,638 | 45,046 | |
| 974,728 | - | - | - | 974,728 | |
| <u>1,490,902</u> | <u>34,149</u> | <u>9,489</u> | <u>43,638</u> | <u>1,534,540</u> | |
| 85,884 | - | - | - | 85,884 | |
| - | - | - | - | - | |
| (15) | (23,867) | - | (23,867) | (23,882) | |
| (15) | (23,867) | - | (23,867) | (23,882) | |
| 85,869 | (23,867) | - | (23,867) | 62,002 | |
| 582,516 | 23,867 | - | 23,867 | 606,383 | |
| <u>\$ 668,385</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 668,385</u> | |

**BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
CLASSROOM SITE FUND – SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
FISCAL YEAR ENDED JUNE 30, 2021**

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|---|-------------------|-------------------|--------------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental | | | \$ 523,393 | |
| Investment Earnings | | | 668 | |
| Other | | | 293 | |
| Total Revenues | | | <u>524,354</u> | |
| EXPENDITURES | | | | |
| Current: | | | | |
| Instruction | \$ 719,015 | \$ 753,100 | 450,813 | \$ 302,287 |
| Total Expenditures | <u>\$ 719,015</u> | <u>\$ 753,100</u> | <u>450,813</u> | <u>\$ 302,287</u> |
| Excess of Revenues Over Expenditures | | | <u>73,541</u> | |
| NET CHANGE IN FUND BALANCE | | | 73,541 | |
| Fund Balance - Beginning of Year | | | <u>191,142</u> | |
| FUND BALANCE - END OF YEAR | | | <u><u>\$ 264,683</u></u> | |

**BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
 INSTRUCTIONAL IMPROVEMENT FUND – SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
 FISCAL YEAR ENDED JUNE 30, 2021**

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|---|------------------|------------------|--------------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental | | | \$ 41,542 | |
| Investment Earnings | | | 1,222 | |
| Other | | | 18 | |
| Total Revenues | | | <u>42,782</u> | |
| EXPENDITURES | | | | |
| Current: | | | | |
| Instruction | \$ 70,000 | \$ 70,000 | 38,094 | \$ 31,906 |
| Total Expenditures | <u>\$ 70,000</u> | <u>\$ 70,000</u> | <u>38,094</u> | <u>\$ 31,906</u> |
| Excess of Revenues Over Expenditures | | | <u>4,688</u> | |
| NET CHANGE IN FUND BALANCE | | | 4,688 | |
| Fund Balance - Beginning of Year | | | <u>167,840</u> | |
| FUND BALANCE - END OF YEAR | | | <u><u>\$ 172,528</u></u> | |

**BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
FOOD SERVICE FUND – SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
FISCAL YEAR ENDED JUNE 30, 2021**

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|-------------------|-------------------|-----------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental | | | \$ 918,162 | |
| Other | | | 1,080 | |
| Total Revenues | | | <u>919,242</u> | |
| EXPENDITURES | | | | |
| Operation of Noninstructional Services | \$ 840,000 | \$ 880,650 | 974,728 | \$ (94,078) |
| Total Expenditures | <u>\$ 840,000</u> | <u>\$ 880,650</u> | <u>974,728</u> | <u>\$ (94,078)</u> |
| Deficiency of Revenues Under Expenditures | | | <u>(55,486)</u> | |
| NET CHANGE IN FUND BALANCE | | | (55,486) | |
| Fund Balance - Beginning of Year | | | <u>64,785</u> | |
| FUND BALANCE - END OF YEAR | | | <u>\$ 9,299</u> | |

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
OTHER SPECIAL REVNUUE FUND – SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
FISCAL YEAR ENDED JUNE 30, 2021

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|---|------------------|--------------|------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Contributions and Donations | | | \$ 25,261 | |
| Rental | | | 42,000 | |
| Investment Earnings | | | 1,465 | |
| Other | | | 21,682 | |
| Total Revenues | | | 90,408 | |
| EXPENDITURES | | | | |
| Current: | | | | |
| Instruction | \$ 151,200 | \$ 158,812 | 18,720 | \$ 140,092 |
| Support Services: | | | | |
| Students | 100,000 | 100,000 | 1,234 | 98,766 |
| Instructional Staff | - | - | 945 | (945) |
| General Administration | 550,000 | 550,000 | 1,983 | 548,017 |
| Business and Other Support Services | - | - | 2,977 | (2,977) |
| Operations and Maintenance of Plant | 260,000 | 260,000 | 1,408 | 258,592 |
| Student Transportation | - | - | - | - |
| Operation of Noninstructional Services | 250,000 | 250,000 | - | 250,000 |
| Facilities Acquisition | 260,000 | 260,000 | - | 260,000 |
| Total Expenditures | \$ 1,571,200 | \$ 1,578,812 | 27,267 | \$ 1,551,545 |
| Excess of Revenues Over Expenditures | | | 63,141 | |
| OTHER FINANCING USES | | | | |
| Transfers Out | | | (15) | |
| Total Other Financing Uses | | | (15) | |
| NET CHANGE IN FUND BALANCE | | | 63,126 | |
| Fund Balance - Beginning of Year | | | 158,749 | |
| FUND BALANCE - END OF YEAR | | | \$ 221,875 | |

**BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
DEFICIENCIES CORRECTION FUND – SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
FISCAL YEAR ENDED JUNE 30, 2021**

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|---|------------------|------------------|-----------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental | | | \$ 34,149 | |
| Total Revenues | | | <u>34,149</u> | |
| EXPENDITURES | | | | |
| Operations and Maintenance of Plant | \$ - | \$ - | 34,149 | \$ (34,149) |
| Facilities Acquisition | 25,000 | 25,000 | - | 25,000 |
| Total Expenditures | <u>\$ 25,000</u> | <u>\$ 25,000</u> | <u>34,149</u> | <u>\$ (9,149)</u> |
| Excess of Revenues Over Expenditures | | | - | |
| OTHER FINANCING USES | | | | |
| Transfers Out | | | (23,867) | |
| Total Other Financing Uses | | | <u>(23,867)</u> | |
| NET CHANGE IN FUND BALANCE | | | (23,867) | |
| Fund Balance - Beginning of Year | | | <u>23,867</u> | |
| FUND BALANCE - END OF YEAR | | | <u>\$ -</u> | |

**BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
 BUILDING RENEWAL GRANT FUND – SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
 FISCAL YEAR ENDED JUNE 30, 2021**

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|---|------------------|-------|--------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental | | | 9,489 | |
| Total Revenues | | | 9,489 | |
| EXPENDITURES | | | | |
| Operations and Maintenance of Plant | \$ - | \$ - | 9,489 | \$ (9,489) |
| Total Expenditures | \$ - | \$ - | 9,489 | \$ (9,489) |
| Excess of Revenues Over Expenditures | | | - | |
| NET CHANGE IN FUND BALANCE | | | - | |
| Fund Balance - Beginning of Year | | | - | |
| FUND BALANCE - END OF YEAR | | | \$ - | |

CUSTODIAL FUNDS

Employee Insurance Fund - accounts for monies held to pay insurance premiums of the District and District employees.

Student Activities Fund - accounts for monies raised by students to finance student clubs and organizations but held by the District as an agency.

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BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES – CUSTODIAL FUNDS
JUNE 30, 2021

| | Employee Insurance Fund | Student Activities Fund | Total |
|------------------------|-------------------------------|-------------------------------|------------|
| ASSETS | | | |
| Cash and Investments | \$ 181,213 | \$ 52,051 | \$ 233,264 |
| Receivables | 824 | - | 824 |
| Total Assets | \$ 182,037 | \$ 52,051 | \$ 234,088 |
| LIABILITIES | | | |
| Accounts Payable | \$ 182,037 | \$ - | \$ 182,037 |
| Due to Student Groups | - | 52,051 | 52,051 |
| Total Liabilities | \$ 182,037 | \$ 52,051 | \$ 234,088 |

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES – CUSTODIAL FUNDS
FISCAL YEAR ENDED JUNE 30, 2021

| | Balance July 1, 2020 | Additions | Deletions | Balance June 30, 2021 |
|--------------------------------|-------------------------|--------------|----------------|--------------------------|
| Employee Insurance Fund | | | | |
| Assets: | | | | |
| Cash and Investments | \$ 151,560 | \$ 1,355,623 | \$ (1,325,970) | \$ 181,213 |
| Receivables | 9,114 | 824 | (9,114) | 824 |
| Total Assets | \$ 160,674 | \$ 1,356,447 | \$ (1,335,084) | \$ 182,037 |
| Liabilities: | | | | |
| Accounts Payable | \$ 160,674 | \$ 182,037 | \$ (160,674) | \$ 182,037 |
| | | | | |
| | Balance July 1, 2020 | Additions | Deletions | Balance June 30, 2021 |
| Student Activities Fund | | | | |
| Assets: | | | | |
| Cash and Investments | \$ 53,959 | \$ 1,511 | \$ (3,419) | \$ 52,051 |
| Liabilities: | | | | |
| Due to Student Groups | \$ 53,959 | \$ 1,511 | \$ (3,419) | \$ 52,051 |
| | | | | |
| | Balance July 1, 2020 | Additions | Deletions | Balance June 30, 2021 |
| Total Custodial Funds | | | | |
| Assets: | | | | |
| Cash and Investments | \$ 205,519 | \$ 1,357,134 | \$ (1,329,389) | \$ 233,264 |
| Receivables | 9,114 | 824 | (9,114) | 824 |
| Total Assets | \$ 214,633 | \$ 1,357,958 | \$ (1,338,503) | \$ 234,088 |
| Liabilities: | | | | |
| Accounts Payable | \$ 160,674 | \$ 182,037 | \$ (160,674) | \$ 182,037 |
| Due to Student Groups | 53,959 | 1,511 | (3,419) | 52,051 |
| Total Liabilities | \$ 214,633 | \$ 183,548 | \$ (164,093) | \$ 234,088 |

STATISTICAL SECTION

This section of the Baboquivari Unified School District No. 40's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the District's ability to generate property taxes. The District is located entirely on the Tohono O'odham Nation Reservation, therefore, the residents are not assessed and do not pay property taxes.

Debt Capacity

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Information

These schedules contain service data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

| | Fiscal Year | | | |
|----------------------------------|----------------------|----------------------|----------------------|----------------------|
| | 2012 | 2013 | 2014 | 2015 |
| Governmental Activities: | | | | |
| Net Investment in Capital Assets | \$ 26,008,943 | \$ 25,959,736 | \$ 27,365,141 | \$ 27,528,575 |
| Restricted | 2,484,042 | 2,466,633 | 1,276,464 | 935,048 |
| Unrestricted | 7,819,608 | 7,621,168 | 8,879,792 | (4,191,833) |
| Total Governmental Activities | | | | |
| Net Position | <u>\$ 36,312,593</u> | <u>\$ 36,047,537</u> | <u>\$ 37,521,397</u> | <u>\$ 24,271,790</u> |

Source: District's Business and Finance Department.

| Fiscal Year | | | | | |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| \$ 26,030,089 | \$ 25,485,452 | \$ 23,992,470 | \$ 25,584,640 | \$ 29,772,085 | \$ 29,930,042 |
| 467,004 | 595,576 | 679,701 | 763,844 | 676,413 | 668,385 |
| (2,320,292) | 1,320,031 | 3,532,136 | 5,277,873 | 2,290,505 | 2,619,253 |
| <u>\$ 24,176,801</u> | <u>\$ 27,401,059</u> | <u>\$ 28,204,307</u> | <u>\$ 31,626,357</u> | <u>\$ 32,739,003</u> | <u>\$ 33,217,680</u> |

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
CHANGE IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

| | Fiscal Year | | | |
|--|-----------------------|---------------------|---------------------|-------------------|
| | 2012 | 2013 | 2014 | 2015 |
| EXPENSES | | | | |
| Governmental Activities: | | | | |
| Instruction | \$ 7,490,299 | \$ 6,896,798 | \$ 7,885,742 | \$ 8,468,350 |
| Support Services: | | | | |
| Students and Staff | 2,679,449 | 2,351,761 | 2,420,507 | 2,682,160 |
| Administration | 1,875,411 | 2,181,417 | 2,420,565 | 2,751,653 |
| Operation and Maintenance of Plant | 2,400,082 | 2,278,181 | 2,571,290 | 2,409,232 |
| Student Transportation | 1,540,465 | 1,752,455 | 1,562,775 | 1,592,734 |
| Operation of Noninstructional Services | 623,195 | 658,371 | 751,493 | 737,376 |
| Interest on Long-Term Debt | 91,430 | 78,025 | 63,920 | - |
| Total Governmental Activities | <u>16,700,331</u> | <u>16,197,008</u> | <u>17,676,292</u> | <u>18,641,505</u> |
| PROGRAM REVENUES | | | | |
| Governmental Activities: | | | | |
| Charges for Services: | | | | |
| Instruction | 411,761 | 359,222 | 273,873 | 36,914 |
| Students and Staff | - | - | - | - |
| Administration | - | - | - | - |
| Operation and Maintenance of Plant | 60,000 | 60,000 | 30,456 | 43,927 |
| Student Transportation | - | - | - | - |
| Operation of Noninstructional Services | 43,120 | 46,180 | 44,740 | 24,364 |
| Operating Grants and Contributions | 4,132,799 | 3,962,411 | 4,575,029 | 4,967,756 |
| Capital Grants and Contributions | 2,000 | 81,622 | 2,108,468 | 869,321 |
| Total Governmental Activities | <u>4,649,680</u> | <u>4,509,435</u> | <u>7,032,566</u> | <u>5,942,282</u> |
| Program Revenues | <u>4,649,680</u> | <u>4,509,435</u> | <u>7,032,566</u> | <u>5,942,282</u> |
| NET (EXPENSE) REVENUE | | | | |
| Governmental Activities | (12,050,651) | (11,687,573) | (10,643,726) | (12,699,223) |
| GENERAL REVENUES AND OTHER | | | | |
| CHANGES IN NET POSITION | | | | |
| Governmental Activities: | | | | |
| Property Taxes | - | 20,722 | 836 | - |
| Unrestricted Grants and Contributions | 10,762,618 | 11,339,576 | 12,109,263 | 13,619,908 |
| Investment Earnings | 43,907 | 62,219 | 7,487 | 2,570 |
| Other | - | - | - | - |
| Total Governmental Activities | <u>10,806,525</u> | <u>11,422,517</u> | <u>12,117,586</u> | <u>13,622,478</u> |
| CHANGE IN NET POSITION | | | | |
| Governmental Activities | <u>\$ (1,244,126)</u> | <u>\$ (265,056)</u> | <u>\$ 1,473,860</u> | <u>\$ 923,255</u> |

| Fiscal Year | | | | | | |
|--------------|--------------|--------------|--------------|--------------|--------------|--|
| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | |
| \$ 8,388,012 | \$ 7,989,806 | \$ 7,557,775 | \$ 8,257,719 | \$ 8,741,620 | \$ 8,617,250 | |
| 2,656,819 | 2,665,163 | 2,615,874 | 2,280,438 | 2,804,251 | 2,841,244 | |
| 3,089,568 | 2,924,028 | 2,782,592 | 2,773,107 | 2,993,122 | 3,122,681 | |
| 2,270,860 | 2,456,131 | 2,556,740 | 2,683,631 | 3,219,483 | 3,971,005 | |
| 1,655,056 | 1,437,183 | 1,348,614 | 1,401,415 | 1,500,862 | 1,419,610 | |
| 767,655 | 779,893 | 958,988 | 931,002 | 915,232 | 1,100,897 | |
| - | - | - | - | - | - | |
| 18,827,970 | 18,252,204 | 17,820,583 | 18,327,312 | 20,174,570 | 21,072,687 | |
| 102,503 | 82,712 | 71,079 | 82,066 | 100,436 | 105,619 | |
| 3,009 | 9,242 | 10,379 | 5,720 | 6,289 | 2,633 | |
| 7,442 | 5,891 | 7,696 | 6,942 | 8,093 | 5,521 | |
| 14,469 | 18,673 | 22,990 | 18,248 | 17,706 | 2,579 | |
| 5,822 | 2,158 | 2,430 | 2,970 | 3,562 | 421 | |
| 84,166 | 99,462 | 106,976 | 97,018 | 90,770 | 55,466 | |
| 5,198,275 | 4,417,898 | 4,004,225 | 3,948,894 | 4,698,434 | 5,184,015 | |
| - | - | - | - | - | 9,489 | |
| 5,415,686 | 4,636,036 | 4,225,775 | 4,161,858 | 4,925,290 | 5,365,744 | |
| (13,412,284) | (13,616,168) | (13,594,808) | (14,165,454) | (15,249,280) | (15,706,943) | |
| - | - | - | - | - | - | |
| 13,183,524 | 15,757,084 | 14,130,224 | 15,889,358 | 15,960,609 | 16,009,035 | |
| 54,292 | 98,354 | 157,966 | 338,991 | 318,751 | 92,961 | |
| 79,479 | 90,489 | 107,405 | 119,113 | 82,566 | 83,624 | |
| 13,317,295 | 15,945,927 | 14,395,595 | 16,347,462 | 16,361,926 | 16,185,620 | |
| \$ (94,989) | \$ 2,329,759 | \$ 800,787 | \$ 2,182,008 | \$ 1,112,646 | \$ 478,677 | |

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST 10 FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

| | Fiscal Year | | | | |
|---------------------------------------|---------------------|---------------------|---------------------|----------------------|----------------------|
| | 2012 | 2013 | 2014 | 2015 | 2016 |
| General Fund: | | | | | |
| Unassigned | \$ 8,123,108 | \$ 7,839,402 | \$ 7,990,560 | \$ 10,075,459 | \$ 12,272,929 |
| Total General Fund | <u>\$ 8,123,108</u> | <u>\$ 7,839,402</u> | <u>\$ 7,990,560</u> | <u>\$ 10,075,459</u> | <u>\$ 12,272,929</u> |
| | | | | | |
| All Other Governmental Funds: | | | | | |
| Restricted | \$ 2,361,948 | \$ 2,466,633 | \$ 1,276,464 | \$ 935,048 | \$ 467,004 |
| Unassigned (Deficit) | - | - | - | - | (65,555) |
| Total All Other Governmental Funds | <u>\$ 2,361,948</u> | <u>\$ 2,466,633</u> | <u>\$ 1,276,464</u> | <u>\$ 935,048</u> | <u>\$ 401,449</u> |

Source: District's Business and Finance Department.

| Fiscal Year | | | | |
|----------------------|----------------------|----------------------|----------------------|----------------------|
| 2017 | 2018 | 2019 | 2020 | 2021 |
| \$ 16,354,275 | \$ 18,346,980 | \$ 19,034,611 | \$ 15,668,056 | \$ 16,555,707 |
| <u>\$ 16,354,275</u> | <u>\$ 18,346,980</u> | <u>\$ 19,034,611</u> | <u>\$ 15,668,056</u> | <u>\$ 16,555,707</u> |
| \$ 646,756 | \$ 679,701 | \$ 763,844 | \$ 676,413 | \$ 668,385 |
| - | (3,366) | (2,821) | - | (155,075) |
| <u>\$ 646,756</u> | <u>\$ 676,335</u> | <u>\$ 761,023</u> | <u>\$ 676,413</u> | <u>\$ 513,310</u> |

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(UNAUDITED)

| | Fiscal Year | | | |
|--|---------------------|---------------------|-----------------------|---------------------|
| | 2012 | 2013 | 2014 | 2015 |
| REVENUES | | | | |
| Property Taxes | \$ - | \$ 20,722 | \$ 836 | \$ - |
| Intergovernmental: | | | | |
| Federal Aid and Grants | 9,477,355 | 9,471,354 | 10,079,877 | 11,931,883 |
| State Aid and Grants | 4,952,145 | 5,228,767 | 5,904,554 | 5,905,403 |
| County Aid and Grants | 467,917 | 601,866 | 699,861 | 750,378 |
| Tuition | - | - | - | - |
| Food Service Sales | - | - | - | - |
| Auxiliary Operations | - | - | - | - |
| Charges for Services | - | - | - | - |
| Contributions and Donations | - | - | - | - |
| Investment Earnings | 43,907 | 62,219 | 7,487 | 2,570 |
| Other | 392,787 | 669,118 | 2,457,537 | 1,003,063 |
| Total Revenues | <u>15,334,111</u> | <u>16,054,046</u> | <u>19,150,152</u> | <u>19,593,297</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Instruction | 6,056,601 | 5,467,145 | 6,370,113 | 6,998,318 |
| Support Services: | | | | |
| Students and Staff | 2,631,844 | 2,357,900 | 2,352,430 | 2,590,814 |
| Administration | 1,801,457 | 2,092,734 | 2,345,695 | 2,381,442 |
| Operation and Maintenance of Plant | 2,302,504 | 2,186,939 | 2,490,789 | 2,255,819 |
| Student Transportation | 1,307,937 | 1,489,865 | 1,269,190 | 1,277,345 |
| Other | - | - | - | - |
| Operation of Noninstructional Services | 567,757 | 627,707 | 718,660 | 714,573 |
| Capital Outlay: | | | | |
| Facilities Acquisition/Construction | 1,174,579 | 1,627,752 | 3,218,366 | 1,631,503 |
| Debt Service: | | | | |
| Principal | 295,000 | 305,000 | 1,360,000 | - |
| Interest and Fiscal Charges | 91,430 | 78,025 | 63,920 | - |
| Total Expenditures | <u>16,229,109</u> | <u>16,233,067</u> | <u>20,189,163</u> | <u>17,849,814</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (894,998) | (179,021) | (1,039,011) | 1,743,483 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | 252,679 | 376,474 | 334,482 | 224,058 |
| Transfers out | (252,679) | (376,474) | (334,482) | (224,058) |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ (894,998)</u> | <u>\$ (179,021)</u> | <u>\$ (1,039,011)</u> | <u>\$ 1,743,483</u> |
| Debt Service as a Percentage of Noncapital Expenditures | 2.53% | 2.54% | 8.17% | 0.00% |

Source: District's Business and Finance Department.

| Fiscal Year | | | | | |
|---------------------|---------------------|---------------------|-------------------|-----------------------|-------------------|
| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 11,954,791 | 12,191,533 | 11,127,197 | 12,330,835 | 13,055,098 | 13,774,572 |
| 5,697,296 | 7,228,038 | 6,247,880 | 6,762,508 | 6,861,246 | 6,668,033 |
| 729,712 | 755,411 | 759,372 | 744,909 | 742,699 | 759,934 |
| 3,700 | - | 1,875 | - | - | - |
| 13,788 | 16,538 | 10,041 | 10,285 | 13,801 | - |
| 10,249 | 12,650 | 22,304 | 22,661 | 20,702 | 4,907 |
| 148,750 | 149,295 | 149,582 | 148,028 | 156,450 | 142,072 |
| 40,924 | 39,655 | 37,748 | 31,990 | 35,903 | 25,261 |
| 55,060 | 98,354 | 157,966 | 338,991 | 318,751 | 92,961 |
| 78,711 | 90,489 | 107,405 | 120,050 | 82,566 | 83,624 |
| <u>18,732,981</u> | <u>20,581,963</u> | <u>18,621,370</u> | <u>20,510,257</u> | <u>21,287,216</u> | <u>21,551,364</u> |
| 7,162,536 | 6,692,198 | 6,723,208 | 8,010,895 | 7,911,174 | 7,369,469 |
| 2,619,076 | 2,591,895 | 2,674,514 | 2,444,216 | 2,897,814 | 2,744,616 |
| 2,772,845 | 2,626,524 | 2,495,313 | 2,674,179 | 2,818,221 | 2,906,947 |
| 2,197,677 | 2,415,380 | 2,454,310 | 2,720,046 | 3,148,549 | 4,115,039 |
| 1,427,261 | 1,173,962 | 1,309,512 | 1,929,402 | 1,655,608 | 1,226,333 |
| 798,479 | - | - | - | - | - |
| 24,468 | 743,916 | 839,762 | 878,507 | 932,122 | 1,082,393 |
| 66,769 | 11,435 | 102,467 | 1,080,693 | 5,374,893 | 1,382,019 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>17,069,111</u> | <u>16,255,310</u> | <u>16,599,086</u> | <u>19,737,938</u> | <u>24,738,381</u> | <u>20,826,816</u> |
| 1,663,870 | 4,326,653 | 2,022,284 | 772,319 | (3,451,165) | 724,548 |
| 423,869 | 66,802 | 157,626 | 61,163 | 154,330 | 283,745 |
| <u>(423,869)</u> | <u>(66,802)</u> | <u>(157,626)</u> | <u>(61,163)</u> | <u>(154,330)</u> | <u>(283,745)</u> |
| - | - | - | - | - | - |
| <u>\$ 1,663,870</u> | <u>\$ 4,326,653</u> | <u>\$ 2,022,284</u> | <u>\$ 772,319</u> | <u>\$ (3,451,165)</u> | <u>\$ 724,548</u> |
| 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(UNAUDITED)

| Fiscal Year | Net Secondary Assessed Value | Total Direct Tax Rate | Estimated Actual Value |
|-------------|---------------------------------|--------------------------|---------------------------|
| 2012 | \$ 1,059,972 | n/a | Note |
| 2013 | 1,100,528 | n/a | Note |
| 2014 | 1,081,447 | n/a | Note |
| 2015 | 1,055,198 | n/a | Note |
| 2016 | 2,107,813 | n/a | Note |
| 2017 | 1,803,581 * | n/a | Note |
| 2018 | 1,907,870 * | n/a | Note |
| 2019 | 1,993,110 * | n/a | Note |
| 2020 | 1,993,110 * | n/a | Note |
| 2021 | 2,184,030 * | n/a | Note |

* *Net taxable value.*

N/A: The District is located entirely on the Tohono O’odham Nation Reservation, therefore, the residents are not assessed and do not pay property taxes.

Note: Information was not available.

Source: Property tax rates and Assessed Values, Arizona Tax Research Foundation, State and County Abstract of the Assessment Roll, and the Arizona Department of Revenue.

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(UNAUDITED)

| Tax Year | District Direct Rates | | | Overlapping Rates | | | | |
|----------|-----------------------|--------------------|-------|-------------------|---------------------|------------------------|----------------------------|---------------|
| | Primary Purposes | Secondary Purposes | Total | County | County Free Library | Flood Control District | Community College District | City of Sells |
| 2012 | n/a | n/a | n/a | 4.20 | 0.35 | 0.26 | 1.17 | n/a |
| 2013 | n/a | n/a | n/a | 4.45 | 0.38 | 0.26 | 1.29 | n/a |
| 2014 | n/a | n/a | n/a | 4.98 | 0.44 | 0.30 | 1.33 | n/a |
| 2015 | n/a | n/a | n/a | 5.09 | 0.52 | 0.31 | 1.37 | n/a |
| 2016 | n/a | n/a | n/a | 4.99 | 0.51 | 0.33 | 1.37 | n/a |
| 2017 | n/a | n/a | n/a | 4.99 | 0.52 | 0.33 | 1.37 | n/a |
| 2018 | n/a | n/a | n/a | 4.76 | 0.52 | 0.34 | 1.40 | n/a |
| 2019 | n/a | n/a | n/a | 4.69 | 0.54 | 0.33 | 1.38 | n/a |
| 2020 | n/a | n/a | n/a | 4.44 | 0.54 | 0.33 | 1.34 | n/a |
| 2021 | n/a | n/a | n/a | 4.33 | 0.54 | 0.33 | 1.27 | n/a |

Source: Pima County Assessor's Office

N/A: The District is located entirely on the Tohono O'odham Nation Reservation, therefore, the residents do not pay property taxes.

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
PRINCIPAL PROPERTY TAXPAYERS
JUNE 30, 2021 AND 2012
(UNAUDITED)

| Taxpayer | 2021 | | | 2012 | | |
|--|------------------------------|------|------------------------------------|------------------------------|------|------------------------------------|
| | Net Secondary Assessed Value | Rank | Percentage of Total Assessed Value | Net Secondary Assessed Value | Rank | Percentage of Total Assessed Value |
| Unisource/Tucson Electric Power Co. | \$ 240,775,000 | 1 | 2.2% | \$ 179,262,000 | 1 | 2.2% |
| Southwest Gas Corporation | 119,687,000 | 2 | 1.1% | 61,718,000 | 4 | 0.8% |
| Phelps Dodge Corporation - Sierrita Mine | 101,453,000 | 3 | 0.9% | 142,419,000 | 2 | 1.7% |
| ASARCO LLC - Mission Mine | 40,427,000 | 4 | 0.4% | 83,778,000 | 3 | 1.0% |
| Raytheon | 38,540,000 | 5 | 0.4% | | | |
| Northwest Hospital LLC | 32,155,000 | 6 | 0.3% | 17,723,000 | 8 | 0.2% |
| QWEST Corporation | 31,175,000 | 7 | 0.3% | 53,225,000 | 5 | 0.7% |
| SMSJ Tucson Holdings | 30,935,000 | 8 | 0.3% | | | |
| DND Neffson Co. (Tucson Mall) | 24,579,000 | 9 | 0.2% | 17,998,000 | 7 | 0.2% |
| Wal-Mart Stores, Inc. | 23,978,000 | 10 | 0.2% | 15,581,000 | 9 | 0.2% |
| Trico Electric Co-Op Inc. | | | | 22,133,000 | 6 | 0.3% |
| Verizon Wireless | | | | 14,291,000 | 10 | 0.2% |
| Totals | <u>\$ 683,704,000</u> | | | <u>\$ 608,128,000</u> | | |

Source: The Pima County Assessor's records and Arizona Department of Revenue.

Note: The District is located entirely on the Tohono O'odham Nation Reservation, therefore, the residents do not pay property taxes. Information presented above represents Pima County as the District is located fully within the County.

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)

| Fiscal Year | Total Tax Levy | Current Collections | | | Total Collections | Collections as a Percentage of the Levy | Outstanding Tax Collections | Outstanding Collections as a Percentage of Levy |
|-------------|----------------|-------------------------|------------------------------------|----------------------------|-------------------|---|-----------------------------|---|
| | | Current Tax Collections | Percent of Current Taxes Collected | Delinquent Tax Collections | | | | |
| 2012 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| 2013 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| 2014 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| 2015 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| 2016 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| 2017 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| 2018 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| 2019 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| 2020 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| 2021 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |

N/A: The District is located entirely on the Tohono O’odham Nation Reservation, therefore, the residents do not pay property taxes.

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)

| Fiscal Year | Governmental Activities | | | Total District |
|-------------|--------------------------------|-----------------------------|----------------|----------------|
| | General Obligation Bonds | Impact Aid Revenue Bonds | Capital Leases | |
| 2012 | \$ - | \$ 1,960,000 | \$ - | \$ 1,960,000 |
| 2013 | - | 1,665,000 | - | 1,665,000 |
| 2014 | - | 1,360,000 | - | 1,360,000 |
| 2015 | - | - | - | - |
| 2016 | - | - | - | - |
| 2017 | - | - | - | - |
| 2018 | - | - | - | - |
| 2019 | - | - | - | - |
| 2020 | - | - | - | - |
| 2021 | - | - | - | - |

Source: The District's Business and Finance Department.

Source: Arizona Department of Administration, Office of Employment & Population Statistics (for population data only); UA Economic and Business Research Center, Eller College of Management.

| <u>Debt Per Capita</u> | <u>Percentage of Personal Income</u> | <u>County Population</u> |
|--------------------------------|--|------------------------------|
| \$ 2 | 0.006% | 989,569 |
| 2 | 0.005% | 992,394 |
| 1 | 0.004% | 1,007,162 |
| - | 0.000% | 1,009,371 |
| - | 0.000% | 1,016,206 |
| - | 0.000% | 1,025,044 |
| - | 0.000% | 1,033,781 |
| - | 0.000% | 1,042,475 |
| - | 0.000% | 1,050,906 |
| - | 0.000% | 1,059,218 |

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2021
(UNAUDITED)

| Governmental Unit | Outstanding Debt | Estimated Percentage Applicable | Estimated Share of Overlapping Debt |
|--|---------------------|---------------------------------------|--|
| Debt Repaid with Property Taxes | | | |
| N/A | - | - | \$ - |
| Subtotal, Overlapping Debt | | | - |
| Baboquivari Unified School District No. 40 | | | - |
| Total Direct and Overlapping Debt | | | \$ - |

N/A: The District is located entirely on the Tohono O’odham Nation Reservation, therefore, the residents do not pay property taxes. In addition, the District does not have debt in the current year.

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BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)

| | Fiscal Year | | | |
|---|-------------------|-------------------|-------------------|-------------------|
| | 2012 | 2013 | 2014 | 2015 |
| Total Legal Debt Margin Debt Limit | \$ 317,992 | \$ 330,158 | \$ 324,434 | \$ 316,559 |
| Total Applicable to Limit | - | - | - | - |
| Legal Debt Margin | <u>\$ 317,992</u> | <u>\$ 330,158</u> | <u>\$ 324,434</u> | <u>\$ 316,559</u> |
| Total Net Debt Applicable to the Limit as a Percentage of the Debt Limit | -% | -% | -% | -% |

Source: The District's Business and Finance Department.

The District is located entirely on the Tohono O'odham Nation Reservation. As a result, the residents do not pay property taxes and the District is unable to levy for general obligation debt.

| Fiscal Year | | | | | | |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|----|
| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | |
| \$ 632,344 | \$ 541,074 | \$ 572,361 | \$ 597,933 | \$ 597,933 | \$ 655,209 | |
| - | - | - | - | - | - | |
| <u>\$ 632,344</u> | <u>\$ 541,074</u> | <u>\$ 572,361</u> | <u>\$ 597,933</u> | <u>\$ 597,933</u> | <u>\$ 655,209</u> | |
| -% | -% | -% | -% | -% | -% | -% |

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
CALCULATION OF LEGAL DEBT MARGIN
JUNE 30, 2021
(UNAUDITED)

| | |
|---|------------------|
| Net Secondary Assessed Value | \$ 2,184,030 |
| <hr/> | |
| Legal Debt Margin: | |
| Debt Limitation - 30% of Assessed Value | \$ 655,209 |
| Total Amount of Debt Applicable to Debt Limit | <hr/> - |
| Total Legal Debt Margin | <hr/> \$ 655,209 |

Source: The District's Business and Finance Department.

State statutes limit the total amount of bonded debt for a unified school district to 30% of the net secondary assessed valuation of the District.

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
PLEGDED REVENUE COVERAGE
LAST TEN FISCAL YEARS
(UNAUDITED)

| <u>Fiscal Year</u> | <u>Pledged Revenues (1)</u> | <u>Impact Aid Revenue Bonds</u> | | | <u>Coverage</u> |
|--------------------|-----------------------------|---------------------------------|-------------------------------|------------------------------|-----------------|
| | | <u>Impact Aid Revenue Bonds</u> | <u>Debt Service Principal</u> | <u>Debt Service Interest</u> | |
| 2012 | n/a | \$ 1,960,000 | \$ 1,245,000 | \$ 179,745 | n/a |
| 2013 | n/a | 1,665,000 | 1,300,000 | 123,720 | n/a |
| 2014 | n/a | 1,360,000 | 1,360,000 | 63,920 | n/a |

Source: The District's Business and Finance Department.

(1): Less specified operating expenses

N/A: Information not available.

Note: The Impact Aid bonds were paid off in fiscal year 2014; therefore, information for 2015 - 2021 is not presented and only three years of data is presented.

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS
(UNAUDITED)

| Calendar Year | Population | Personal Income | Per Capita Personal Income | Unemployment Rate |
|------------------|------------|--------------------|----------------------------------|----------------------|
| 2012 | 989,569 | \$ 34,596,360 | \$ 36,767 | 7.4% |
| 2013 | 992,394 | 36,058,871 | 37,082 | 7.0 |
| 2014 | 1,007,162 | 36,935,363 | 37,755 | 6.4 |
| 2015 | 1,009,371 | 37,198,714 | 38,261 | 5.6 |
| 2016 | 1,016,206 | 40,359,300 | 39,695 | 5.0 |
| 2017 | 1,025,044 | 41,349,550 | 40,339 | 4.6 |
| 2018 | 1,033,781 | 43,223,000 | 41,811 | 4.3 |
| 2019 | 1,042,475 | 46,497,700 | 44,603 | 4.7 |
| 2020 | 1,050,906 | 49,961,000 | 47,541 | 8.0 |
| 2021 | 1,059,218 | 55,047,000 | 51,969 | 6.9 |

Source: Bureau of Labor Statistics, Office of Economic Opportunity (for population data only); UA Economic and Business Research Center, Eller College of Management.

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
PRINCIPAL EMPLOYERS
JUNE 30, 2020 AND 2011
(UNAUDITED)

| Employer | 2021 | | 2012 | |
|----------|-----------|--------------------------------------|-----------|--------------------------------------|
| | Employees | Percentage of Total Employment | Employees | Percentage of Total Employment |
| N/A | - | - | - | - |
| | - | - | - | - |

N/A: Information not available.

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS
(UNAUDITED)

| Function | Full-Time Equivalent Employees | | | | | | | | | |
|----------------------------|--------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| Supervisory | - | - | - | - | - | - | - | - | - | - |
| Instruction | 112 | 110 | 119 | 117 | 119 | 113 | 108 | 111 | 92 | 102 |
| Student Services | 23 | 26 | 23 | 26 | 31 | 31 | 33 | 30 | 37 | 29 |
| Support and Administration | 95 | 87 | 86 | 91 | 95 | 87 | 81 | 82 | 99 | 97 |
| Total | <u>230</u> | <u>223</u> | <u>228</u> | <u>234</u> | <u>245</u> | <u>231</u> | <u>222</u> | <u>223</u> | <u>228</u> | <u>228</u> |

Source: The District's Business and Finance Department.

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BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

| <u>Fiscal Year</u> | <u>Enrollment</u> | <u>Operating Expenditures (1)</u> | <u>Cost per Pupil</u> | <u>Percentage Change</u> | <u>Total Expenditures</u> |
|--------------------|-------------------|-----------------------------------|-----------------------|--------------------------|---------------------------|
| 2012 | 1,193 | \$ 15,358,020 | \$ 12,873 | 9.53% | \$ 16,700,331 |
| 2013 | 1,157 | 14,639,410 | 12,653 | (1.71) | 16,197,008 |
| 2014 | 1,157 | 13,487,817 | 11,658 | (7.87) | 17,676,292 |
| 2015 | 1,257 | 18,103,591 | 14,402 | 23.54 | 18,641,505 |
| 2016 | 1,166 | 18,435,928 | 15,811 | 9.78 | 18,827,970 |
| 2017 | 1,092 | 17,898,392 | 16,390 | 3.66 | 18,252,204 |
| 2018 | 1,173 | 17,603,636 | 15,007 | (8.44) | 17,820,583 |
| 2019 | 1,143 | 16,191,695 | 14,166 | (5.61) | 18,327,318 |
| 2020 | 968 | 14,308,023 | 14,781 | 4.34 | 20,174,570 |
| 2021 | 1,003 | 19,217,846 | 19,160 | 29.63 | 21,072,687 |

Source: The District's Business and Finance Department.

(1) Total expenditures less debt service and capital outlay.

| Cost Per Pupil | Percentage Change | Teaching Staff | Pupil-Teacher Ratio | Percentage of Students Receiving Free or Reduced Meals |
|----------------|-------------------|----------------|---------------------|--|
| \$ 13,999 | 1.09% | 92 | 13.0 | 67% |
| 13,999 | 0.00 | 88 | 13.1 | 73% |
| 15,278 | 9.13 | 92 | 12.6 | 74% |
| 14,830 | (2.93) | 88 | 14.3 | 71% |
| 16,147 | 8.88 | 88 | 13.3 | 70% |
| 16,714 | 3.51 | 82 | 13.3 | 89% |
| 15,192 | (9.11) | 82 | 14.3 | 100% |
| 16,034 | 5.54 | 85 | 13.4 | 100% |
| 20,841 | 29.98 | 80 | 12.1 | 100% |
| 21,010 | 0.81 | 81 | 12.4 | 100% |

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
TEACHER BASE SALARIES
LAST TEN FISCAL YEARS
(UNAUDITED)

| Fiscal Year | Minimum Salary | Maximum Salary | District Average Salary | Statewide Average Salary |
|-------------|-------------------|-------------------|-------------------------------|--------------------------------|
| 2012 | \$ 27,627 | \$ 78,917 | \$ 48,550 | \$ - * |
| 2013 | 28,871 | 72,256 | 51,721 | - * |
| 2014 | 31,476 | 74,858 | 53,549 | - * |
| 2015 | 29,327 | 81,171 | 58,677 | - * |
| 2016 | 31,402 | 83,494 | 59,523 | - * |
| 2017 | 30,063 | 81,727 | 59,090 | - * |
| 2018 | 46,867 | 71,400 | 55,769 | - * |
| 2019 | 34,670 | 72,600 | 54,175 | - * |
| 2020 | 37,816 | 79,586 | 67,105 | - * |
| 2021 | 31,419 | 72,000 | 56,125 | - * |

Source: The District's Business and Finance Department.

Note: Amounts do not include fringe benefits such as pension, health insurance, or disability.

* Information was not available.

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BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
CAPITAL ASSETS INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)

| Schools | Fiscal Year | | | | |
|--------------------------|-------------|---------|---------|---------|---------|
| | 2012 | 2013 | 2014 | 2015 | 2016 |
| Elementary | | | | | |
| Buildings | 10 | 10 | 10 | 10 | 10 |
| Square Feet | 545,898 | 545,898 | 545,898 | 545,898 | 545,898 |
| Capacity | 500 | 500 | 500 | 500 | 500 |
| Enrollment | 484 | 558 | 599 | 609 | 690 |
| Intermediate | | | | | |
| Buildings | 7 | 7 | 7 | 7 | 7 |
| Square Feet | 64,947 | 64,947 | 64,947 | 64,947 | 64,947 |
| Capacity | 800 | 800 | 800 | 800 | 800 |
| Enrollment | Note | Note | Note | Note | Note |
| Middle | | | | | |
| Buildings | 6 | 6 | 6 | 6 | 6 |
| Square Feet | 21,880 | 21,880 | 21,880 | 21,880 | 21,880 |
| Capacity | 600 | 600 | 600 | 600 | 600 |
| Enrollment | 224 | 204 | 215 | 208 | 135 |
| High | | | | | |
| Buildings | 19 | 19 | 19 | 19 | 19 |
| Square Feet | 132,272 | 132,272 | 132,272 | 132,272 | 132,272 |
| Capacity | 600 | 600 | 600 | 600 | 600 |
| Enrollment | 189 | 196 | 198 | 153 | 212 |
| Alternative MS/HS | | | | | |
| Buildings | 2 | 2 | 2 | 2 | 2 |
| Square Feet | 7,200 | 7,200 | 7,200 | 7,200 | 7,200 |
| Capacity | 60 | 60 | 60 | 60 | 60 |
| Enrollment | 94 | 54 | 70 | 63 | 45 |
| Administrative | | | | | |
| Buildings | 1 | 1 | 1 | 1 | 1 |
| Square Feet | 5,525 | 5,525 | 5,525 | 5,525 | 5,525 |
| Transportation | | | | | |
| Garages | 1 | 1 | 1 | 1 | 1 |
| Buses | 21 | 23 | 26 | 23 | 23 |
| Athletics | | | | | |
| Football fields | 2 | 2 | 2 | 2 | 2 |
| Running Tracks | 1 | 1 | 1 | 1 | 1 |
| Baseball/softball Fields | 4 | 4 | 4 | 4 | 4 |
| Playgrounds | 4 | 4 | 4 | 4 | 4 |

Source: The District's Business and Finance Department.

Note: Enrollment was moved between the Middle School and the Intermediate School for this time period. Therefore, there was no enrollment during this time at the Intermediate School.

Fiscal Year

| 2017 | 2018 | 2019 | 2020 | 2021 |
|---------|---------|---------|---------|---------|
| 10 | 10 | 10 | 10 | 10 |
| 545,898 | 545,898 | 545,898 | 545,898 | 546,930 |
| 500 | 500 | 500 | 500 | 500 |
| 467 | 457 | 448 | 242 | 301 |
| 7 | 7 | 7 | 7 | 7 |
| 64,947 | 64,947 | 64,947 | 64,947 | 64,947 |
| 800 | 800 | 800 | 800 | 800 |
| 467 | 248 | 252 | 328 | 305 |
| 6 | 6 | 6 | 6 | 6 |
| 21,880 | 21,880 | 21,880 | 21,880 | 21,880 |
| 600 | 600 | 600 | 600 | 600 |
| 136 | 156 | 133 | 133 | 129 |
| 19 | 19 | 19 | 19 | 19 |
| 132,272 | 132,272 | 132,272 | 132,272 | 132,272 |
| 600 | 600 | 600 | 600 | 600 |
| 164 | 241 | 239 | 197 | 202 |
| 2 | 2 | 2 | 2 | 2 |
| 7,200 | 7,200 | 7,200 | 7,200 | 7,200 |
| 60 | 60 | 60 | 60 | 60 |
| 47 | 71 | 71 | 67 | 66 |
| 1 | 1 | 1 | 1 | 1 |
| 5,525 | 5,525 | 5,525 | 5,525 | 5,525 |
| 1 | 1 | 1 | 1 | 1 |
| 21 | 19 | 25 | 25 | 23 |
| 2 | 2 | 2 | 2 | 2 |
| 1 | 1 | 1 | 1 | 1 |
| 4 | 4 | 4 | 4 | 4 |
| 4 | 4 | 4 | 4 | 4 |