

# TUCSON UNIFIED

## SCHOOL DISTRICT



Tucson Unified School District No. 1  
1010 E 10th Street  
Tucson, Arizona 85719

## Comprehensive Annual Financial Report

*Fiscal year ended June 30, 2017*

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**

**TUCSON, ARIZONA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Issued by:  
Financial Services Department

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# Introductory Section



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December 15, 2017

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

State law mandates that school districts required to undergo an annual single audit publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States by a certified public accounting firm licensed in the State of Arizona. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Tucson Unified School District No. 1 (District) for the fiscal year ended June 30, 2017.

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

The District's financial statements have been audited by Heinfeld, Meech & Co., P.C., a certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2017, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2017, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

## **PROFILE OF THE DISTRICT**

Tucson Unified School District (TUSD) is the oldest district in Arizona and was created by a territorial board of supervisors in November 1867 before Arizona was a state in the union. Tucson Unified is one of 18 public school districts located in Pima County and ultimately was formed by the unification of Tucson Elementary School District No. 1 and Tucson High School District No. 1 on July 1, 1976. The District provides public education services to over 46,900 students from Pre-Kindergarten through grade 12, with projected enrollment of 44,000 for fiscal year 2018. District schools are spread over 230 square miles of the metropolitan Tucson area and certain unincorporated areas of the County. The average age of school structures is 46 years.

Tucson Unified is the second largest school district in Arizona and among the 100 largest school districts in the United States. The District offers extensive educational programs, such as advanced learning experiences (ALE), career and technical education (CTE), gifted and talented education (GATE), fine arts, bilingual and multicultural education. The District is composed of traditional comprehensive schools, magnet schools, and alternative programs. The District is also a member of the Pima County Joint Technological District (JTED). Approximately 80 percent of District enrollment in 2015-16 was students from minority ethnic groups and more than 80 world languages are spoken in the District.

Each school district within Pima County is a separate political subdivision of the state with geographic boundaries organized for the purpose of the administration, support and maintenance of the public schools. The District's purpose and responsibility is to provide an efficient educational system for the children enrolled in public schools within its boundaries, whereby each child has access to programs and services that are appropriate to his or her educational needs.

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

The Governing Board consists of five members, each of whom is elected for a four-year term on a staggered basis. 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. Workers' compensation insurance and certain employee health insurance benefits are provided through legally separate trusts, which function in essence as departments of the District and therefore have been included as an integral part of the District financial statements. The District is not included in any other governmental reporting entity. Consequently, the District's financial statements include only the funds of those organizational entities for which its elected governing board is financially accountable. The District's major operations include education, student transportation, construction and maintenance of District facilities, food services, and extracurricular activities.

The expenditure budget is prepared by fund for all Governmental Funds, and includes function and object code details for the General Fund and some Special Revenue and Capital Projects Funds. The legal level of budgetary control (that is, the level at which expenditures cannot exceed the appropriated amount) is established at the individual fund level for all funds. Funds that are not required to legally adopt a budget may have over expenditures of budgeted funds. The budget for these funds is simply an estimate and does not prevent the District from exceeding the budget as long as the necessary revenue is earned. The District is not required to prepare an annual 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 a broader perspective of the specific environment in which the District operates.

**Local Economy.** The economy of the District is centered on Pima County, which has a population of nearly 1.0 million. The City of Tucson encompasses approximately 227 square miles. Principal economic activities within the district include manufacturing, services, government, education, and tourism. Some of Tucson's largest employers are listed in the Statistical Section of this Comprehensive Annual Financial Report. Tucson is home to one of the world's largest gem, mineral, and fossil shows, the Tucson Festival of Books, and the International Mariachi Festival.

Since 1975, Metropolitan Tucson has grown by an average of 2.4 percent per year. There have been only two instances within the reported time period where population growth fell below 1 percent. By 2020, the Tucson region will be home to nearly 1.3 million people. Since 2008, the region suffered an economic setback and endured the real estate crisis that resulted in reduced home values and lost jobs. However, in the most recent data, we see positive and upward trending in the market and improved conditions that restored some of the losses in real estate and employment.

**State funding:** State Capital budget cuts continue to cause a strain on the District's financial health. The cumulative capital reduction for the District has reached a total of \$136.0 million through 2017-18. This has forced the District to rely on its Maintenance and Operations Fund to sustain capital needs throughout the district, such as building improvements, school buses and technology equipment. These Capital funding cuts and other reductions to education have led Arizona to rank at the bottom in the nation for per-student funding and expenditures.

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

**A. Five-Year Strategic Plan:**

In February 2014, the Governing Board approved a Five-Year Strategic Plan that included strategic priorities in five key areas: curriculum, diversity, finance, operations, and communication. The plan was formed with input from more than 400 community members. For each year, each category in the plan contains five strategic priorities and five SMART (specific, measurable, achievable, realistic, time-bound) goals. In all, the five-year plan contains 125 goals designed to serve as a road map for achieving high performance and tight alignment. The plan was informed by key studies: a curriculum audit, an efficiency audit, a demographic study and a boundary review. These audits and plans were used to form the basis for understanding where Tucson Unified needs to grow and improve. The District has completed the Year 3 goals and is revising the goals for 2017-2018 and beyond.

**B. Comprehensive Curriculum:**

The Curriculum Department continues to develop a comprehensive curriculum in each subject area. This work began in 2013-14 with an aggressive push to develop a written curriculum aligned to standards and appropriate for systematic deployment. The Curriculum Department started the process with an emphasis on the core subjects of English Language Arts and Mathematics, developing curriculum maps and a written scope and sequence to ensure that students at all sites – regardless of race, ethnicity, ELL status, or socio-economic background – would be exposed to teaching which reflects an underlying curriculum assigned to consistent standards. Instructional improvement was tailored to Charlotte Danielson's Framework for Teaching (which also underlies the District's teacher evaluation instrument). In 2014-15, the District launched "Curriculum 2.0," an effort to refine and revise the Curriculum developed the previous year, working with teachers across the District. The District continues to revise and refine its Curriculum with a heavy focus on intervention, acceleration and improving AZMerit test scores, which are used in part by the state to issue letter grades for schools.

### **C. Technology:**

Technology continues to be a core focus of the District. This year, Wi-Fi access was enabled on every school campus and District building, enabling students, teachers, staff and guests to use Wi-Fi services. The District offered free test preparation software to all students via Edgenuity, an online education services. Students can use this software to prepare for tests such as the AZMerit, PSAT, SAT and ACT as well as Advanced Placement tests. The District also adopted InTouch, software that makes paying fees, providing money for school meals, registering for sports and making Tax Credit donations easier for parents by taking these tasks online. Tucson Unified launched Microsoft 365 in 2017-2018, making its tools available throughout the District. This is a powerful tool that enables teachers and staff to share knowledge and collaborate. These developments continue the leaps in technology by the District in the past several years. Recent advancements include the Electronic Resource Planning (ERP) system that was implemented in 2014-15, and the Infinite Visions system, which was installed and implemented at the District in 2015-2016. In the past three years, the District also adopted new systems such as Applitrack for online applicant tracking, Aesop, which is used for acquiring substitute teachers for absent teachers, Time Clock Plus for employee hours, FAMIS, a facilities asset maintenance system, SchoolSpace, which is a facilities rental system and MapNet for bus routing.

### **D. Content Management System:**

In 2016-17, the District completed a competitive bidding process for a content management system that would include a new District website, Intranet, and individual school websites. The District ultimately contracted with SchoolDesk, a company that specializes in school district websites, having produced 2,476 websites in 38 states. The conversion process to the new website was lengthy. In addition to working to design the new websites, the District has worked to update and migrate thousands of pages of information into the new site. The new system offers a significant improvement for school websites. Each website has a uniform and clearly organized design, which is uniquely branded for each specific school. Information is easy for parents, students, and community members to find. Through the intuitive interface, designated school staff can easily update web content. Training and support was covered by the vendor. The new content management system is a significant step toward ensuring that all schools have current, appealing websites for marketing, recruiting, and informational purposes. The District launched the main website and school sites in June 2017.

### **E. Desegregation Order:**

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

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

#### **F. General Fund Efficiency Measures:**

The District overhauled the budget process in fiscal year 2013-14 and implemented a staffing and allocation standard to fund schools. The standards have been further refined to include standard and supplemental allocations from all funding sources. These new standards reallocated the available resources in a more equitable manner and focused on student achievement and improving the student learning experience at all schools.

Initiatives that are underway and are projected to either start or be completed during fiscal year 2017-18 are as follows:

- The District implemented Synergy, a new Student Information System (SIS) to manage student data, including enrollment, attendance and grades. Synergy provides the capabilities for registering students in courses, documenting grading via Gradebook, homework assignments, transcripts, student assessments student schedules, attendance, and managing many other student-related data needs at our campuses. The system gives students and parents access to student information via computer and mobile devices. Synergy is also the source of student information which enables other applications to interface with and provide additional functionality such as Food Services – via Horizon, Student Finance – via InTouch, ParentLink, School City, Transportation, etc. This system replaced the District’s outdated program and is in-line with systems used throughout the state.
- The District continues to build upon its procurement card initiative into the 2016-17 school year, which helped streamline complex operations and significantly reduced the cost and time of purchasing. The program has resulted in more than \$1.9 million in rebates to the District since inception. Proceeds from these funds are being allocated to the District’s fine arts, athletics, and other extracurricular programs that will benefit students directly.
- Solar and Energy Management control systems continue to be implemented and maintained districtwide to better manage and reduce utility costs in the District. The expected savings through the life of the contract is \$34.5 million.



## **G. Other Major District Initiatives:**

- The primary focuses across the District are proficiency and growth. Key initiatives will focus on:
  - Intervention, reading and math support during the day
  - Student behavioral support servicing during the day
  - PLCs with effective course and grade level teacher teams
  - Tier 1 highly effective teaching strategies
  - MTSS
  - School Safety and classroom management
  - Professional development during the workday
  - Principal support
  - Recruitment and retention of highly qualified teachers
  - K-3 literacy
  - Increasing classroom dollars and instructional support
  
- Another area of focus is on improved communication and response from the District to families and from administration with school site personnel. This initiative includes improving response time when questions come in and follow-up to ensure matters are resolved in a timely and satisfactory manner.
  
- The District continues to develop opportunities for students to get real-world work experience. The District paired with the Hispanic Chamber for the YEA Entrepreneur program that provided students an opportunity to pitch business ideas and develop them with the help of mentors from the community.
  
- On July 12, 2016, the Governing Board adopted a resolution authorizing the issuance and sale of refunding bonds. The District was able to save over \$10.5 million for its taxpayers through this refinancing process.
  
- Additionally, the District has emphasized the continued development of Professional Learning Communities to support teachers and staff and to focus on improving student learning.
  
- The District launched “Knowledge Changes Everything,” an initiative that aims to communicate the benefits of an integrated education. The initiative includes research on the benefits to children and society at-large, television commercials and print and digital advertising.

## AWARDS AND ACKNOWLEDGMENTS

### Awards.

Here are some of Tucson Unified School District's awards and accomplishments:

- 2017 Arizona School Public Relations Association Award of Distinction for Employee Video Newsletter
- 2017 Borton Magnet School, Magnet Schools of America School of Excellence
- 2017 Mansfeld Magnet School, Magnet Schools of America School of Distinction
- 2017 Dodge Traditional Magnet Middle School, Magnet Schools of America School of Distinction
- 2017 Arizona School Public Relations Association Award of Excellence for Knowledge Changes Everything Initiative
- 2017 Arizona School Public Relations Association Award of Excellence for Knowledge Changes Everything Initiative
- 2017 Arizona School Public Relations Association Award of Distinction for Employee Video Newsletter
- The U.S. Department of Education named University High School a 2016 National Blue Ribbon School and had previously named Drachman Montessori Magnet Elementary School and Sabino High School National Blue Ribbon Schools.
- 2016 Metropolitan Pima Alliance Common Ground Award for Steps to Success
- 2016 Metropolitan Pima Alliance Common Ground Award for partnership in Garden to Cafeteria program
- 2016 Impact Award from the Public Relations Society of America for the #TeamTUSD initiative
- 2016 Impact Award from the Public Relations Society of America for the National Foundation for Governors' Fitness Councils Fitness Center Award for Hollinger K-8
- 2016 Superintendent to Watch, National School Public Relations Association
- 2016 CoxConnect2 STEM Creative Media Award
- 2016 Award of Excellence, Facilities Master Plan video, Arizona School Public Relations Association
- 2016 Best Practices Award for Playground Inspection Program, Arizona Association of School Business Officials
- 2016 BrightEE Award, Tucson Electric Power
- 2015-16 Merit Awards from Magnet Schools of America: Carrillo K-5 Magnet School, Tucson High Magnet School, Davis Bilingual Magnet School, Mansfeld Magnet Middle School
- 2015 Expect More Arizona Award for the Steps to Success program. The program, where volunteers go door-to-door to help children come back to school, has brought back more than 300 students so far. Forty-one have graduated. The fourth walk was held on Friday, January 15, 2016, and other Tucson school districts are planning to follow Tucson Unified's lead in the summer.
- 2015 Impact Award Certificate of Excellence from the Public Relations Society of America for #RWB4Borman campaign where Tucson Unified asked the community to wear red, white and blue to support military families.

- 2015 and 2016 College Board's AP Honor Roll: Tucson Unified School District is one of 425 school districts in the U.S. and Canada honored by the College Board with placement on the 6th Annual AP® District Honor Roll for increasing access to AP course work while simultaneously maintaining or increasing the percentage of students earning scores of 3 or higher on AP Exams.
- 2015 National Blue Ribbon School, Drachman Montessori Magnet Elementary School
- 2015 A+ Schools of Excellence, Carrillo Magnet School and Dodge Traditional Magnet Middle School
- 2015 U.S. Environmental Protection Agency National Green Power Community Rankings
- Ranked #2 of the Top 30 K-12 Schools. Also on the list: Austin (TX) Independent School District and Arlington County (VA) Public Schools
- Ranked #12 of Top 30 for On-site Generation. Also on the list: Apple, Google, Wal-Mart and the cities of San Diego, CA and Las Vegas, NV
- 2015 Governor's Award for Energy and Technology Innovation
- 2014 Metropolitan Pima Alliance Common Ground Award for Five Year Strategic Plan
- 2015: Human Resources Wellness awards: Official Gold Seal of Good Health Keeping for 2015-16; Anna Maiden, Chief Human Resources Officer, Champion of Worksite Wellness for Senior Leadership; Michelle Garcia, Human Resources Associate, Champion of Worksite Wellness for Wellness Committee; Alex Rodriguez, Magnet Coordinator, Champion of Worksite Wellness for Personal Achievement.
- 2015 Financial Awards
  - April 2016 – Association of School Business Officials International (ASBO) Certificate of Excellence in Financial Reporting Award for Fiscal Year Ended June 30, 2014.
  - May 2015 – Government Finance Officers Association Certificate of Excellence in Financial Reporting for Fiscal Year Ended June 30, 2016.

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, 2016. This was the thirty-first consecutive year that the District has received this prestigious award. In addition, the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2016. In order to be awarded these certificates, the District published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

These certificates are valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the programs' requirements and we are submitting it to ASBO and GFOA to determine its eligibility for the fiscal year ended June 30, 2017 certificates.


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

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

Respectfully submitted,



Gabriel Trujillo, Ed.D.  
Superintendent



Renee Weatherless  
Executive Director , Finance



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

The Certificate of Excellence in Financial Reporting  
is presented to

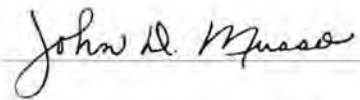
**Tucson Unified School District No. 1**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2016.**

The CAFR has been reviewed and met or exceeded  
ASBO International's Certificate of Excellence standards.



  
Anthony N. Dragona, Ed.D., RSBA  
President

  
John D. Musso, CAE, RSBA  
Executive Director



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

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

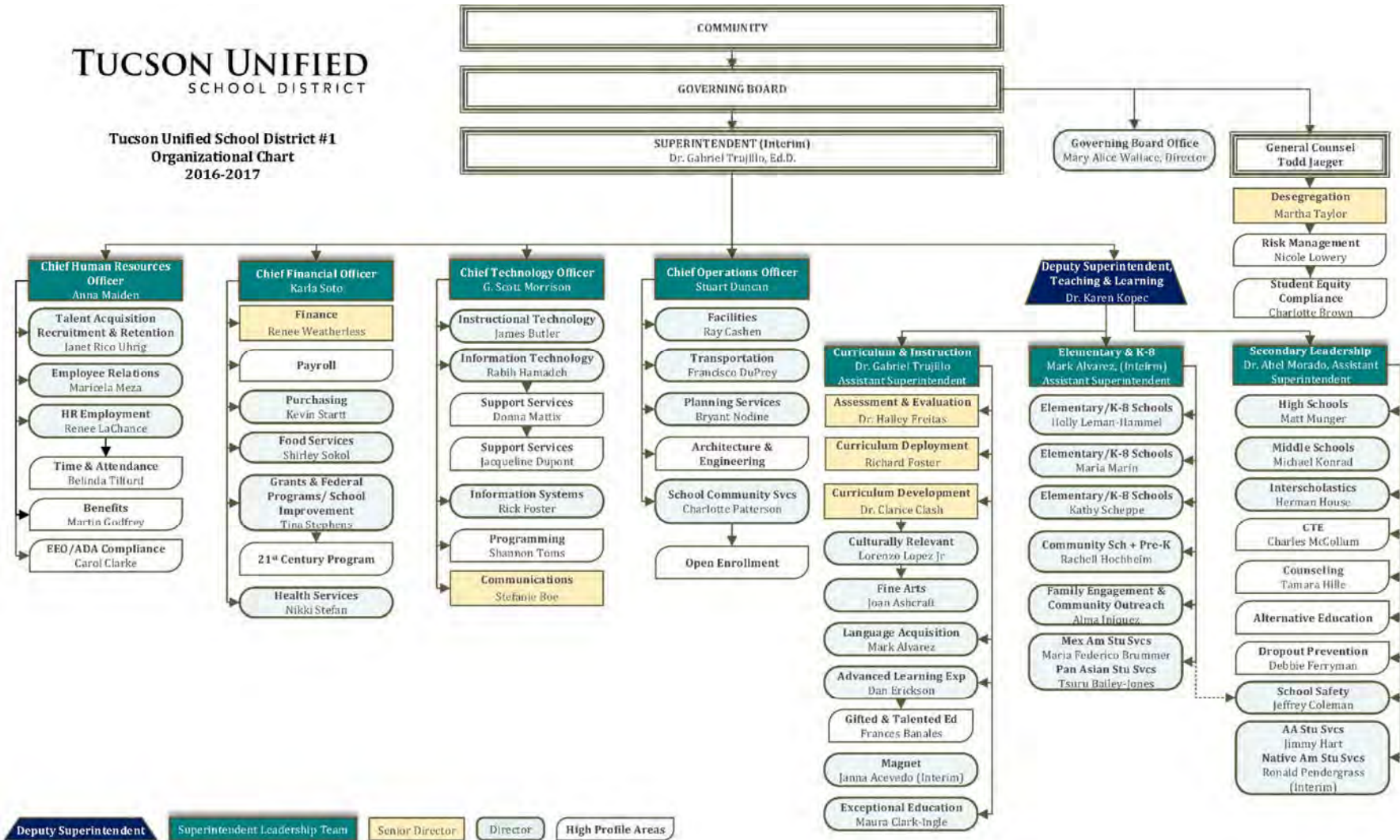
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2016**

Executive Director/CEO

# TUCSON UNIFIED SCHOOL DISTRICT

## Tucson Unified School District #1 Organizational Chart 2016-2017



TUCSON UNIFIED SCHOOL DISTRICT NO. 1  
PRINCIPAL OFFICIALS

ELECTED OFFICIALS

BOARD OF EDUCATION

PRESIDENT

Michael Hicks

CLERK

Mark Stegeman, Ph.D.

MEMBERS

Adelita S. Grijalva

Kristel Ann Foster

Rachael Sedgwick

APPOINTED OFFICIALS

SUPERINTENDENT, INTERIM

Gabriel Trujillo, Ed.D.

DEPUTY SUPERINTENDENT TEACHING & LEARNING

Karen Kopec, Ed.D.

ASSISTANT SUPERINTENDENT CURRICULUM & INSTRUCTION

Gabriel Trujillo, Ed.D.

ASSISTANT SUPERINTENDENT ELEMENTARY & K-8 SCHOOLS, INTERIM

Mark Alvarez

ASSISTANT SUPERINTENDENT SECONDARY SCHOOLS

Abel Morado, Ed.D.

LEGAL COUNSEL

Todd Jaeger

CHIEF FINANCIAL OFFICER

Karla G. Soto

CHIEF HUMAN RESOURCES OFFICER

Anna Maiden

CHIEF OPERATIONS OFFICER

Stuart Duncan

CHIEF TECHNOLOGY OFFICER

Scott Morrison



# Financial Section



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## INDEPENDENT AUDITOR'S REPORT

Governing Board  
Tucson Unified School District No. 1

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Tucson Unified School District No. 1 (District), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

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

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Tucson Unified School District No. 1, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

**Required Supplementary Information**

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

**Other Information**

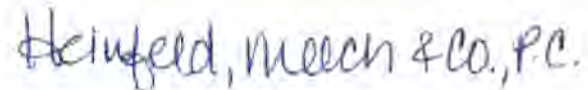
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Introductory Section, Combining and Individual Fund Financial Statements and Schedules, and Statistical Section are presented for purposes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

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

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2017, on our consideration of Tucson Unified School District No. 1's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Tucson Unified School District No. 1's internal control over financial reporting and compliance.



Heinfeld, Meech & Co., P.C.  
Tucson, Arizona  
December 15, 2017

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

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**TUCSON UNIFIED SCHOOL DISTRICT NO. 1  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2017**

As management of the Tucson Unified School District No. 1 (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2017. The management's discussion and analysis is presented as required supplementary information to supplement the basic financial statements. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

### **FINANCIAL HIGHLIGHTS**

- The District's total net position of governmental activities increased \$15.0 million which represents an increase of nine percent from the prior fiscal year primarily due to pension contributions exceeding the associated pension expense of the current year.
- General revenues accounted for \$361.9 million in revenue, or 81 percent of all current fiscal year revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$86.2 million or 19 percent of total current fiscal year revenues.
- The District had approximately \$433.1 million in expenses related to governmental activities, an increase of four percent from the prior fiscal year.
- Among major funds, the General Fund had \$315.8 million in current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$313.2 million in expenditures. The General Fund's fund balance decrease from \$32.4 million at the prior fiscal year end to \$25.1 million at the end of the current fiscal year was primarily due to a transfer of \$10.0 million to the Unrestricted Capital Outlay Fund, a non-major governmental fund, for capital projects.
- Net position for the Internal Service Funds increased \$4.3 million from the prior fiscal year. Operating revenues of \$36.5 million exceeded operating expenses of \$32.4 million at the end of the current fiscal year.

### **OVERVIEW OF FINANCIAL STATEMENTS**

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

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2017**

**OVERVIEW OF FINANCIAL STATEMENTS**

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

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

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

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

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

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



**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**YEAR ENDED JUNE 30, 2017**

**OVERVIEW OF FINANCIAL STATEMENTS**

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decision. 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.

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, which is considered to be a major fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and schedules.

**Proprietary funds.** The District maintains one type of proprietary fund. The internal service fund is an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses its internal service fund to account for its activities related to the employee benefit trust and to workers' compensation claims. Because these services predominantly benefit government functions, they have been included within governmental activities in the government-wide financial statements.

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

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

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

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2017**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$178.4 million at the current fiscal year end.

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

The following table presents a summary of the District's net position for the fiscal years ended June 30, 2017 and June 30, 2016.

	As of June 30, 2017	As of June 30, 2016
Current and other assets	\$ 145,428,589	\$ 171,023,561
Capital assets, net	665,524,556	691,609,103
Total assets	<u>810,953,145</u>	<u>862,632,664</u>
Deferred outflows	<u>82,793,101</u>	<u>41,936,034</u>
Current and other liabilities	34,765,955	52,254,992
Long-term liabilities	<u>620,510,983</u>	<u>628,763,947</u>
Total liabilities	<u>655,276,938</u>	<u>681,018,939</u>
Deferred inflows	<u>60,093,039</u>	<u>60,134,275</u>
Net position:		
Net investment in capital assets	480,205,341	485,420,031
Restricted	39,771,519	47,868,859
Unrestricted	<u>(341,600,591)</u>	<u>(369,873,406)</u>
Total net position	<u>\$ 178,376,269</u>	<u>\$ 163,415,484</u>

At the end of the current fiscal year the District reported a negative unrestricted net position of \$341.6 million as a result of unfunded pension liability. Positive net position was reported in the other two categories.

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

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2017**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

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

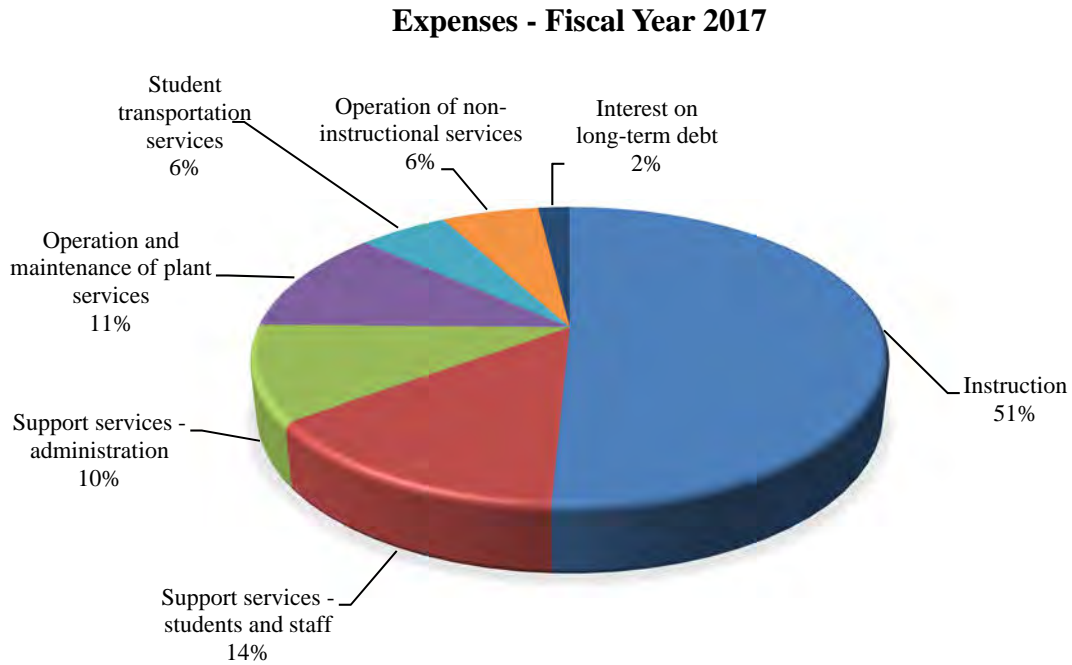
- The net addition of \$4.4 million in capital assets through school improvements and purchases of vehicles, furniture and equipment.
- The increase of \$11.5 million in pension liabilities.
- The depreciation of capital assets resulting in an increase of \$26.2 million in accumulated depreciation.
- The reduction of \$7.8 million in capital lease obligations.
- The reduction of \$20.7 million in bonds payable.

**Changes in net position.** The District's total revenues for the current fiscal year were \$448.1 million. The total cost of all programs and services was \$433.1 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2017 and June 30, 2016.

	Fiscal Year Ended <u>June 30, 2017</u>	Fiscal Year Ended <u>June 30, 2016</u>
<b>Revenues:</b>		
Program revenues:		
Charges for services	\$ 13,894,428	\$ 11,961,854
Operating grants and contributions	67,852,542	64,212,609
Capital grants and contributions	4,434,548	2,441,185
General revenues:		
Property taxes	180,690,434	180,271,189
Investment income	620,166	557,570
Unrestricted county aid	12,876,806	13,151,610
Unrestricted state aid	163,180,636	171,211,671
Unrestricted federal aid	4,506,633	3,831,545
<b>Total revenues</b>	<u>448,056,193</u>	<u>447,639,233</u>
<b>Expenses:</b>		
Instruction	219,854,828	206,973,703
Support services – students and staff	61,436,186	60,250,541
Support services – administration	44,826,243	41,637,711
Operation and maintenance of plant services	49,036,681	49,688,066
Student transportation services	23,769,388	24,277,391
Operation of non-instructional services	25,771,350	24,028,856
Interest on long-term debt	8,400,732	10,932,855
<b>Total expenses</b>	<u>433,095,408</u>	<u>417,789,123</u>
<b>Changes in net position</b>	14,960,785	29,850,110
<b>Net position, beginning</b>	<u>163,415,484</u>	<u>133,565,374</u>
<b>Net position, ending</b>	<u>\$ 178,376,269</u>	<u>\$ 163,415,484</u>

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2017**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**



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

- The increase of \$12.9 million in instructional expense is due to increased teacher salaries for a one-time payout of classroom site funds.
- The increase in operating grants and contributions of \$3.6 million is due to increased food service subsidies received in the current year.
- The decrease of \$8.0 million in unrestricted state aid is due to declining enrollment.

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

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2017**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

	<u>Year Ended June 30, 2017</u>		<u>Year Ended June 30, 2016</u>	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
Instruction	\$ 219,854,828	\$(173,180,796)	\$ 206,973,703	\$ (165,816,880)
Support services – students and staff	61,436,186	(52,955,605)	60,250,541	(50,236,974)
Support services – administration	44,826,243	(43,822,626)	41,637,711	(40,519,752)
Operation and maintenance of plant services	49,036,681	(45,719,843)	49,688,066	(45,702,685)
Student transportation services	23,769,388	(23,769,120)	24,277,391	(24,276,609)
Operation of non-instructional services	25,771,350	(2,038,855)	24,028,856	(3,541,189)
Interest on long-term debt	8,400,732	(5,427,045)	10,932,855	(9,079,386)
<b>Total</b>	<u>\$ 433,095,408</u>	<u>\$(346,913,890)</u>	<u>\$ 417,789,123</u>	<u>\$ (339,173,475)</u>

- The cost of all governmental activities this year was \$433.1 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$86.2 million.
- Net cost of governmental activities of \$346.9 million was financed by general revenues, which are made up of primarily property taxes of \$180.7 million and state aid of \$163.2 million.

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

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

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

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$67.8 million, a decrease of \$12.2 million primarily due to the utilization of the classroom site fund balance for teacher salaries.

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2017**

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

The General Fund comprises 37 percent of the total fund balance. Approximately \$1.8 million, or seven percent of the General Fund's fund balance is nonspendable as it is reserved for inventory. The remaining \$23.3 million is unassigned.

The General Fund is the principal operating fund of the District. The decrease in fund balance of \$7.3 million to \$25.1 million as of fiscal year end was due to a change in legislation resulting in no property tax revenue being apportioned to capital, requiring a transfer of funds to the Unrestricted Capital Outlay Fund. General Fund revenues increased \$11.1 million and expenditures increased \$10.5 million as a result of the property tax reallocation and subsequent transfer.

**Proprietary funds.** During the current fiscal year, the District's contributions to the internal service funds were \$36.5 million to fund current year claims expense and administrative costs. Unrestricted net position of the internal service funds at the end of the fiscal year amounted to \$31.1 million. Net position increased \$4.3 million from the prior fiscal year due to an additional contribution payment being recognized due to timing of payments.

**BUDGETARY HIGHLIGHTS**

Over the course of the year, the District revised the General Fund annual expenditure budget for changes in student enrollment. The difference between the original budget and the final amended budget was a \$2.5 million decrease, a decrease of one percent.

Significant variances for the final amended budget and actual revenues resulted from the District not being required by the State of Arizona to prepare a revenue budget. A schedule showing the original and final budget amounts compared to the District's actual financial activity for the General Fund is provided in this report as required supplementary information. The significant variances are summarized as follows.

- The favorable variance of \$4.1 million in instruction was a result of planned carryover partially in salaries and benefits of \$1.5 million and supplies of \$2.5 million.
- The unfavorable variance of \$1.5 million in student transportation was a result of an equal split of transportation expenses between Desegregation and Maintenance and Operations funds. No budget reallocations were made to the desegregation transportation budget.
- The favorable variance of \$1.6 million in operation and maintenance of plant services was a result of \$1.43 million in utilities savings including electricity, water, natural gas, fuel and telecommunications.

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1  
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2017**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** At year end, the District had invested \$1.1 billion in capital assets, including school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. This amount represents a net decrease prior to depreciation of \$4.0 million from the prior fiscal year, primarily due to the sale of two schools as approved by voters. Total depreciation expense for the year was \$26.2 million.

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2017 and June 30, 2016.

	As of <u>June 30, 2017</u>	As of <u>June 30, 2016</u>
Capital assets – non-depreciable	\$ 14,843,000	\$ 14,784,369
Capital assets – depreciable, net	<u>650,681,556</u>	<u>676,824,734</u>
<b>Total</b>	<u>\$ 665,524,556</u>	<u>\$ 691,609,103</u>

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

**Debt Administration.** At year end, the District had \$179.1 million in long-term debt outstanding, \$16.7 million due within one year. Long-term debt decreased by \$28.5 million.

The District’s general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds (up to 30 percent of the total net full cash assessed valuation) and the statutory debt limit on Class B bonds (the greater of 20 percent of the net full cash assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$986.9 million and the Class B debt limit is \$657.9 million, which are more than the District’s total outstanding general obligation and Class B debt, respectively. Additional information on the District’s long-term debt can be found in Notes 7 through 9.

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

Many factors were considered by the District’s administration during the process of developing the fiscal year 2017-18 budget. Among them:

- Fiscal year 2016-17 budget balance carry forward (estimated \$9.9 million).
- District student population used to allocate resources to the sites (estimated 47,335 with Pre-K, 46,291 without Pre-K).
- Technology and operation initiatives, energy conservation, and technology infrastructure.

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2017**

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

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

Budgeted expenditures in the General Fund increased less than one percent to \$308.1 million in fiscal year 2017-18.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Financial Services Department, Tucson Unified School District No. 1, 1010 East Tenth Street, Tucson, Arizona 85719.



## **BASIC FINANCIAL STATEMENTS**

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**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2017**

	Governmental Activities
<b><u>ASSETS</u></b>	
Current assets:	
Cash and investments	\$ 63,873,071
Cash and investments-restricted	976,949
Property taxes receivable	13,449,891
Accounts receivable	894,169
Other receivable	7,216,274
Due from governmental entities	56,770,978
Inventory	2,247,257
Total current assets	145,428,589
Noncurrent assets:	
Capital assets not being depreciated	14,843,000
Capital assets, net of accumulated depreciation	650,681,556
Total noncurrent assets	665,524,556
<b>Total assets</b>	<b>810,953,145</b>
 <b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>	
Deferred charges on refunding	8,048,697
Pension plan items	74,744,404
<b>Total deferred outflows of resources</b>	<b>82,793,101</b>
 <b><u>LIABILITIES</u></b>	
Current liabilities:	
Accounts payable	12,331,652
Claims payable	2,510,124
Due to governmental entities	1,139
Accrued payroll and employee benefits	15,509,823
Compensated absences payable	2,613,039
Unearned revenues	418,908
Obligations under capital leases	6,229,680
Bonds payable	10,520,000
Total current liabilities	50,134,365
Noncurrent liabilities:	
Claims payable	4,013,124
Non-current portion of long-term obligations	601,129,449
Total noncurrent liabilities	605,142,573
<b>Total liabilities</b>	<b>655,276,938</b>
 <b><u>DEFERRED INFLOWS OF RESOURCES</u></b>	
Pension plan items	60,093,039
 <b><u>NET POSITION</u></b>	
Net investment in capital assets	480,205,341
Restricted for:	
Instructional purposes	10,570,140
Federal and state projects	447,301
Food service	2,186,078
Debt service	8,782,840
Capital outlay	5,153,428
Non-instructional purposes	12,631,732
Unrestricted	(341,600,591)
<b>Total net position</b>	<b>\$ 178,376,269</b>

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

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2017**

<b>Functions/Programs</b>	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental activities:</b>					
Instruction	\$ 219,854,828	\$ 8,329,005	\$ 35,622,658	\$ 2,722,369	\$ (173,180,796)
Support services - students and staff	61,436,186		8,480,581		(52,955,605)
Support services - administration	44,826,243		1,003,617		(43,822,626)
Operation and maintenance of plant services	49,036,681	1,251,279	2,065,559		(45,719,843)
Student transportation services	23,769,388		268		(23,769,120)
Operation of non-instructional services	25,771,350	4,314,144	19,418,351		(2,038,855)
Interest on long-term debt	8,400,732		1,261,508	1,712,179	(5,427,045)
<b>Total governmental activities</b>	<u>\$ 433,095,408</u>	<u>\$ 13,894,428</u>	<u>\$ 67,852,542</u>	<u>\$ 4,434,548</u>	<u>(346,913,890)</u>

**General revenues:**

Taxes:

Property taxes, levied for general purposes	157,829,310
Property taxes, levied for debt service	22,861,124
Investment income	620,166
Unrestricted county aid	12,876,806
Unrestricted state aid	163,180,636
Unrestricted federal aid	4,506,633
<b>Total general revenues</b>	<u>361,874,675</u>

**Changes in net position**

14,960,785

**Net position, beginning of year**

163,415,484

**Net position, end of year**

\$ 178,376,269

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

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**FUND FINANCIAL STATEMENTS**

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2017**

	<u>General</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 3,910,737	\$ 29,556,312	\$ 33,467,049
Cash and investments-restricted		976,949	976,949
Property taxes receivable	10,965,602	2,484,289	13,449,891
Accounts receivable	567,915	326,254	894,169
Due from governmental entities	45,734,323	11,036,655	56,770,978
Due from other funds		15,194,967	15,194,967
Inventory	1,762,249	485,008	2,247,257
<b>Total assets</b>	<u>\$ 62,940,826</u>	<u>\$ 60,060,434</u>	<u>\$ 123,001,260</u>
 <b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 5,634,351	\$ 6,697,301	\$ 12,331,652
Due to governmental entities		1,139	1,139
Due to other funds	9,052,759	6,142,208	15,194,967
Accrued payroll and employee benefits	13,717,730	1,792,093	15,509,823
Unearned revenues	5,756	413,152	418,908
<b>Total liabilities</b>	<u>28,410,596</u>	<u>15,045,893</u>	<u>43,456,489</u>
Deferred inflows of resources:			
Unavailable revenues - property taxes	<u>9,457,311</u>	<u>2,272,144</u>	<u>11,729,455</u>
Fund balances (deficits):			
Nonspendable	1,762,249	485,008	2,247,257
Restricted		37,499,375	37,499,375
Committed		4,925,981	4,925,981
Unassigned	23,310,670	(167,967)	23,142,703
<b>Total fund balances</b>	<u>25,072,919</u>	<u>42,742,397</u>	<u>67,815,316</u>
 <b>Total liabilities, deferred inflows of resources and fund balances</b>	 <u>\$ 62,940,826</u>	 <u>\$ 60,060,434</u>	 <u>\$ 123,001,260</u>

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



**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2017**

**Total governmental fund balances** **\$ 67,815,316**

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Governmental capital assets	\$ 1,062,372,111	
Less accumulated depreciation	<u>(396,847,555)</u>	665,524,556

Property tax receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds. 11,729,455

Deferred items related to the net cost of issuance of bonds are amortized over the life of the associated bond issue in the government-wide statements but not reported in the funds. (7,032,407)

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

Deferred outflows of resources related to pensions	74,744,404	
Deferred inflows of resources related to pensions	<u>(60,093,039)</u>	14,651,365

The Internal Service Fund is used by management to charge the cost of insurance to the individual funds. The assets and liabilities of the Internal Service Fund are included in the Statement of Net Position. 31,099,048

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Compensated absences payable	(13,841,829)	
Obligations under capital leases	(30,873,423)	
Net pension liability	(412,510,812)	
Bonds payable	<u>(148,185,000)</u>	<u>(605,411,064)</u>

**Net position of governmental activities** **\$ 178,376,269**

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

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2017**

	<u>General</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>			
Other local	\$ 16,882,880	\$ 15,165,607	\$ 32,048,487
Property taxes	157,233,813	23,125,717	180,359,530
State aid and grants	137,195,255	27,803,511	164,998,766
Federal aid, grants and reimbursements	4,506,633	67,184,996	71,691,629
<b>Total revenues</b>	<u>315,818,581</u>	<u>133,279,831</u>	<u>449,098,412</u>
<b>Expenditures:</b>			
Current -			
Instruction	148,406,913	57,676,377	206,083,290
Support services - students and staff	48,077,502	17,002,805	65,080,307
Support services - administration	44,822,630	2,064,385	46,887,015
Operation and maintenance of plant services	48,421,991	2,068,669	50,490,660
Student transportation services	22,143,097	231,152	22,374,249
Operation of non-instructional services	602,988	25,819,679	26,422,667
Capital outlay	726,891	15,825,241	16,552,132
Debt service -			
Principal retirement		21,157,816	21,157,816
Interest and fiscal charges		9,258,936	9,258,936
Bond issuance costs		587,030	587,030
<b>Total expenditures</b>	<u>313,202,012</u>	<u>151,692,090</u>	<u>464,894,102</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>2,616,569</u>	<u>(18,412,259)</u>	<u>(15,795,690)</u>
<b>Other financing sources (uses):</b>			
Transfers in	2,494,071	12,977,878	15,471,949
Transfers out	(12,814,065)	(2,657,884)	(15,471,949)
Proceeds from sale of capital assets		2,838,216	2,838,216
Issuance of refunding bonds		63,000,000	63,000,000
Premium on sale of bonds		12,203,632	12,203,632
Payment to refunded bond escrow agent		(74,611,042)	(74,611,042)
Insurance recoveries	143,072		143,072
<b>Total other financing sources (uses):</b>	<u>(10,176,922)</u>	<u>13,750,800</u>	<u>3,573,878</u>
<b>Changes in fund balances</b>	<u>(7,560,353)</u>	<u>(4,661,459)</u>	<u>(12,221,812)</u>
<b>Fund balances, beginning of year</b>	32,403,903	47,562,165	79,966,068
Increase (decrease) in reserve for inventory	229,369	(158,309)	71,060
<b>Fund balances, end of year</b>	<u>\$ 25,072,919</u>	<u>\$ 42,742,397</u>	<u>\$ 67,815,316</u>

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

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2017**

**Changes in fund balances - total governmental funds** **\$ (12,221,812)**

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

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

Expenditures for capitalized assets	\$ 4,391,210	
Less current year depreciation	<u>(26,213,021)</u>	(21,821,811)

Issuance of debt, applicable premium and payment to refunded bond escrow agent are reported as a financing source (use) in the governmental funds and thus contribute to the change in fund balance. However, issuing debt increases long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities. Bond premium is deferred and amortized in the Statement of Activities.

Refunding bonds	(63,000,000)	
Premium on refunding bonds	(12,203,632)	
Payment to refunded bond escrow agent	<u>74,611,042</u>	(592,590)

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

Property taxes	330,904	
Intergovernmental	<u>(606,521)</u>	(275,617)

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

Capital lease principal retirement	7,807,816	
Bond principal retirement	<u>13,350,000</u>	21,157,816

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

Current year pension contributions	27,535,162	
Pension expense	<u>(540,526)</u>	26,994,636

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

Inventory	71,060	
Loss on disposal of assets	(4,262,736)	
Amortization of deferred bond items	858,204	
Compensated absences	<u>752,016</u>	(2,581,456)

The Internal Service Fund is used by management to charge the cost of insurance to the individual funds. The changes in net position of the Internal Service Fund is reported with governmental activities in the Statement of Activities.

4,301,619

**Changes in net position in governmental activities** **\$ 14,960,785**

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

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2017**

	Governmental Activities: Internal Service Funds
<b><u>ASSETS</u></b>	
Current assets:	
Cash and investments	\$ 30,406,022
Other receivable	7,216,274
Total current assets	<u>37,622,296</u>
<b>Total assets</b>	<u>37,622,296</u>
 <b><u>LIABILITIES</u></b>	
Current liabilities:	
Claims payable	<u>2,510,124</u>
Total current liabilities	<u>2,510,124</u>
Noncurrent liabilities:	
Claims payable	<u>4,013,124</u>
Total noncurrent liabilities	<u>4,013,124</u>
<b>Total liabilities</b>	<u>6,523,248</u>
 <b><u>NET POSITION</u></b>	
Unrestricted	<u>31,099,048</u>
<b>Total net position</b>	<u>\$ 31,099,048</u>

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

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Governmental Activities: Internal Service Funds
<b>Operating revenues:</b>	
Contributions	\$ 35,251,362
Other	1,229,591
<b>Total operating revenues</b>	<u>36,480,953</u>
<b>Operating expenses:</b>	
Claims	27,807,228
Premiums	2,232,437
Administrative fees	2,254,215
Other	114,390
<b>Total operating expenses</b>	<u>32,408,270</u>
<b>Operating income (loss)</b>	<u>4,072,683</u>
<b>Nonoperating revenues (expenses):</b>	
Investment income	228,936
<b>Total nonoperating revenues (expenses)</b>	<u>228,936</u>
<b>Changes in net position</b>	<u>4,301,619</u>
<b>Total net position, beginning of year</b>	26,797,429
<b>Total net position, end of year</b>	<u><u>\$ 31,099,048</u></u>

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

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2017**

	<u><b>Governmental Activities: Internal Service Funds</b></u>
<b><u>Decrease in Cash and Cash Equivalents</u></b>	
<b>Cash flows from operating activities:</b>	
Cash received from contributions	\$ 28,351,806
Cash received from other sources	1,229,591
Cash payments to suppliers for goods and services	(7,714,538)
Cash payments for claims	<u>(27,480,395)</u>
<b>Net cash used for operating activities</b>	<u>(5,613,536)</u>
<b>Cash flows from investing activities:</b>	
Investment income	<u>228,936</u>
<b>Net cash provided by investing activities</b>	<u>228,936</u>
<b>Net decrease in cash and cash equivalents</b>	<u>(5,384,600)</u>
<b>Cash and cash equivalents, beginning of year</b>	<u>35,790,622</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 30,406,022</u>
<b><u>Reconciliation of Operating Income to Net Cash Used for Operating Activities</u></b>	
<b>Operating income</b>	\$ 4,072,683
Adjustments to reconcile operating income/loss to net cash used for operating activities:	
Changes in assets and liabilities:	
Increase in other receivable	(6,899,556)
Decrease in accounts payable	(3,113,496)
Increase in claims payable	<u>326,833</u>
<b>Total adjustments</b>	<u>(9,686,219)</u>
<b>Net cash used for operating activities</b>	<u>\$ (5,613,536)</u>

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

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2017**

	<u>Agency</u>
<b><u>ASSETS</u></b>	
Cash and investments	\$ 16,045,564
<b>Total assets</b>	<u>\$ 16,045,564</u>
<b><u>LIABILITIES</u></b>	
Deposits held for others	\$ 13,799,585
Due to student groups	2,245,979
<b>Total liabilities</b>	<u>\$ 16,045,564</u>

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

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

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

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

**A. Reporting Entity**

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

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

The financial reporting entity consists of a primary government and its component units. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. The District is not included in any other governmental reporting entity. The accompanying financial statements present the District's component units, entities for which the District is considered financially accountable. Blended component units are, in substance, part of the District's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the District. The District's major operations include education, student transportation, construction and maintenance of District facilities, food services and athletic functions.

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



**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

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

Unaudited financial statements for each of the component units may be obtained from the District's Financial Services Department.

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

The government-wide financial statements (i.e., the statement of net position and the statement of activities) present financial information about the District as a whole. The reported information includes all of the nonfiduciary activities of the District. For the most part, the effect of internal activity has been removed from these statements. These statements are to distinguish between the governmental and business-type activities of the District. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District does not have any business-type activities.

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

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

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

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

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

**Fund Financial Statements** – Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 75 days of the end of the current fiscal period, or within 60 days for property tax revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due.

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

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

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

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

The District reports the following major governmental funds:

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

Additionally, the District reports the following fund types:

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

Fiduciary Funds – The Fiduciary Funds are Agency Funds which account for resources held by the District on behalf of others. This fund type includes the Student Activities Fund which accounts for monies raised by students to finance student clubs and organizations held by the District as an agent. In addition, funds that account for employee withholdings before the monies are remitted to the appropriate entities are included in the Agency Funds.

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

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

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

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

**D. Cash and Investments**

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

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

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

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

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

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

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

Certain resources set aside for future purchases related to the continued implementation of an enterprise resource planning system and capital improvement projects are classified as cash and investments – restricted on the statements of net position and balance sheet because their use is limited by a capital lease financing agreement. Trust accounts, recorded in the Unrestricted Capital Outlay Fund, are used to segregate the restricted cash.

**E. Investment Income**

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

**F. Receivables and Payables**

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

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

**G. Property Tax Calendar**

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

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

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

**H. Inventory**

Inventories of the General Fund are valued at cost using the average cost method. Food service inventories are valued at cost using the first-in, first-out method. Inventories consist of expendable supplies held for consumption. Inventories are recorded as expenses when consumed in the government-wide financial statements. Inventories are recorded as expenditures when purchased in the fund financial statements.

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

**I. Prepaid Items**

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

**J. Capital Assets**

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

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

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

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

Land improvements	20 – 25 years
Buildings and improvements	15 – 80 years
Vehicles, furniture and equipment	3 – 25 years

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

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

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

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

**L. Compensated Absences**

The District's employee and sick leave policies generally provide for granting vacation and sick leave with pay. The amount and type of leave earned is based on the employee's bargaining unit classification and agreement. Upon separation from the District, an employee is reimbursed at varying rates and amounts based employee's bargaining unit classification and agreement. The current and long-term liabilities, including related benefits, for accumulated vacation and sick leave are reported on the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee leave, resignations and retirements. Generally, resources from the General Fund are used to pay for compensated absences.

**M. Pensions**

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

**N. Long-term Obligations**

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

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**O. Interfund Activity**

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

**P. Net Position Flow Assumption**

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

**Q. Estimates**

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



**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
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**NOTE 2 – FUND BALANCE CLASSIFICATIONS**

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

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

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

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

***Assigned.*** Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Governing Board or a management official delegated that authority by the formal Governing Board action.

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

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

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
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**NOTE 2 – FUND BALANCE CLASSIFICATIONS**

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

	General Fund	Non-Major Governmental Funds
Fund Balances:		
Nonspendable:		
Inventory	\$ 1,762,249	\$ 485,008
Restricted:		
Debt service		6,950,333
Capital projects		4,713,791
Voter approved initiatives – instructional purposes		10,570,140
Federal and state projects		447,301
Food service		2,186,078
Civic center		3,173,650
Extracurricular activities		7,052,284
Other purposes		2,405,798
Committed:		
School improvements		4,925,981
Unassigned	23,310,670	(167,967)
Total fund balances	\$25,072,919	\$ 42,742,397

**NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Individual Deficit Fund Balance** – At year end, the Building Renewal Grant Fund, a non-major governmental fund, reported a deficit of \$167,967 in fund balance.

The deficit arose because of late reimbursement of project costs. Additional revenues received in fiscal year 2017-18 are expected to eliminate the deficit.

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

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 4 – CASH AND INVESTMENTS**

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of bank failure the District’s deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the District’s deposits was \$16,813,275 and the bank balance was \$16,868,056, which includes \$2,120,662 held with the trustee. At year end, all of the District’s deposits were covered by collateral held by the pledging financial institution in the District’s name.

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

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

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

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

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

Investment Type	Category	Investment Maturities (in Years)		
		Fair Value	Less than 1	1-5
Money Market – U.S Treasuries	Level 1	\$ 4,193,808	\$ 4,193,808	\$
U.S. Agencies	Level 2	5,501,449		5,501,449
Certificates of Deposit – negotiable	Level 2	13,124,186	4,115,178	9,009,008
Total			<u>\$ 8,308,986</u>	<u>\$ 14,510,457</u>
County Treasurer’s investment pool	Not applicable	38,765,953	306 days average maturities	
State Treasurer’s investment pool 7	Not applicable	2,499,500	80 days average maturities	
Total		<u>\$ 64,084,896</u>		

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 4 – CASH AND INVESTMENTS**

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

*Credit Risk.* The District has no investment policy that would further limit its investment choices. As of year end, the District’s investment in the County and State Treasurers’ investment pools did not receive a credit quality rating from a national rating agency. The State Treasurer’s investment pool 7 had a weighted average rating of AAA at year end as it was invested in obligations of the U.S. Government or obligations guaranteed by the U.S. Government.

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

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

*Valuation Techniques.* Money market – U.S. Treasuries are classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the of the fair value hierarchy are valued using a matrix pricing techniques. Matrix pricing is used to value securities based on the securities’ relationship to benchmark quoted prices.

**NOTE 5 – RECEIVABLES**

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

	General Fund	Non-Major Governmental Funds
Due from other governmental entities:		
Due from federal government	\$ 453,822	\$ 8,849,735
Due from state government	45,022,094	2,175,647
Due from county government	258,407	11,273
Net due from governmental entities	\$ 45,734,323	\$ 11,036,655

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 6 – CAPITAL ASSETS**

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

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 14,436,782	\$	\$ 30,000	\$ 14,406,782
Construction in progress	347,587	3,115,754	3,027,123	436,218
Total capital assets, not being depreciated	<u>14,784,369</u>	<u>3,115,754</u>	<u>3,057,123</u>	<u>14,843,000</u>
Capital assets, being depreciated:				
Land improvements	76,316,153	644,684	293,307	76,667,530
Buildings and improvements	903,610,076	2,174,519	6,394,739	899,389,856
Vehicles, furniture and equipment	71,670,603	1,483,376	1,682,254	71,471,725
Total capital assets being depreciated	<u>1,051,596,832</u>	<u>4,302,579</u>	<u>8,370,300</u>	<u>1,047,529,111</u>
Less accumulated depreciation for:				
Land improvements	(35,863,439)	(2,761,951)	(244,648)	(38,380,742)
Buildings and improvements	(294,077,157)	(19,126,175)	(2,605,143)	(310,598,189)
Vehicles, furniture and equipment	(44,831,502)	(4,324,895)	(1,287,773)	(47,868,624)
Total accumulated depreciation	<u>(374,772,098)</u>	<u>(26,213,021)</u>	<u>(4,137,564)</u>	<u>(396,847,555)</u>
Total capital assets, being depreciated, net	<u>676,824,734</u>	<u>(21,910,442)</u>	<u>4,232,736</u>	<u>650,681,556</u>
Governmental activities capital assets, net	<u>\$ 691,609,103</u>	<u>\$ (18,794,688)</u>	<u>\$ 7,289,859</u>	<u>\$665,524,556</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$21,975,562
Support services – students and staff	265,627
Support services – administration	1,665,758
Operation and maintenance of plant services	300,605
Student transportation services	1,863,406
Operation of non-instructional services	142,063
Total depreciation expense – governmental activities	<u>\$26,213,021</u>

**Construction Commitments** – At year end, the District had contractual commitments related to various capital projects. At year end the District had spent \$436,218 on the projects and had estimated remaining contractual commitments of \$1.8 million. These projects are being funded primarily with Building Renewal Grant funds.

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
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**NOTE 7 – OBLIGATIONS UNDER LEASES**

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

	Governmental Activities
Asset:	
Buildings and improvements	\$ 29,466,812
Vehicles and equipment	11,556,777
Less: Accumulated depreciation	(8,899,803)
Total	\$ 32,123,786

The future minimum lease obligations, the net present value of these minimum lease payments, and assets acquired through capital leases that meet the District's definition of capital assets are as follows:

	Governmental Activities
Year Ending June 30:	
2018	\$ 7,498,842
2019	3,384,283
2020	2,863,849
2021	2,774,159
2022	2,774,158
2023-27	13,870,791
2028-31	5,548,315
Total minimum lease payments	38,714,397
Less: amount representing interest	7,840,974
Present value of minimum lease payments	\$ 30,873,423
Due within one year	\$ 6,229,680

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
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**JUNE 30, 2017**

**NOTE 7 – OBLIGATIONS UNDER LEASES**

**Operating Leases** – The District leases equipment and a data center under the provisions of long-term lease agreements classified as operating leases for accounting purposes. Rental expenditures under the terms of the operating leases totaled \$563,376 for the current fiscal year. The operating leases have remaining noncancelable lease terms from one to three years and provide renewal options.

Year Ending June 30:		
2018	\$	329,873
2019		191,018
Total minimum payments required	\$	<u>520,891</u>

**NOTE 8 – GENERAL OBLIGATION BONDS PAYABLE**

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

Description	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2017	Due Within One Year
<b>Governmental activities:</b>					
School Improvement Bonds, 2008	\$ 57,000,000	4.00-5.00%	7/1/18	\$ 2,000,000	\$ 2,000,000
School Improvement Bonds, 2010	67,230,000	4.62-6.312%	7/1/18-29	63,655,000	3,720,000
Refunding Bonds, 2010	45,725,000	4.00-5.00%	7/1/18-22	295,000	55,000
Refunding Bonds, 2011 (nontaxable)	28,115,000	4.00-5.00%	7/1/18-24	19,520,000	2,740,000
Refunding Bonds, 2016	63,000,000	3.00-5.00%	7/1/18-27	62,715,000	2,005,000
Total				<u>\$ 148,185,000</u>	<u>\$ 10,520,000</u>

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

		<u>Governmental Activities</u>	
		<u>Principal</u>	<u>Interest</u>
Year ending June 30:			
	2018	\$ 10,520,000	\$ 7,360,129
	2019	10,850,000	6,892,205
	2020	11,240,000	6,386,947
	2021	11,915,000	5,827,715
	2022	12,700,000	5,190,391
	2023-27	72,735,000	15,153,165
	2028-30	18,225,000	1,763,415
Total		<u>\$ 148,185,000</u>	<u>\$ 48,573,967</u>

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
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**JUNE 30, 2017**

**NOTE 8 – GENERAL OBLIGATION BONDS PAYABLE**

During the year ended June 30, 2017, the District issued \$63.0 million in refunding bonds, with an effective interest rate of two percent, to advance refund \$70.3 million of outstanding general obligation bonds, with an average interest rate of five percent. The net proceeds of \$74.6 million, which includes \$12.2 million of bond premium, (after payment of \$587,300 in underwriting fees, insurance, and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent, to provide for all future debt service payments of the refunded general obligation bonds. As a result, the refunded general obligation bonds are considered to be defeased, and the liability for those bonds has been removed from the government-wide financial statements. The reacquisition price exceeded the net carrying amount of the old debt by \$3.3 million. This amount is reported as deferred charges and amortized over the new debt's life. This advance refunding was undertaken to reduce total debt service payments over the next 10 years by \$11.7 million and resulted in an economic gain of \$10.6 million.

In prior years, the District defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the defeased bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At year end, \$35.7 million of defeased bonds are still outstanding.

**NOTE 9 – CHANGES IN LONG-TERM LIABILITIES**

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
Bonds payable:					
General obligation bonds	\$ 168,855,000	\$ 63,000,000	\$ 83,670,000	\$ 148,185,000	\$ 10,520,000
Premium	5,641,634	12,203,632	2,764,162	15,081,104	
Total bonds payable	<u>174,496,634</u>	<u>75,203,632</u>	<u>86,434,162</u>	<u>163,266,104</u>	<u>10,520,000</u>
Obligations under capital leases	38,681,239		7,807,816	30,873,423	6,229,680
Net pension liability	400,992,229	11,518,583		412,510,812	
Compensated absences payable	14,593,845	4,599,752	5,332,953	13,841,829	2,613,039
Governmental activity long-term liabilities	<u>\$ 628,763,947</u>	<u>\$ 91,321,967</u>	<u>\$ 99,574,931</u>	<u>\$ 620,492,168</u>	<u>\$ 19,362,719</u>



**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
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**NOTE 10 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

At year end, interfund balances were as follows:

**Due to/from other funds** – At year end, the General Fund and several non-major governmental funds had negative cash balances \$15,194,967 in the Treasurer’s pooled cash accounts at year end due to state and federal receivables detailed in Note 5. Negative cash on deposit with the County Treasurer was reduced by interfund borrowing with several non-major governmental funds. All interfund balances are expected to be paid within one year.

**Interfund transfers:**

	Transfers in		Total
	General Fund	Non-Major Governmental Funds	
<u>Transfers out</u>			
General Fund	\$	\$ 12,814,065	\$12,814,065
Non-Major Governmental Funds	2,494,071	163,813	2,657,884
Total	<u>\$ 2,494,071</u>	<u>\$ 12,977,878</u>	<u>\$15,471,949</u>

Transfers between funds were used to (1) transfer tax revenues to the Unrestricted Capital Outlay fund for capital projects, (2) to move federal grant funds restricted for indirect costs, and (3) to move utility savings to the Energy and Water Savings Fund for lease payments.

**NOTE 11 – CONTINGENT LIABILITIES**

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

**Performance Audit** – The District has been selected by the State Office of the Auditor General to have a performance audit pursuant to A.R.S. section 41-1279.03.A. for the fiscal year ended June 30, 2016. This performance audit has not been completed, and although the results are unknown at this time, the District expects the results to be immaterial to the financial statements.

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

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 12 – RISK MANAGEMENT**

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

The District established an Employee Benefit Trust (an Internal Service Fund) to account for and finance its uninsured risks of loss related to employee health claims. Under this program, the Fund provides coverage for up to a maximum of \$1,000,000 for each claim. The Fund purchases commercial insurance for claims in excess of this coverage. Settled claims did not exceed this coverage in the past fiscal year.

The District established the Workers' Compensation Trust (an Internal Service Fund) to account for and finance its uninsured risks of loss related to employee work related accidents. However, effective July 1, 2014, the District joined the Arizona School Alliance for Workers' Compensation, Inc. (Alliance) together with other school districts in the state for risks of loss related to workers' compensation claims. The Alliance is a public entity risk pool currently operating as a common risk management and insurance program for school districts in the State. The District pays quarterly premiums to the Alliance for its employee workers' compensation coverage. The agreement provides that the Alliance will be self-sustaining through members' premiums and will reinsure through commercial companies for claims in excess of specified amounts for each insured event. The District will continue to operate the Workers' Compensation Trust for claims that were incurred in prior reporting periods, until all outstanding claims have been settled.

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

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 12 – RISK MANAGEMENT**

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

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

	Claims Payable Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Claims Payable at End of Year
<u>Workers' Compensation</u>				
2016-17	\$ 4,129,050	\$ 1,007,410	\$ 523,336	\$ 4,613,124
2015-16	4,188,252	435,419	494,621	4,129,050
<u>Employee Benefits</u>				
2016-17	2,067,365	26,799,818	26,957,059	1,910,124
2015-16	3,655,656	25,516,829	27,105,120	2,067,365
<u>Total</u>				
2016-17	6,196,415	27,807,228	27,480,395	6,523,248
2014-15	7,843,908	25,952,248	27,599,741	6,196,415

The District joined the Arizona School Risk Retention Trust, Inc. (ASRRT) for claims in excess of the stated amounts. ASRRT is a public entity risk pool currently operating as a common risk management and insurance program for school districts and community colleges in the State. The District pays an annual premium to ASRRT for its general insurance coverage. The agreement provides that ASRRT will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of specified amounts. The District retains the risk of loss for general property claims up to \$100,000 and carries commercial insurance for claims in excess of \$100,000. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

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

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

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

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

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

\*With actuarially reduced benefits

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

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

**Contributions.** In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.48 percent (11.34 percent for retirement and 0.14 percent for long-term disability) of the members’ annual covered payroll, and the District was required by statute to contribute at the actuarially determined rate of 11.48 percent (10.78 percent for retirement, 0.56 percent for health insurance premium benefit, and 0.14 percent for long-term disability) of the active members’ annual covered payroll. The District’s contributions to the pension plan for the year ended June 30, 2017 were \$27,535,162.

In addition, the District was required by statute to contribute at the actuarially determined rate of 9.47 percent (9.17 for retirement, 0.21 percent for health insurance premium benefit, and 0.09 percent for long-term disability) of annual covered payroll of retired members who worked in positions that would typically be filled by an employee who contributes to ASRS. The District’s contributions to the pension plan for retired members for the year ended June 30, 2017 were \$1,263,804.

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:

		Health Benefit Supplement Fund		Long-Term Disability Fund
Year ending June 30:				
2017	\$	1,430,398	\$	357,600
2016		1,167,291		280,150
2015		1,360,000		276,610

**Pension Liability.** At June 30, 2017, the District reported a liability of \$412.5 million for its proportionate share of the net pension liability of the ASRS. The net pension liability was measured as of June 30, 2016. 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, 2015, to the measurement date of June 30, 2016. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the District’s proportion was 2.56 percent, which was a decrease of 0.01 from its proportion measured as of June 30, 2015.

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

**Pension Expense and Deferred Outflows/Inflows of Resources.** The District has deferred outflows and inflows of resources related to the net pension liability of retirement benefits. Certain changes in the net pension liability are recognized as pension expense over a period of time rather than the year of occurrence. For the year ended June 30, 2017, the District recognized pension expense of \$540,526 and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,506,801	\$ 28,377,729
Changes of assumptions or other inputs		21,825,117
Net difference between projected and actual earnings on pension plan investments	44,702,441	
Changes in proportion and differences between contributions and proportionate share of contributions		9,890,193
Contributions subsequent to the measurement date	<u>27,535,162</u>	
Total	<u>\$ 74,744,404</u>	<u>\$ 60,093,039</u>

The deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:	
2018	\$(27,652,072)
2019	(15,788,154)
2020	18,021,995
2021	12,534,434

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

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

Actuarial valuation date	June 30, 2015
Actuarial roll forward date	June 30, 2016
Actuarial cost method	Entry age normal
Investment rate of return	8.0%
Projected salary increases	3.0-6.75%
Inflation	3.0%
Permanent base increases	Included
Mortality rates	1994 GAM Scale BB

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2012. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2013, actuarial valuation. The study did not include an analysis of the assumed investment rate of return.

The long-term expected rate of return on ASRS pension plan investments was determined to be 8.75 percent 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 and by adding expected inflation.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	58%	6.73%
Fixed income	25	3.70
Real estate	10	4.25
Multi-asset	5	3.41
Commodities	2	3.84
Total	<u>100%</u>	

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

**Discount Rate.** The discount rate used to measure the ASRS total pension liability was 8.0 percent, which is less than the long-term expected rate of return of 8.75 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board’s funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.** The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 8.0 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (7.0%)	Current Discount Rate (8.0%)	1% Increase (9.0%)
Proportionate share of the net pension liability	\$525,982,609	\$412,510,812	\$321,531,234

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

**NOTE 14 – SUBSEQUENT EVENTS**

In July 2017, the District acquired 30 school buses under the provisions of a long-term lease agreement classified as a capital lease. The total present value of the minimum lease payments of \$3.1 million is payable over the next five years. Revenues from the Unrestricted Capital Outlay Fund, a non-major governmental fund, will be used to pay the capital lease obligations.

On July 24, 2017, the District sold Reynolds Elementary School for \$1.4 million as approved by voters in the November 2014 election.



**REQUIRED SUPPLEMENTARY INFORMATION**

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**GENERAL**  
**YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Other local	\$	\$	\$ 12,912,576	\$ 12,912,576
Property taxes			157,233,813	157,233,813
State aid and grants			137,195,255	137,195,255
<b>Total revenues</b>			<u>307,341,644</u>	<u>307,341,644</u>
<b>Expenditures:</b>				
Current -				
Instruction	156,070,086	150,590,732	146,467,781	4,122,951
Support services - students and staff	47,504,258	48,091,429	47,026,710	1,064,719
Support services - administration	37,229,937	37,900,079	38,421,537	(521,458)
Operation and maintenance of plant services	47,879,263	48,843,391	47,274,886	1,568,505
Student transportation services	19,844,936	20,564,111	22,095,947	(1,531,836)
Operation of non-instructional services	474,333	474,333	465,409	8,924
Capital outlay			19,200	(19,200)
<b>Total expenditures</b>	<u>309,002,813</u>	<u>306,464,075</u>	<u>301,771,470</u>	<u>4,692,605</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(309,002,813)</u>	<u>(306,464,075)</u>	<u>5,570,174</u>	<u>312,034,249</u>
<b>Other financing sources (uses):</b>				
Transfers out			(12,814,065)	(12,814,065)
<b>Total other financing sources (uses):</b>			<u>(12,814,065)</u>	<u>(12,814,065)</u>
<b>Changes in fund balances</b>	<u>(309,002,813)</u>	<u>(306,464,075)</u>	<u>(7,243,891)</u>	<u>299,220,184</u>
<b>Fund balances, beginning of year</b>			17,360,562	17,360,562
Increase (decrease) in reserve for inventory			229,369	229,369
<b>Fund balances (deficits), end of year</b>	<u>\$ (309,002,813)</u>	<u>\$ (306,464,075)</u>	<u>\$ 10,346,040</u>	<u>\$ 316,810,115</u>

See accompanying notes to this schedule.

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Measurement date	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	2.56%	2.57%	2.62%
District's proportionate share of the net pension liability (asset)	\$ 412,510,812	\$ 400,992,229	\$ 387,916,386
District's covered payroll	\$ 233,458,184	\$ 230,508,476	\$ 225,906,271
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	176.70%	173.96%	171.72%
Plan fiduciary net position as a percentage of the total pension liability	67.06%	68.35%	69.49%

**SCHEDULE OF CONTRIBUTIONS**  
**ARIZONA STATE RETIREMENT SYSTEM**  
**LAST THREE FISCAL YEARS**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 27,535,162	\$ 25,330,213	\$ 25,102,373	\$ 25,102,373
Contributions in relation to the actuarially determined contribution	<u>27,535,162</u>	<u>25,330,213</u>	<u>25,102,373</u>	<u>25,102,373</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 255,428,219	\$ 233,458,184	\$ 230,508,476	\$ 225,906,271
Contributions as a percentage of covered payroll	10.78%	10.85%	10.89%	#DIV/0!

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

See accompanying notes to this schedule.

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2017**

**NOTE 1 – BUDGETARY BASIS OF ACCOUNTING**

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

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

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

	<u>Total</u> <u>Expenditures</u>	<u>Fund Balances</u> <u>End of Year</u>
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	\$ 313,202,012	\$ 25,072,919
Activity budgeted as special revenue funds	<u>(11,430,542)</u>	<u>(14,726,879)</u>
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	<u>\$ 301,771,470</u>	<u>\$ 10,346,040</u>

**NOTE 2 – PENSION PLAN SCHEDULES**

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

**Factors that Affect Trends.** The actuarial assumptions used in the June 30, 2014, valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2012. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2015, actuarial valuation. The study did not include an analysis of the assumed investment rate of return.

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

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**GOVERNMENTAL FUNDS**

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE**  
**JUNE 30, 2017**

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 21,089,100	\$ 6,738,378	\$ 1,728,834
Cash and investments-restricted			976,949
Property taxes receivable		2,044,652	439,637
Accounts receivable	326,254		
Due from governmental entities	8,492,941		2,543,714
Due from other funds	11,491,858		3,703,109
Inventory	485,008		
<b>Total assets</b>	<u>\$ 41,885,161</u>	<u>\$ 8,783,030</u>	<u>\$ 9,392,243</u>
 <b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 2,370,213	\$	\$ 4,327,088
Due to governmental entities	1,139		
Due to other funds	6,062,898		79,310
Accrued payroll and employee benefits	1,792,093		
Unearned revenues	412,578	190	384
<b>Total liabilities</b>	<u>10,638,921</u>	<u>190</u>	<u>4,406,782</u>
Deferred inflows of resources:			
Unavailable revenues - property taxes		<u>1,832,507</u>	<u>439,637</u>
Fund balances (deficits):			
Nonspendable	485,008		
Restricted	25,835,251	6,950,333	4,713,791
Committed	4,925,981		
Unassigned			(167,967)
<b>Total fund balances</b>	<u>31,246,240</u>	<u>6,950,333</u>	<u>4,545,824</u>
 <b>Total liabilities, deferred inflows of resources and fund balances</b>	 <u>\$ 41,885,161</u>	 <u>\$ 8,783,030</u>	 <u>\$ 9,392,243</u>



Total Non-  
Major  
Governmental  
Fund

\$ 29,556,312  
976,949  
2,484,289  
326,254  
11,036,655  
15,194,967  
485,008  
\$ 60,060,434

\$ 6,697,301  
1,139  
6,142,208  
1,792,093  
413,152  
15,045,893

2,272,144

485,008  
37,499,375  
4,925,981  
(167,967)  
42,742,397

\$ 60,060,434

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE**  
**YEAR ENDED JUNE 30, 2017**

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<b>Revenues:</b>			
Other local	\$ 13,878,595	\$ 79,215	\$ 1,207,797
Property taxes		22,869,933	255,784
State aid and grants	21,518,876	688	6,283,947
Federal aid, grants and reimbursements	<u>64,211,309</u>	<u>1,261,508</u>	<u>1,712,179</u>
<b>Total revenues</b>	<u>99,608,780</u>	<u>24,211,344</u>	<u>9,459,707</u>
<b>Expenditures:</b>			
Current -			
Instruction	57,676,377		
Support services - students and staff	17,002,805		
Support services - administration	2,064,385		
Operation and maintenance of plant services	2,068,669		
Student transportation services	231,152		
Operation of non-instructional services	25,819,679		
Capital outlay	4,045,201		11,780,040
Debt service -			
Principal retirement	104,825	13,350,000	7,702,991
Interest and fiscal charges	14,764	7,727,524	1,516,648
Bond issuance costs		587,030	
<b>Total expenditures</b>	<u>109,027,857</u>	<u>21,664,554</u>	<u>20,999,679</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(9,419,077)</u>	<u>2,546,790</u>	<u>(11,539,972)</u>
<b>Other financing sources (uses):</b>			
Transfers in	163,813		12,814,065
Transfers out	(2,657,884)		
Proceeds from sale of capital assets	2,838,216		
Issuance of refunding bonds		63,000,000	
Premium on sale of bonds		12,203,632	
Payment to refunded bond escrow agent		(74,611,042)	
<b>Total other financing sources (uses):</b>	<u>344,145</u>	<u>592,590</u>	<u>12,814,065</u>
<b>Changes in fund balances</b>	<u>(9,074,932)</u>	<u>3,139,380</u>	<u>1,274,093</u>
<b>Fund balances, beginning of year</b>	40,479,481	3,810,953	3,271,731
Increase (decrease) in reserve for inventory	(158,309)		
<b>Fund balances, end of year</b>	<u>\$ 31,246,240</u>	<u>\$ 6,950,333</u>	<u>\$ 4,545,824</u>

Total Non-  
Major  
Governmental  
Funds

\$ 15,165,607  
23,125,717  
27,803,511  
67,184,996  
133,279,831

57,676,377  
17,002,805  
2,064,385  
2,068,669  
231,152  
25,819,679  
15,825,241

21,157,816  
9,258,936  
587,030  
151,692,090

(18,412,259)

12,977,878  
(2,657,884)  
2,838,216  
63,000,000  
12,203,632  
(74,611,042)  
13,750,800

(4,661,459)

47,562,165

(158,309)

\$ 42,742,397

## **SPECIAL REVENUE FUNDS**

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

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

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

**Structured English Immersion** - to account for monies received to provide for the incremental cost of instruction to English language learners.

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

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

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

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

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

**Indian Education** - to account for financial assistance received for Indian education at preschool, elementary, secondary and adult levels.

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

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

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

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

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

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

**Chemical Abuse Prevention Programs** - to account for financial assistance received for chemical abuse awareness programs.

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

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

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

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

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

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

**Career, Technical and Vocational Education** - to account for activity related to the production and subsequent sale of items produced in an instructional program by career and technical and vocational education pupils.

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

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

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

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

## **SPECIAL REVENUE FUNDS**

The following funds are budgeted separately for budgetary reporting purposes, however, the funds are reported in the General Fund for GAAP reporting purposes.

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

**Impact Aid** - to account for financial assistance to local educational agencies that are financially burdened by federal activities.

**Auxiliary Operations** - to account for activity arising from bookstore, athletic and miscellaneous District related operations and to account for activity related to monies collected in support of extracurricular activities to be taken as a tax credit by the taxpayer in accordance with A.R.S. §43-1089.01.

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

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

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

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

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

**District Services** - to account for the financial activity of providing goods and services to departments or schools within the District, or other districts on a reimbursement basis.

**Intergovernmental Agreements** - to account for the financial activities relating to agreements with other governments not required to be accounted for elsewhere.

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**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2017**

	<u>Classroom Site</u>	<u>Instructional Improvement</u>	<u>County, City, and Town Grants</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 10,491,105	\$ 123,145	\$ 1,676
Accounts receivable			
Due from governmental entities			
Due from other funds			
Inventory			
<b>Total assets</b>	<u>\$ 10,491,105</u>	<u>\$ 123,145</u>	<u>\$ 1,676</u>
 <b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 1,656	\$	\$
Due to governmental entities			
Due to other funds			
Accrued payroll and employee benefits	42,454		
Unearned revenues			
<b>Total liabilities</b>	<u>44,110</u>	<u></u>	<u></u>
Fund balances:			
Nonspendable			
Restricted	10,446,995	123,145	1,676
Committed			
<b>Total fund balances</b>	<u>10,446,995</u>	<u>123,145</u>	<u>1,676</u>
 <b>Total liabilities and fund balances</b>	<u>\$ 10,491,105</u>	<u>\$ 123,145</u>	<u>\$ 1,676</u>



<u>Structured English Immersion</u>	<u>Title I Grants</u>	<u>Professional Development and Technology Grants</u>	<u>Title IV Grants</u>	<u>Promote Informed Parent Choice</u>	<u>Limited English &amp; Immigrant Students</u>
\$ 1	\$	\$	\$	\$	\$
	4,153,585	275,757	474,421	33,991	58,276
<u>\$ 1</u>	<u>\$ 4,153,585</u>	<u>\$ 275,757</u>	<u>\$ 474,421</u>	<u>\$ 33,991</u>	<u>\$ 58,276</u>
\$	\$ 961,047	\$ 130,130	\$ 11,318	\$	\$
	2,380,902	131,702	212,079	33,991	53,465
	811,636	13,925	251,024		4,811
1					
<u>1</u>	<u>4,153,585</u>	<u>275,757</u>	<u>474,421</u>	<u>33,991</u>	<u>58,276</u>
<u>\$ 1</u>	<u>\$ 4,153,585</u>	<u>\$ 275,757</u>	<u>\$ 474,421</u>	<u>\$ 33,991</u>	<u>\$ 58,276</u>

(Continued)

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2017**

	Indian Education	Special Education Grants	Johnson O'Malley
<b><u>ASSETS</u></b>			
Cash and investments	\$ 1,570	\$ 620	\$ 5,756
Accounts receivable			
Due from governmental entities	69,367	1,746,463	
Due from other funds			
Inventory			
<b>Total assets</b>	<b>\$ 70,937</b>	<b>\$ 1,747,083</b>	<b>\$ 5,756</b>
 <b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 13,032	\$ 131,212	\$
Due to governmental entities			
Due to other funds	49,703	1,562,660	
Accrued payroll and employee benefits	8,202	53,211	
Unearned revenues			5,756
<b>Total liabilities</b>	<b>70,937</b>	<b>1,747,083</b>	<b>5,756</b>
Fund balances:			
Nonspendable			
Restricted			
Committed			
<b>Total fund balances</b>			
<b>Total liabilities and fund balances</b>	<b>\$ 70,937</b>	<b>\$ 1,747,083</b>	<b>\$ 5,756</b>

<u>Vocational Education</u>	<u>Homeless Education</u>	<u>E-Rate</u>	<u>Other Federal Projects</u>	<u>State Vocational Education</u>	<u>Chemical Abuse Prevention Programs</u>
\$	\$ 45,942	\$ 143,948	\$ 11,437	\$ 31,008	\$ 387,163
573,230		337,707	7,564	617	
<u>\$ 573,230</u>	<u>\$ 45,942</u>	<u>\$ 481,655</u>	<u>\$ 19,001</u>	<u>\$ 31,625</u>	<u>\$ 387,163</u>
\$ 2,734	\$ 5,691	\$ 27,181	\$ 9,366	\$ 29,931	\$ 6,553
547,266					
23,230	14,040	7,173	9,635	1,694	380,610
<u>573,230</u>	<u>45,942</u>	<u>34,354</u>	<u>19,001</u>	<u>31,625</u>	<u>387,163</u>
		447,301			
		<u>447,301</u>			
<u>\$ 573,230</u>	<u>\$ 45,942</u>	<u>\$ 481,655</u>	<u>\$ 19,001</u>	<u>\$ 31,625</u>	<u>\$ 387,163</u>

(Continued)

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2017**

	<u>Other State Projects</u>	<u>School Plant</u>	<u>Food Service</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$	\$	\$ 929
Accounts receivable			70,968
Due from governmental entities	185,992		493,489
Due from other funds		4,932,027	1,849,502
Inventory			485,008
<b>Total assets</b>	<u>\$ 185,992</u>	<u>\$ 4,932,027</u>	<u>\$ 2,899,896</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 97,400	\$ 4,907	\$ 62,970
Due to governmental entities		1,139	
Due to other funds	87,401		
Accrued payroll and employee benefits	1,191		165,840
Unearned revenues			
<b>Total liabilities</b>	<u>185,992</u>	<u>6,046</u>	<u>228,810</u>
Fund balances:			
Nonspendable			485,008
Restricted			2,186,078
Committed		4,925,981	
<b>Total fund balances</b>		<u>4,925,981</u>	<u>2,671,086</u>
<b>Total liabilities and fund balances</b>	<u>\$ 185,992</u>	<u>\$ 4,932,027</u>	<u>\$ 2,899,896</u>

<u>Civic Center</u>	<u>Community School</u>	<u>Extracurricular Activities Fees Tax Credit</u>	<u>Career, Technical and Vocational Education</u>	<u>Fingerprint</u>	<u>Textbooks</u>
\$ 83,683	\$ 214,040	\$ 8,168,091	\$ 2,043	\$ 430	\$ 227,948
3,724,618	171,603				
	82,482				
<u>\$ 3,808,301</u>	<u>\$ 468,125</u>	<u>\$ 8,168,091</u>	<u>\$ 2,043</u>	<u>\$ 430</u>	<u>\$ 227,948</u>
\$ 620,809	\$ 41,090	\$ 99,397	\$	\$	\$
13,842	339,835	1,003,729			
		12,681			
<u>634,651</u>	<u>380,925</u>	<u>1,115,807</u>			
3,173,650	87,200	7,052,284	2,043	430	227,948
<u>3,173,650</u>	<u>87,200</u>	<u>7,052,284</u>	<u>2,043</u>	<u>430</u>	<u>227,948</u>
<u>\$ 3,808,301</u>	<u>\$ 468,125</u>	<u>\$ 8,168,091</u>	<u>\$ 2,043</u>	<u>\$ 430</u>	<u>\$ 227,948</u>

(Continued)

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2017**

	Insurance Refund	Joint Technical Education	Totals
<b><u>ASSETS</u></b>			
Cash and investments	\$ 4,071	\$ 1,228,177	\$ 21,089,100
Accounts receivable			326,254
Due from governmental entities			8,492,941
Due from other funds		985,711	11,491,858
Inventory			485,008
<b>Total assets</b>	<b>\$ 4,071</b>	<b>\$ 2,213,888</b>	<b>\$ 41,885,161</b>
 <b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$	\$ 113,789	\$ 2,370,213
Due to governmental entities			1,139
Due to other funds			6,062,898
Accrued payroll and employee benefits		17,669	1,792,093
Unearned revenues			412,578
<b>Total liabilities</b>		131,458	10,638,921
Fund balances:			
Nonspendable			485,008
Restricted	4,071	2,082,430	25,835,251
Committed			4,925,981
<b>Total fund balances</b>	4,071	2,082,430	31,246,240
 <b>Total liabilities and fund balances</b>	 \$ 4,071	 \$ 2,213,888	 \$ 41,885,161

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**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2017**

	Classroom Site	Instructional Improvement	County, City, and Town Grants
<b>Revenues:</b>			
Other local	\$ 93,990	\$ 1,186	\$ 16
State aid and grants	18,414,045	1,893,222	
Federal aid, grants and reimbursements			
<b>Total revenues</b>	<b>18,508,035</b>	<b>1,894,408</b>	<b>16</b>
<b>Expenditures:</b>			
Current -			
Instruction	27,300,870	2,317,305	
Support services - students and staff	1,567,525		
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			4,977
Debt service -			
Principal retirement			
Interest and fiscal charges			
<b>Total expenditures</b>	<b>28,868,395</b>	<b>2,317,305</b>	<b>4,977</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(10,360,360)</b>	<b>(422,897)</b>	<b>(4,961)</b>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
Proceeds from sale of capital assets			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<b>(10,360,360)</b>	<b>(422,897)</b>	<b>(4,961)</b>
<b>Fund balances, beginning of year</b>	20,807,355	546,042	6,637
Increase (decrease) in reserve for inventory			
<b>Fund balances, end of year</b>	<b>\$ 10,446,995</b>	<b>\$ 123,145</b>	<b>\$ 1,676</b>



<u>Title I Grants</u>	<u>Professional Development and Technology Grants</u>	<u>Title IV Grants</u>	<u>Promote Informed Parent Choice</u>	<u>Limited English &amp; Immigrant Students</u>	<u>Indian Education</u>
\$	\$	\$	\$	\$	\$
24,393,714	1,594,931	2,551,510	33,991	652,630	353,017
<u>24,393,714</u>	<u>1,594,931</u>	<u>2,551,510</u>	<u>33,991</u>	<u>652,630</u>	<u>353,017</u>
14,486,273		1,289,318		66,227	263,562
6,845,610	1,650,521	828,406	54,079	570,616	66,929
872,014	85,940	306,394		319	7,745
64,224	2,195	3,448			
300		150			
902,861		17,704		2,490	
<u>23,171,282</u>	<u>1,738,656</u>	<u>2,445,420</u>	<u>54,079</u>	<u>639,652</u>	<u>338,236</u>
<u>1,222,432</u>	<u>(143,725)</u>	<u>106,090</u>	<u>(20,088)</u>	<u>12,978</u>	<u>14,781</u>
(1,222,432)	143,725	(106,090)	20,088	(12,978)	(14,781)
<u>(1,222,432)</u>	<u>143,725</u>	<u>(106,090)</u>	<u>20,088</u>	<u>(12,978)</u>	<u>(14,781)</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

(Continued)

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2017**

	Special Education Grants	Johnson O'Malley	Vocational Education
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements	10,063,405	34,537	2,707,178
<b>Total revenues</b>	10,063,405	34,537	2,707,178
<b>Expenditures:</b>			
Current -			
Instruction	5,303,186	33,407	1,452,743
Support services - students and staff	3,545,657		555,480
Support services - administration	43,211		132,657
Operation and maintenance of plant services	275		8,385
Student transportation services			
Operation of non-instructional services			
Capital outlay	782,488		534,559
Debt service -			
Principal retirement			
Interest and fiscal charges			
<b>Total expenditures</b>	9,674,817	33,407	2,683,824
<b>Excess (deficiency) of revenues over expenditures</b>	388,588	1,130	23,354
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out	(388,588)	(1,130)	(23,354)
Proceeds from sale of capital assets			
<b>Total other financing sources (uses):</b>	(388,588)	(1,130)	(23,354)
<b>Changes in fund balances</b>			
<b>Fund balances, beginning of year</b>			
Increase (decrease) in reserve for inventory			
<b>Fund balances, end of year</b>	\$	\$	\$

<u>E-Rate</u>	<u>Other Federal Projects</u>	<u>State Vocational Education</u>	<u>Chemical Abuse Prevention Programs</u>	<u>Other State Projects</u>	<u>School Plant</u>
\$	\$	\$	\$	\$	\$
		374,722	97,926	738,961	27,181
<u>1,435,980</u>	<u>481,812</u>	<u>374,722</u>	<u>97,926</u>	<u>738,961</u>	<u>27,181</u>
<u>1,435,980</u>	<u>481,812</u>	<u>374,722</u>	<u>97,926</u>	<u>738,961</u>	<u>27,181</u>
1,066,426	357,293	315,058	48,999	189,228	
	36,465	27,445	20,868	11,527	
48,375	1,810	32,219	19,721	357	131,317
438,810				537,849	
	69,056				
94,801	3,657		8,338		227,422
<u>1,648,412</u>	<u>468,281</u>	<u>374,722</u>	<u>97,926</u>	<u>738,961</u>	<u>358,739</u>
<u>(212,432)</u>	<u>13,531</u>				<u>(331,558)</u>
	(13,531)				
	<u>(13,531)</u>				<u>2,838,216</u>
					<u>2,838,216</u>
<u>(212,432)</u>					<u>2,506,658</u>
659,733					2,419,323
<u>\$ 447,301</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 4,925,981</u>

(Continued)

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2017**

	Food Service	Civic Center	Community School
<b>Revenues:</b>			
Other local	\$ 2,530,301	\$ 1,266,501	\$ 3,875,609
State aid and grants			
Federal aid, grants and reimbursements	19,377,148		531,456
<b>Total revenues</b>	<b>21,907,449</b>	<b>1,266,501</b>	<b>4,407,065</b>
<b>Expenditures:</b>			
Current -			
Instruction		52,169	196
Support services - students and staff		16,574	2,500
Support services - administration	9,085	193,722	
Operation and maintenance of plant services		955,482	
Student transportation services		1,209	
Operation of non-instructional services	20,872,066		4,875,503
Capital outlay	100,837	734,564	10,211
Debt service -			
Principal retirement	104,825		
Interest and fiscal charges	14,764		
<b>Total expenditures</b>	<b>21,101,577</b>	<b>1,953,720</b>	<b>4,888,410</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>805,872</b>	<b>(687,219)</b>	<b>(481,345)</b>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out	(875,000)		
Proceeds from sale of capital assets			
<b>Total other financing sources (uses):</b>	<b>(875,000)</b>		
<b>Changes in fund balances</b>	<b>(69,128)</b>	<b>(687,219)</b>	<b>(481,345)</b>
<b>Fund balances, beginning of year</b>	<b>2,898,523</b>	<b>3,860,869</b>	<b>568,545</b>
Increase (decrease) in reserve for inventory	(158,309)		
<b>Fund balances, end of year</b>	<b>\$ 2,671,086</b>	<b>\$ 3,173,650</b>	<b>\$ 87,200</b>

Extracurricular Activities Fees Tax Credit	Career, Technical and Vocational Education	Fingerprint	Textbooks	Insurance Refund	Joint Technical Education
\$ 3,045,425	\$ 68	\$ 12,512	\$ 32,062	\$ 70,401	\$ 2,923,343
<u>3,045,425</u>	<u>68</u>	<u>12,512</u>	<u>32,062</u>	<u>70,401</u>	<u>2,923,343</u>
1,641,075			10,061		1,482,981
614,209			10,201	507	577,686
		12,510		69,355	97,634
12,450					45,551
208,671					20,822
3,054					
217,651			528		402,113
<u>2,697,110</u>	<u>68</u>	<u>12,510</u>	<u>20,790</u>	<u>69,862</u>	<u>2,626,787</u>
<u>348,315</u>	<u>2</u>	<u>11,272</u>	<u>539</u>	<u>296,556</u>	
<u>348,315</u>	<u>68</u>	<u>2</u>	<u>11,272</u>	<u>539</u>	<u>296,556</u>
6,703,969	1,975	428	216,676	3,532	1,785,874
<u>\$ 7,052,284</u>	<u>\$ 2,043</u>	<u>\$ 430</u>	<u>\$ 227,948</u>	<u>\$ 4,071</u>	<u>\$ 2,082,430</u>

(Continued)

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2017**

	Totals
<b>Revenues:</b>	
Other local	\$ 13,878,595
State aid and grants	21,518,876
Federal aid, grants and reimbursements	64,211,309
<b>Total revenues</b>	99,608,780
<b>Expenditures:</b>	
Current -	
Instruction	57,676,377
Support services - students and staff	17,002,805
Support services - administration	2,064,385
Operation and maintenance of plant services	2,068,669
Student transportation services	231,152
Operation of non-instructional services	25,819,679
Capital outlay	4,045,201
Debt service -	
Principal retirement	104,825
Interest and fiscal charges	14,764
<b>Total expenditures</b>	109,027,857
<b>Excess (deficiency) of revenues over expenditures</b>	(9,419,077)
<b>Other financing sources (uses):</b>	
Transfers in	163,813
Transfers out	(2,657,884)
Proceeds from sale of capital assets	2,838,216
<b>Total other financing sources (uses):</b>	344,145
<b>Changes in fund balances</b>	(9,074,932)
<b>Fund balances, beginning of year</b>	40,479,481
Increase (decrease) in reserve for inventory	(158,309)
<b>Fund balances, end of year</b>	\$ 31,246,240

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**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET**  
**AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2017**

	Classroom Site		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 93,990	\$ 93,990
State aid and grants		18,414,045	18,414,045
Federal aid, grants and reimbursements			
<b>Total revenues</b>		18,508,035	18,508,035
<b>Expenditures:</b>			
Current -			
Instruction	37,696,474	27,300,870	10,395,604
Support services - students and staff	1,524,926	1,567,525	(42,599)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Debt service -			
Principal retirement			
Interest and fiscal charges			
<b>Total expenditures</b>	39,221,400	28,868,395	10,353,005
<b>Excess (deficiency) of revenues over expenditures</b>	(39,221,400)	(10,360,360)	28,861,040
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
Proceeds from sale of capital assets			
Insurance recoveries			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	(39,221,400)	(10,360,360)	28,861,040
<b>Fund balances (deficits), beginning of year</b>		20,807,355	20,807,355
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	\$ (39,221,400)	\$ 10,446,995	\$ 49,668,395



<u>Instructional Improvement</u>			<u>County, City, and Town Grants</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
\$	\$ 1,186	\$ 1,186	\$	\$ 16	\$ 16
	1,893,222	1,893,222			
	<u>1,894,408</u>	<u>1,894,408</u>		<u>16</u>	<u>16</u>
2,500,000	2,317,305	182,695			
			6,605	4,977	1,628
<u>2,500,000</u>	<u>2,317,305</u>	<u>182,695</u>	<u>6,605</u>	<u>4,977</u>	<u>1,628</u>
<u>(2,500,000)</u>	<u>(422,897)</u>	<u>2,077,103</u>	<u>(6,605)</u>	<u>(4,961)</u>	<u>1,644</u>
<u>(2,500,000)</u>	<u>(422,897)</u>	<u>2,077,103</u>	<u>(6,605)</u>	<u>(4,961)</u>	<u>1,644</u>
	546,042	546,042		6,637	6,637
<u>\$ (2,500,000)</u>	<u>\$ 123,145</u>	<u>\$ 2,623,145</u>	<u>\$ (6,605)</u>	<u>\$ 1,676</u>	<u>\$ 8,281</u>

(Continued)

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET**  
**AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2017**

	Title I Grants		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		24,393,714	24,393,714
<b>Total revenues</b>		<u>24,393,714</u>	<u>24,393,714</u>
<b>Expenditures:</b>			
Current -			
Instruction	21,300,435	14,486,273	6,814,162
Support services - students and staff	10,065,700	6,845,610	3,220,090
Support services - administration	1,282,199	872,014	410,185
Operation and maintenance of plant services	94,434	64,224	30,210
Student transportation services	441	300	141
Operation of non-instructional services			
Capital outlay	1,327,555	902,861	424,694
Debt service -			
Principal retirement			
Interest and fiscal charges			
<b>Total expenditures</b>	<u>34,070,764</u>	<u>23,171,282</u>	<u>10,899,482</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(34,070,764)</u>	<u>1,222,432</u>	<u>35,293,196</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out	(1,222,432)	(1,222,432)	
Proceeds from sale of capital assets			
Insurance recoveries			
<b>Total other financing sources (uses):</b>	<u>(1,222,432)</u>	<u>(1,222,432)</u>	
<b>Changes in fund balances</b>	<u>(35,293,196)</u>		<u>35,293,196</u>
<b>Fund balances (deficits), beginning of year</b>			
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (35,293,196)</u>	<u>\$</u>	<u>\$ 35,293,196</u>

Professional Development and Technology Grants

<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
\$	\$	\$
	1,594,931	1,594,931
	<u>1,594,931</u>	<u>1,594,931</u>
6,142,103	1,650,521	4,491,582
319,810	85,940	233,870
8,168	2,195	5,973
<u>6,470,081</u>	<u>1,738,656</u>	<u>4,731,425</u>
<u>(6,470,081)</u>	<u>(143,725)</u>	<u>6,326,356</u>
	143,725	143,725
	<u>143,725</u>	<u>143,725</u>
<u>(6,470,081)</u>		<u>6,470,081</u>
<u>\$ (6,470,081)</u>	<u>\$</u>	<u>\$ 6,470,081</u>

Title IV Grants

<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
\$	\$	\$
	2,551,510	2,551,510
	<u>2,551,510</u>	<u>2,551,510</u>
2,010,838	1,289,318	721,520
1,291,993	828,406	463,587
477,856	306,394	171,462
5,378	3,448	1,930
234	150	84
27,611	17,704	9,907
<u>3,813,910</u>	<u>2,445,420</u>	<u>1,368,490</u>
<u>(3,813,910)</u>	<u>106,090</u>	<u>3,920,000</u>
(106,090)	(106,090)	
<u>(106,090)</u>	<u>(106,090)</u>	
<u>(3,920,000)</u>		<u>3,920,000</u>
<u>\$ (3,920,000)</u>	<u>\$</u>	<u>\$ 3,920,000</u>

(Continued)

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET**  
**AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2017**

	Promote Informed Parent Choice		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		33,991	33,991
<b>Total revenues</b>		33,991	33,991
<b>Expenditures:</b>			
Current -			
Instruction			
Support services - students and staff		54,079	(54,079)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Debt service -			
Principal retirement			
Interest and fiscal charges			
<b>Total expenditures</b>		54,079	(54,079)
<b>Excess (deficiency) of revenues over expenditures</b>		(20,088)	(20,088)
<b>Other financing sources (uses):</b>			
Transfers in		20,088	20,088
Transfers out			
Proceeds from sale of capital assets			
Insurance recoveries			
<b>Total other financing sources (uses):</b>		20,088	20,088
<b>Changes in fund balances</b>			
<b>Fund balances (deficits), beginning of year</b>			
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	\$	\$	\$

Limited English & Immigrant Students

<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
\$	\$	\$
	652,630	652,630
	<u>652,630</u>	<u>652,630</u>
75,362	66,227	9,135
649,328	570,616	78,712
363	319	44
2,833	2,490	343
<u>727,886</u>	<u>639,652</u>	<u>88,234</u>
<u>(727,886)</u>	<u>12,978</u>	<u>740,864</u>
(12,978)	(12,978)	
<u>(12,978)</u>	<u>(12,978)</u>	
<u>(740,864)</u>		<u>740,864</u>
<u>\$ (740,864)</u>	<u>\$</u>	<u>\$ 740,864</u>

Indian Education

<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
\$	\$	\$
	353,017	353,017
	<u>353,017</u>	<u>353,017</u>
318,346	263,562	54,784
80,841	66,929	13,912
9,355	7,745	1,610
<u>408,542</u>	<u>338,236</u>	<u>70,306</u>
<u>(408,542)</u>	<u>14,781</u>	<u>423,323</u>
(14,781)	(14,781)	
<u>(14,781)</u>	<u>(14,781)</u>	
<u>(423,323)</u>		<u>423,323</u>
<u>\$ (423,323)</u>	<u>\$</u>	<u>\$ 423,323</u>

(Continued)

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET**  
**AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2017**

	Special Education Grants		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		10,063,405	10,063,405
<b>Total revenues</b>		10,063,405	10,063,405
<b>Expenditures:</b>			
Current -			
Instruction	6,613,286	5,303,186	1,310,100
Support services - students and staff	4,421,577	3,545,657	875,920
Support services - administration	53,886	43,211	10,675
Operation and maintenance of plant services	343	275	68
Student transportation services			
Operation of non-instructional services			
Capital outlay	975,794	782,488	193,306
Debt service -			
Principal retirement			
Interest and fiscal charges			
<b>Total expenditures</b>	12,064,886	9,674,817	2,390,069
<b>Excess (deficiency) of revenues over expenditures</b>	(12,064,886)	388,588	12,453,474
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out	(388,588)	(388,588)	
Proceeds from sale of capital assets			
Insurance recoveries			
<b>Total other financing sources (uses):</b>	(388,588)	(388,588)	
<b>Changes in fund balances</b>	(12,453,474)		12,453,474
<b>Fund balances (deficits), beginning of year</b>			
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	\$ (12,453,474)	\$	\$ 12,453,474

<u>Johnson O'Malley</u>			<u>Vocational Education</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
\$	\$	\$	\$	\$	\$
	34,537	34,537		2,707,178	2,707,178
	<u>34,537</u>	<u>34,537</u>		<u>2,707,178</u>	<u>2,707,178</u>
86,150	33,407	52,743	1,699,117	1,452,743	246,374
			649,685	555,480	94,205
			155,155	132,657	22,498
			9,807	8,385	1,422
			625,215	534,559	90,656
<u>86,150</u>	<u>33,407</u>	<u>52,743</u>	<u>3,138,979</u>	<u>2,683,824</u>	<u>455,155</u>
<u>(86,150)</u>	<u>1,130</u>	<u>87,280</u>	<u>(3,138,979)</u>	<u>23,354</u>	<u>3,162,333</u>
	(1,130)	(1,130)	(23,354)	(23,354)	
	<u>(1,130)</u>	<u>(1,130)</u>	<u>(23,354)</u>	<u>(23,354)</u>	
<u>(86,150)</u>		<u>86,150</u>	<u>(3,162,333)</u>		<u>3,162,333</u>
<u>\$ (86,150)</u>	<u>\$</u>	<u>\$ 86,150</u>	<u>\$ (3,162,333)</u>	<u>\$</u>	<u>\$ 3,162,333</u>

(Continued)

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET**  
**AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2017**

	Medicaid Reimbursement		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 982	\$ 982
State aid and grants			
Federal aid, grants and reimbursements		3,233,519	3,233,519
<b>Total revenues</b>		3,234,501	3,234,501
<b>Expenditures:</b>			
Current -			
Instruction	768,229	1,057,141	(288,912)
Support services - students and staff	280,870	386,498	(105,628)
Support services - administration	1,450,721	1,996,303	(545,582)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	180	248	(68)
Debt service -			
Principal retirement			
Interest and fiscal charges			
<b>Total expenditures</b>	2,500,000	3,440,190	(940,190)
<b>Excess (deficiency) of revenues over expenditures</b>	(2,500,000)	(205,689)	2,294,311
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
Proceeds from sale of capital assets			
Insurance recoveries			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	(2,500,000)	(205,689)	2,294,311
<b>Fund balances (deficits), beginning of year</b>		3,806,018	3,806,018
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	\$ (2,500,000)	\$ 3,600,329	\$ 6,100,329



E-Rate			Impact Aid		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	1,435,980	1,435,980		1,273,114	1,273,114
	1,435,980	1,435,980		1,273,114	1,273,114
1,035,106	1,066,426	(31,320)	636,427	253,909	382,518
46,954	48,375	(1,421)	663,573	264,739	398,834
425,923	438,810	(12,887)			
92,017	94,801	(2,784)			
1,600,000	1,648,412	(48,412)	1,300,000	518,648	781,352
(1,600,000)	(212,432)	1,387,568	(1,300,000)	754,466	2,054,466
(1,600,000)	(212,432)	1,387,568	(1,300,000)	754,466	2,054,466
	659,733	659,733		1,217,850	1,217,850
\$ (1,600,000)	\$ 447,301	\$ 2,047,301	\$ (1,300,000)	\$ 1,972,316	\$ 3,272,316

(Continued)

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET**  
**AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2017**

	Other Federal Projects		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		481,812	481,812
<b>Total revenues</b>		481,812	481,812
<b>Expenditures:</b>			
Current -			
Instruction	664,838	357,293	307,545
Support services - students and staff	67,853	36,465	31,388
Support services - administration	3,368	1,810	1,558
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services	128,497	69,056	59,441
Capital outlay	6,805	3,657	3,148
Debt service -			
Principal retirement			
Interest and fiscal charges			
<b>Total expenditures</b>	871,361	468,281	403,080
<b>Excess (deficiency) of revenues over expenditures</b>	(871,361)	13,531	884,892
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out	(13,531)	(13,531)	
Proceeds from sale of capital assets			
Insurance recoveries			
<b>Total other financing sources (uses):</b>	(13,531)	(13,531)	
<b>Changes in fund balances</b>	(884,892)		884,892
<b>Fund balances (deficits), beginning of year</b>			
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	\$ (884,892)	\$	\$ 884,892

<u>State Vocational Education</u>			<u>Chemical Abuse Prevention Programs</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
\$	\$	\$	\$	\$	\$
	374,722	374,722		97,926	97,926
	<u>374,722</u>	<u>374,722</u>		<u>97,926</u>	<u>97,926</u>
368,092	315,058	53,034	155,879	48,999	106,880
32,065	27,445	4,620	66,386	20,868	45,518
37,642	32,219	5,423	62,737	19,721	43,016
			26,525	8,338	18,187
<u>437,799</u>	<u>374,722</u>	<u>63,077</u>	<u>311,527</u>	<u>97,926</u>	<u>213,601</u>
<u>(437,799)</u>		<u>437,799</u>	<u>(311,527)</u>		<u>311,527</u>
<u>(437,799)</u>		<u>437,799</u>	<u>(311,527)</u>		<u>311,527</u>
<u>\$ (437,799)</u>	<u>\$</u>	<u>\$ 437,799</u>	<u>\$ (311,527)</u>	<u>\$</u>	<u>\$ 311,527</u>

(Continued)

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET**  
**AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2017**

	Other State Projects		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants		738,961	738,961
Federal aid, grants and reimbursements			
<b>Total revenues</b>		738,961	738,961
<b>Expenditures:</b>			
Current -			
Instruction	303,012	189,228	113,784
Support services - students and staff	18,458	11,527	6,931
Support services - administration	572	357	215
Operation and maintenance of plant services	861,260	537,849	323,411
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Debt service -			
Principal retirement			
Interest and fiscal charges			
<b>Total expenditures</b>	1,183,302	738,961	444,341
<b>Excess (deficiency) of revenues over expenditures</b>	(1,183,302)		1,183,302
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
Proceeds from sale of capital assets			
Insurance recoveries			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	(1,183,302)		1,183,302
<b>Fund balances (deficits), beginning of year</b>			
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	\$ (1,183,302)	\$	\$ 1,183,302

School Plant			Food Service		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 27,181	\$ 27,181	\$	\$ 2,530,301	\$ 2,530,301
	27,181	27,181		19,377,148	19,377,148
				21,907,449	21,907,449
1,006,642	131,317	875,325	8,665	9,085	(420)
1,743,358	227,422	1,515,936	19,900,576	20,872,066	(971,490)
			96,170	100,837	(4,667)
			104,825	104,825	
			14,764	14,764	
<u>2,750,000</u>	<u>358,739</u>	<u>2,391,261</u>	<u>20,125,000</u>	<u>21,101,577</u>	<u>(976,577)</u>
<u>(2,750,000)</u>	<u>(331,558)</u>	<u>2,418,442</u>	<u>(20,125,000)</u>	<u>805,872</u>	<u>20,930,872</u>
			(875,000)	(875,000)	
	2,838,216	2,838,216			
	<u>2,838,216</u>	<u>2,838,216</u>	<u>(875,000)</u>	<u>(875,000)</u>	
<u>(2,750,000)</u>	<u>2,506,658</u>	<u>5,256,658</u>	<u>(21,000,000)</u>	<u>(69,128)</u>	<u>20,930,872</u>
	2,419,323	2,419,323		2,898,523	2,898,523
				(158,309)	(158,309)
<u>\$ (2,750,000)</u>	<u>\$ 4,925,981</u>	<u>\$ 7,675,981</u>	<u>\$ (21,000,000)</u>	<u>\$ 2,671,086</u>	<u>\$ 23,671,086</u>

(Continued)

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET**  
**AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2017**

	Civic Center		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 1,266,501	\$ 1,266,501
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>	(3,500,000)	(687,219)	2,812,781
<b>Expenditures:</b>			
Current -			
Instruction	93,458	52,169	41,289
Support services - students and staff	29,692	16,574	13,118
Support services - administration	347,044	193,722	153,322
Operation and maintenance of plant services	1,711,702	955,482	756,220
Student transportation services	2,166	1,209	957
Operation of non-instructional services			
Capital outlay	1,315,938	734,564	581,374
Debt service -			
Principal retirement			
Interest and fiscal charges			
<b>Total expenditures</b>	3,500,000	1,953,720	1,546,280
<b>Excess (deficiency) of revenues over expenditures</b>	(3,500,000)	(687,219)	2,812,781
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
Proceeds from sale of capital assets			
Insurance recoveries			
<b>Total other financing sources (uses):</b>	(3,500,000)	(687,219)	2,812,781
<b>Changes in fund balances</b>	(3,500,000)	(687,219)	2,812,781
<b>Fund balances (deficits), beginning of year</b>		3,860,869	3,860,869
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	\$ (3,500,000)	\$ 3,173,650	\$ 6,673,650

Community School			Auxiliary Operations		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 3,875,609	\$ 3,875,609	\$	\$ 1,898,898	\$ 1,898,898
	531,456	531,456			
	4,407,065	4,407,065		1,898,898	1,898,898
229	196	33	414,895	323,556	91,339
2,922	2,500	422	73,465	57,292	16,173
			286,189	223,185	63,004
			97,144	75,758	21,386
			7,381	5,756	1,625
5,698,511	4,875,503	823,008	175,135	136,579	38,556
11,935	10,211	1,724	645,791	503,620	142,171
5,713,597	4,888,410	825,187	1,700,000	1,325,746	374,254
(5,713,597)	(481,345)	5,232,252	(1,700,000)	573,152	2,273,152
(5,713,597)	(481,345)	5,232,252	(1,700,000)	573,152	2,273,152
	568,545	568,545		2,707,082	2,707,082
\$ (5,713,597)	\$ 87,200	\$ 5,800,797	\$ (1,700,000)	\$ 3,280,234	\$ 4,980,234

(Continued)

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET**  
**AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2017**

	Extracurricular Activities Fees Tax Credit		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 3,045,425	\$ 3,045,425
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>	(8,500,000)	3,045,425	3,045,425
<b>Expenditures:</b>			
Current -			
Instruction	5,171,883	1,641,075	3,530,808
Support services - students and staff	1,935,693	614,209	1,321,484
Support services - administration			
Operation and maintenance of plant services	39,236	12,450	26,786
Student transportation services	657,631	208,671	448,960
Operation of non-instructional services	9,625	3,054	6,571
Capital outlay	685,932	217,651	468,281
Debt service -			
Principal retirement			
Interest and fiscal charges			
<b>Total expenditures</b>	8,500,000	2,697,110	5,802,890
<b>Excess (deficiency) of revenues over expenditures</b>	(8,500,000)	348,315	8,848,315
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
Proceeds from sale of capital assets			
Insurance recoveries			
<b>Total other financing sources (uses):</b>	(8,500,000)	348,315	8,848,315
<b>Changes in fund balances</b>	(8,500,000)	348,315	8,848,315
<b>Fund balances (deficits), beginning of year</b>		6,703,969	6,703,969
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	\$ (8,500,000)	\$ 7,052,284	\$ 15,552,284



Gifts and Donations			Career, Technical and Vocational Education		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 714,463	\$ 714,463	\$	\$ 68	\$ 68
	714,463	714,463		68	68
1,181,005	260,227	920,778	2,000		2,000
739,780	163,006	576,774			
112,061	24,692	87,369			
78,800	17,363	61,437			
55,708	12,275	43,433			
4,538	1,000	3,538			
728,108	160,434	567,674			
2,900,000	638,997	2,261,003	2,000		2,000
(2,900,000)	75,466	2,975,466	(2,000)	68	2,068
(2,900,000)	75,466	2,975,466	(2,000)	68	2,068
	2,101,307	2,101,307		1,975	1,975
\$ (2,900,000)	\$ 2,176,773	\$ 5,076,773	\$ (2,000)	\$ 2,043	\$ 4,043

(Continued)

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET**  
**AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2017**

	Fingerprint		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$ 12,512	\$ 12,512
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>		12,512	12,512
<b>Expenditures:</b>			
Current -			
Instruction			
Support services - students and staff			
Support services - administration	25,000	12,510	12,490
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Debt service -			
Principal retirement			
Interest and fiscal charges			
<b>Total expenditures</b>	25,000	12,510	12,490
<b>Excess (deficiency) of revenues over expenditures</b>	(25,000)	2	25,002
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
Proceeds from sale of capital assets			
Insurance recoveries			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	(25,000)	2	25,002
<b>Fund balances (deficits), beginning of year</b>		428	428
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	\$ (25,000)	\$ 430	\$ 25,430

<u>Insurance Proceeds</u>			<u>Textbooks</u>		
<u>Budget</u>	<u>Non-GAAP Actual</u>	<u>Variance - Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
\$	\$ 1,997	\$ 1,997	\$	\$ 32,062	\$ 32,062
	<u>1,997</u>	<u>1,997</u>		<u>32,062</u>	<u>32,062</u>
12,968	8,848	4,120	97,271	10,061	87,210
			98,624	10,201	88,423
396,503	270,535	125,968			
42,458	28,969	13,489			
48,071	32,799	15,272	5,105	528	4,577
<u>500,000</u>	<u>341,151</u>	<u>158,849</u>	<u>201,000</u>	<u>20,790</u>	<u>180,210</u>
<u>(500,000)</u>	<u>(339,154)</u>	<u>160,846</u>	<u>(201,000)</u>	<u>11,272</u>	<u>212,272</u>
	<u>143,072</u>	<u>143,072</u>			
	<u>143,072</u>	<u>143,072</u>			
<u>(500,000)</u>	<u>(196,082)</u>	<u>303,918</u>	<u>(201,000)</u>	<u>11,272</u>	<u>212,272</u>
	385,468	385,468		216,676	216,676
<u>\$ (500,000)</u>	<u>\$ 189,386</u>	<u>\$ 689,386</u>	<u>\$ (201,000)</u>	<u>\$ 227,948</u>	<u>\$ 428,948</u>

(Continued)

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET**  
**AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2017**

	Litigation Recovery		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 10,893	\$ 10,893
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>		10,893	10,893
<b>Expenditures:</b>			
Current -			
Instruction	10,000		10,000
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Debt service -			
Principal retirement			
Interest and fiscal charges			
<b>Total expenditures</b>	10,000		10,000
<b>Excess (deficiency) of revenues over expenditures</b>	(10,000)	10,893	20,893
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
Proceeds from sale of capital assets			
Insurance recoveries			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	(10,000)	10,893	20,893
<b>Fund balances (deficits), beginning of year</b>		(85,021)	(85,021)
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	\$ (10,000)	\$ (74,128)	\$ (64,128)

<u>Indirect Costs</u>			<u>Insurance Refund</u>		
<u>Budget</u>	<u>Non-GAAP Actual</u>	<u>Variance - Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
\$	\$ 25,259	\$ 25,259	\$	\$ 70,401	\$ 70,401
	<u>25,259</u>	<u>25,259</u>		<u>70,401</u>	<u>70,401</u>
196,692	147,958	48,734		507	(507)
4,002,704	3,010,966	991,738		69,355	(69,355)
1,037,377	780,349	257,028			
13,227	9,950	3,277			
<u>5,250,000</u>	<u>3,949,223</u>	<u>1,300,777</u>		<u>69,862</u>	<u>(69,862)</u>
<u>(5,250,000)</u>	<u>(3,923,964)</u>	<u>1,326,036</u>		<u>539</u>	<u>539</u>
	2,494,071	2,494,071			
	<u>2,494,071</u>	<u>2,494,071</u>			
<u>(5,250,000)</u>	<u>(1,429,893)</u>	<u>3,820,107</u>		<u>539</u>	<u>539</u>
	4,433,898	4,433,898		3,532	3,532
<u>\$ (5,250,000)</u>	<u>\$ 3,004,005</u>	<u>\$ 8,254,005</u>	<u>\$</u>	<u>\$ 4,071</u>	<u>\$ 4,071</u>

(Continued)

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET**  
**AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2017**

	Advertisement		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>			
<b>Expenditures:</b>			
Current -			
Instruction	100,000		100,000
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Debt service -			
Principal retirement			
Interest and fiscal charges			
<b>Total expenditures</b>	100,000		100,000
<b>Excess (deficiency) of revenues over expenditures</b>	(100,000)		100,000
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
Proceeds from sale of capital assets			
Insurance recoveries			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	(100,000)		100,000
<b>Fund balances (deficits), beginning of year</b>			
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	\$ (100,000)	\$	\$ 100,000

Joint Technical Education			District Services		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 2,923,343	\$ 2,923,343	\$	\$ 1,211,425	\$ 1,211,425
	<u>2,923,343</u>	<u>2,923,343</u>		<u>1,211,425</u>	<u>1,211,425</u>
2,258,243	1,482,981	775,262			
879,685	577,686	301,999			
148,674	97,634	51,040	1,495,120	1,145,947	349,173
69,364	45,551	23,813	4,045	3,100	945
31,707	20,822	10,885			
612,327	402,113	210,214	835	640	195
<u>4,000,000</u>	<u>2,626,787</u>	<u>1,373,213</u>	<u>1,500,000</u>	<u>1,149,687</u>	<u>350,313</u>
<u>(4,000,000)</u>	<u>296,556</u>	<u>4,296,556</u>	<u>(1,500,000)</u>	<u>61,738</u>	<u>1,561,738</u>
<u>(4,000,000)</u>	<u>296,556</u>	<u>4,296,556</u>	<u>(1,500,000)</u>	<u>61,738</u>	<u>1,561,738</u>
	1,785,874	1,785,874		104,394	104,394
<u>\$ (4,000,000)</u>	<u>\$ 2,082,430</u>	<u>\$ 6,082,430</u>	<u>\$ (1,500,000)</u>	<u>\$ 166,132</u>	<u>\$ 1,666,132</u>

(Continued)

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET**  
**AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2017**

	Intergovernmental Agreements		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 106,387	\$ 106,387
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>		106,387	106,387
<b>Expenditures:</b>			
Current -			
Instruction	382,609	35,451	347,158
Support services - students and staff	337,798	31,299	306,499
Support services - administration			
Operation and maintenance of plant services			
Student transportation services	1,619	150	1,469
Operation of non-instructional services			
Capital outlay			
Debt service -			
Principal retirement			
Interest and fiscal charges			
<b>Total expenditures</b>	722,026	66,900	655,126
<b>Excess (deficiency) of revenues over expenditures</b>	(722,026)	39,487	761,513
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
Proceeds from sale of capital assets			
Insurance recoveries			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	(722,026)	39,487	761,513
<b>Fund balances (deficits), beginning of year</b>		372,345	372,345
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	\$ (722,026)	\$ 411,832	\$ 1,133,858



Totals

Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 17,848,899	\$ 17,848,899
	21,518,876	21,518,876
	68,717,942	68,717,942
	<u>108,085,717</u>	<u>108,085,717</u>
85,956,152	59,615,509	26,340,643
30,249,709	18,053,597	12,196,112
11,332,717	8,465,478	2,867,239
4,839,484	3,215,774	1,623,710
799,345	278,302	521,043
25,916,882	25,957,258	(40,376)
8,997,937	4,752,892	4,245,045
104,825	104,825	
14,764	14,764	
<u>168,211,815</u>	<u>120,458,399</u>	<u>47,753,416</u>
<u>(168,211,815)</u>	<u>(12,372,682)</u>	<u>155,839,133</u>
	2,657,884	2,657,884
(2,656,754)	(2,657,884)	(1,130)
	2,838,216	2,838,216
	143,072	143,072
<u>(2,656,754)</u>	<u>2,981,288</u>	<u>5,638,042</u>
<u>(170,868,569)</u>	<u>(9,391,394)</u>	<u>161,477,175</u>
	55,522,822	55,522,822
	(158,309)	(158,309)
<u>\$ (170,868,569)</u>	<u>\$ 45,973,119</u>	<u>\$ 216,841,688</u>

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## **DEBT SERVICE FUND**

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

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR DEBT SERVICE FUNDS**  
**YEAR ENDED JUNE 30, 2017**

	Debt Service		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$ 79,215	\$ 79,215
Property taxes		22,869,933	22,869,933
State aid and grants		688	688
Federal aid, grants and reimbursements		1,261,508	1,261,508
<b>Total revenues</b>		<u>24,211,344</u>	<u>24,211,344</u>
<b>Expenditures:</b>			
Debt service -			
Principal retirement	13,350,000	13,350,000	
Interest and fiscal charges	11,150,000	7,727,524	3,422,476
Bond issuance costs		587,030	(587,030)
<b>Total expenditures</b>	<u>24,500,000</u>	<u>21,664,554</u>	<u>2,835,446</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(24,500,000)</u>	<u>2,546,790</u>	<u>27,046,790</u>
<b>Other financing sources (uses):</b>			
Issuance of refunding bonds		63,000,000	63,000,000
Premium on sale of bonds		12,203,632	12,203,632
Payment to refunded bond escrow agent		(74,611,042)	(74,611,042)
<b>Total other financing sources (uses):</b>		<u>592,590</u>	<u>592,590</u>
<b>Changes in fund balances</b>	<u>(24,500,000)</u>	<u>3,139,380</u>	<u>27,639,380</u>
<b>Fund balances, beginning of year</b>		3,810,953	3,810,953
<b>Fund balances (deficits), end of year</b>	<u>\$ (24,500,000)</u>	<u>\$ 6,950,333</u>	<u>\$ 31,450,333</u>

## CAPITAL PROJECTS FUNDS

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

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

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

**Gifts and Donations – Capital** - to account for gifts and donations to be expended for capital acquisitions.

**Condemnation** - to account for proceeds from right-of-way settlements and sales by condemnation or threat of condemnation.

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

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

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS**  
**JUNE 30, 2017**

	<u>Unrestricted Capital Outlay</u>	<u>Adjacent Ways</u>	<u>Condemnation</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 841,565	\$ 865,521	\$ 21,748
Cash and investments-restricted	976,949		
Property taxes receivable	410,333	29,304	
Due from governmental entities	2,000,311		
Due from other funds			
<b>Total assets</b>	<u><u>\$ 4,229,158</u></u>	<u><u>\$ 894,825</u></u>	<u><u>\$ 21,748</u></u>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 2,841,191	\$	\$
Due to other funds			
Unearned revenues	384		
<b>Total liabilities</b>	<u>2,841,575</u>		
Deferred inflows of resources:			
Unavailable revenues - property taxes	<u>410,333</u>	<u>29,304</u>	
Fund balances (deficits):			
Restricted	977,250	865,521	21,748
Unassigned			
<b>Total fund balances</b>	<u>977,250</u>	<u>865,521</u>	<u>21,748</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u><u>\$ 4,229,158</u></u>	<u><u>\$ 894,825</u></u>	<u><u>\$ 21,748</u></u>

<u>Energy and Water Savings</u>	<u>Building Renewal Grant</u>	<u>Totals</u>
\$	\$	\$ 1,728,834
		976,949
		439,637
543,403		2,543,714
3,703,109		3,703,109
<u>\$ 4,246,512</u>	<u>\$</u>	<u>\$ 9,392,243</u>
\$ 1,397,240	\$ 88,657	\$ 4,327,088
	79,310	79,310
		384
<u>1,397,240</u>	<u>167,967</u>	<u>4,406,782</u>
		<u>439,637</u>
2,849,272		4,713,791
	(167,967)	(167,967)
<u>2,849,272</u>	<u>(167,967)</u>	<u>4,545,824</u>
<u>\$ 4,246,512</u>	<u>\$</u>	<u>\$ 9,392,243</u>

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**NON-MAJOR CAPITAL PROJECTS FUNDS**  
**YEAR ENDED JUNE 30, 2017**

	<u>Unrestricted Capital Outlay</u>	<u>Adjacent Ways</u>	<u>Condemnation</u>
<b>Revenues:</b>			
Other local	\$ 544,580	\$ 4,295	\$ 120
Property taxes	255,784		
State aid and grants	5,552,962		
Federal aid, grants and reimbursements			
<b>Total revenues</b>	<u>6,353,326</u>	<u>4,295</u>	<u>120</u>
<b>Expenditures:</b>			
Capital outlay	11,027,076	2,600	
Debt service -			
Principal retirement	6,113,546		
Interest and fiscal charges	331,935		
<b>Total expenditures</b>	<u>17,472,557</u>	<u>2,600</u>	
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(11,119,231)</u>	<u>1,695</u>	<u>120</u>
<b>Other financing sources (uses):</b>			
Transfers in	10,043,000		
<b>Total other financing sources (uses):</b>	<u>10,043,000</u>		
<b>Changes in fund balances</b>	<u>(1,076,231)</u>	<u>1,695</u>	<u>120</u>
<b>Fund balances (deficits), beginning of year</b>	2,053,481	863,826	21,628
<b>Fund balances (deficits), end of year</b>	<u>\$ 977,250</u>	<u>\$ 865,521</u>	<u>\$ 21,748</u>



<u>Energy and Water Savings</u>	<u>Building Renewal Grant</u>	<u>Totals</u>
\$ 658,802	\$	\$ 1,207,797
		255,784
1,712,179	730,985	6,283,947
<u>2,370,981</u>	<u>730,985</u>	<u>1,712,179</u>
		<u>9,459,707</u>
52,867	697,497	11,780,040
1,589,445		7,702,991
1,184,713		1,516,648
<u>2,827,025</u>	<u>697,497</u>	<u>20,999,679</u>
<u>(456,044)</u>	<u>33,488</u>	<u>(11,539,972)</u>
2,771,065		12,814,065
<u>2,771,065</u>		<u>12,814,065</u>
2,315,021	33,488	1,274,093
534,251	(201,455)	3,271,731
<u>\$ 2,849,272</u>	<u>\$ (167,967)</u>	<u>\$ 4,545,824</u>

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL CAPITAL PROJECTS FUNDS**  
**YEAR ENDED JUNE 30, 2017**

	Unrestricted Capital Outlay		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 544,559	\$ 544,559
Property taxes		255,784	255,784
State aid and grants		5,552,962	5,552,962
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>6,353,305</u>	<u>6,353,305</u>
<b>Expenditures:</b>			
Capital outlay	11,077,294	10,723,331	353,963
Debt service -			
Principal retirement	6,113,546	6,113,546	
Interest and fiscal charges	331,935	331,935	
<b>Total expenditures</b>	<u>17,522,775</u>	<u>17,168,812</u>	<u>353,963</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(17,522,775)</u>	<u>(10,815,507)</u>	<u>6,707,268</u>
<b>Other financing sources (uses):</b>			
Transfers in		10,043,000	10,043,000
<b>Total other financing sources (uses):</b>		<u>10,043,000</u>	<u>10,043,000</u>
<b>Changes in fund balances</b>	<u>(17,522,775)</u>	<u>(772,507)</u>	<u>16,750,268</u>
<b>Fund balances (deficits), beginning of year</b>		772,808	772,808
<b>Fund balances (deficits), end of year</b>	<u>\$ (17,522,775)</u>	<u>\$ 301</u>	<u>\$ 17,523,076</u>

<u>Adjacent Ways</u>			<u>Gifts and Donations - Capital</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
\$	\$ 4,295	\$ 4,295	\$	\$	\$
	<u>4,295</u>	<u>4,295</u>			
1,000,000	2,600	997,400	20,000		20,000
<u>1,000,000</u>	<u>2,600</u>	<u>997,400</u>	<u>20,000</u>		<u>20,000</u>
<u>(1,000,000)</u>	<u>1,695</u>	<u>1,001,695</u>	<u>(20,000)</u>		<u>20,000</u>
<u>(1,000,000)</u>	<u>1,695</u>	<u>1,001,695</u>	<u>(20,000)</u>		<u>20,000</u>
	863,826	863,826			
<u>\$ (1,000,000)</u>	<u>\$ 865,521</u>	<u>\$ 1,865,521</u>	<u>\$ (20,000)</u>	<u>\$</u>	<u>\$ 20,000</u>

(Continued)

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL CAPITAL PROJECTS FUNDS**  
**YEAR ENDED JUNE 30, 2017**

	Condemnation		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$ 120	\$ 120
Property taxes			
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>	<u>                    </u>	<u>                    120</u>	<u>                    120</u>
<b>Expenditures:</b>			
Capital outlay	22,000		22,000
Debt service -			
Principal retirement			
Interest and fiscal charges			
<b>Total expenditures</b>	<u>                    22,000</u>	<u>                                    </u>	<u>                    22,000</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>                    (22,000)</u>	<u>                                    120</u>	<u>                    22,120</u>
<b>Other financing sources (uses):</b>			
Transfers in			
<b>Total other financing sources (uses):</b>	<u>                                    </u>	<u>                                    </u>	<u>                                    </u>
<b>Changes in fund balances</b>	<u>                    (22,000)</u>	<u>                                    120</u>	<u>                    22,120</u>
<b>Fund balances (deficits), beginning of year</b>		21,628	21,628
<b>Fund balances (deficits), end of year</b>	<u>\$ (22,000)</u>	<u>\$ 21,748</u>	<u>\$ 43,748</u>

Energy and Water Savings			Building Renewal Grant		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 658,802	\$ 658,802	\$	\$	\$
	1,712,179	1,712,179		730,985	730,985
	<u>2,370,981</u>	<u>2,370,981</u>		<u>730,985</u>	<u>730,985</u>
2,225,842	52,867	2,172,975	1,400,000	697,497	702,503
1,589,445	1,589,445				
1,184,713	1,184,713				
<u>5,000,000</u>	<u>2,827,025</u>	<u>2,172,975</u>	<u>1,400,000</u>	<u>697,497</u>	<u>702,503</u>
<u>(5,000,000)</u>	<u>(456,044)</u>	<u>4,543,956</u>	<u>(1,400,000)</u>	<u>33,488</u>	<u>1,433,488</u>
	2,771,065	2,771,065			
	<u>2,771,065</u>	<u>2,771,065</u>			
<u>(5,000,000)</u>	<u>2,315,021</u>	<u>7,315,021</u>	<u>(1,400,000)</u>	<u>33,488</u>	<u>1,433,488</u>
	534,251	534,251		(201,455)	(201,455)
<u>\$ (5,000,000)</u>	<u>\$ 2,849,272</u>	<u>\$ 7,849,272</u>	<u>\$ (1,400,000)</u>	<u>\$ (167,967)</u>	<u>\$ 1,232,033</u>

(Continued)

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL CAPITAL PROJECTS FUNDS**  
**YEAR ENDED JUNE 30, 2017**

	Totals		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 1,207,776	\$ 1,207,776
Property taxes		255,784	255,784
State aid and grants		6,283,947	6,283,947
Federal aid, grants and reimbursements		1,712,179	1,712,179
<b>Total revenues</b>		<u>9,459,686</u>	<u>9,459,686</u>
<b>Expenditures:</b>			
Capital outlay	15,745,136	11,476,295	4,268,841
Debt service -			
Principal retirement	7,702,991	7,702,991	
Interest and fiscal charges	1,516,648	1,516,648	
<b>Total expenditures</b>	<u>24,964,775</u>	<u>20,695,934</u>	<u>4,268,841</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(24,964,775)</u>	<u>(11,236,248)</u>	<u>13,728,527</u>
<b>Other financing sources (uses):</b>			
Transfers in		12,814,065	12,814,065
<b>Total other financing sources (uses):</b>		<u>12,814,065</u>	<u>12,814,065</u>
<b>Changes in fund balances</b>	<u>(24,964,775)</u>	<u>1,577,817</u>	<u>26,542,592</u>
<b>Fund balances (deficits), beginning of year</b>		1,991,058	1,991,058
<b>Fund balances (deficits), end of year</b>	<u>\$ (24,964,775)</u>	<u>\$ 3,568,875</u>	<u>\$ 28,533,650</u>

## **INTERNAL SERVICE FUNDS**

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

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

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**COMBINING STATEMENT OF NET POSITION -**  
**ALL INTERNAL SERVICE FUNDS**  
**JUNE 30, 2017**

	Employee Benefit Trust	Workers' Compensation Trust	Totals
<b><u>ASSETS</u></b>			
Current assets:			
Cash and investments	\$ 23,949,668	\$ 6,456,354	\$ 30,406,022
Other receivable	6,932,984	283,290	7,216,274
Total current assets	30,882,652	6,739,644	37,622,296
<b>Total assets</b>	30,882,652	6,739,644	37,622,296
<b><u>LIABILITIES</u></b>			
Current liabilities:			
Claims payable	1,910,124	600,000	2,510,124
Total current liabilities	1,910,124	600,000	2,510,124
Noncurrent liabilities:			
Claims payable		4,013,124	4,013,124
Total noncurrent liabilities		4,013,124	4,013,124
<b>Total liabilities</b>	1,910,124	4,613,124	6,523,248
<b><u>NET POSITION</u></b>			
Unrestricted	28,972,528	2,126,520	31,099,048
<b>Total net position</b>	\$ 28,972,528	\$ 2,126,520	\$ 31,099,048



**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -**  
**ALL INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Employee Benefit Trust	Workers' Compensation Trust	Totals
<b>Operating revenues:</b>			
Contributions	\$ 31,865,221	\$ 3,386,141	\$ 35,251,362
Other	1,229,591		1,229,591
<b>Total operating revenues</b>	<u>33,094,812</u>	<u>3,386,141</u>	<u>36,480,953</u>
<b>Operating expenses:</b>			
Claims	26,799,818	1,007,410	27,807,228
Premiums	602,153	1,630,284	2,232,437
Administrative fees	2,181,822	72,393	2,254,215
Other	111,576	2,814	114,390
<b>Total operating expenses</b>	<u>29,695,369</u>	<u>2,712,901</u>	<u>32,408,270</u>
<b>Operating income (loss)</b>	<u>3,399,443</u>	<u>673,240</u>	<u>4,072,683</u>
<b>Nonoperating revenues (expenses):</b>			
Investment income	217,586	11,350	228,936
<b>Total nonoperating revenues (expenses)</b>	<u>217,586</u>	<u>11,350</u>	<u>228,936</u>
<b>Changes in net position</b>	<u>3,617,029</u>	<u>684,590</u>	<u>4,301,619</u>
<b>Total net position, beginning of year</b>	25,355,499	1,441,930	26,797,429
<b>Total net position, end of year</b>	<u>\$ 28,972,528</u>	<u>\$ 2,126,520</u>	<u>\$ 31,099,048</u>

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1  
COMBINING STATEMENT OF CASH FLOWS  
ALL INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2017**

	<b>Employee Benefit Trust</b>	<b>Workers' Compensation</b>	<b>Totals</b>
<b><u>Decrease in Cash and Cash Equivalents</u></b>			
<b>Cash flows from operating activities:</b>			
Cash received from contributions	\$ 24,948,368	\$ 3,403,438	\$ 28,351,806
Cash received from other sources	1,229,591		1,229,591
Cash payments to suppliers for goods and services	(3,241,280)	(4,473,258)	(7,714,538)
Cash payments for claims	(26,957,059)	(523,336)	(27,480,395)
<b>Net cash used for operating activities</b>	<b>(4,020,380)</b>	<b>(1,593,156)</b>	<b>(5,613,536)</b>
<b>Cash flows from investing activities:</b>			
Investment income	217,586	11,350	228,936
<b>Net cash provided by investing activities</b>	<b>217,586</b>	<b>11,350</b>	<b>228,936</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(3,802,794)</b>	<b>(1,581,806)</b>	<b>(5,384,600)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>27,752,462</b>	<b>8,038,160</b>	<b>35,790,622</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 23,949,668</b>	<b>\$ 6,456,354</b>	<b>\$ 30,406,022</b>
<b><u>Reconciliation of Operating Income to Net Cash Used for Operating Activities</u></b>			
<b>Operating income</b>	\$ 3,399,443	\$ 673,240	\$ 4,072,683
Adjustments to reconcile operating income to net cash used for operating activities:			
Changes in assets and liabilities:			
Increase (decrease) in other receivable	(6,916,853)	17,297	(6,899,556)
Decrease in accounts payable	(345,729)	(2,767,767)	(3,113,496)
(Increase) decrease in claims payable	(157,241)	484,074	326,833
<b>Total adjustments</b>	<b>(7,419,823)</b>	<b>(2,266,396)</b>	<b>(9,686,219)</b>
<b>Net cash used for operating activities</b>	<b>\$ (4,020,380)</b>	<b>\$ (1,593,156)</b>	<b>\$ (5,613,536)</b>

## **AGENCY FUNDS**

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

**Employee Insurance** - to account for unremitted insurance deductions held by the District as an agent.

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**COMBINING STATEMENT OF ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**JUNE 30, 2017**

	Student Activities	Employee Insurance	Totals
<b><u>ASSETS</u></b>			
Cash and investments	\$ 2,245,979	\$ 13,799,585	\$ 16,045,564
<b>Total assets</b>	\$ 2,245,979	\$ 13,799,585	\$ 16,045,564
 <b><u>LIABILITIES</u></b>			
Deposits held for others	\$	\$ 13,799,585	\$ 13,799,585
Due to student groups	2,245,979		2,245,979
<b>Total liabilities</b>	\$ 2,245,979	\$ 13,799,585	\$ 16,045,564

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**YEAR ENDED JUNE 30, 2017**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<b><u>STUDENT ACTIVITIES FUND</u></b>				
<u>Assets</u>				
Cash and investments	\$ <u>2,724,978</u>	\$ <u>1,489,887</u>	\$ <u>1,968,886</u>	\$ <u>2,245,979</u>
Total assets	\$ <u><u>2,724,978</u></u>	\$ <u><u>1,489,887</u></u>	\$ <u><u>1,968,886</u></u>	\$ <u><u>2,245,979</u></u>
<u>Liabilities</u>				
Due to student groups	\$ <u>2,724,978</u>	\$ <u>1,489,887</u>	\$ <u>1,968,886</u>	\$ <u>2,245,979</u>
Total liabilities	\$ <u><u>2,724,978</u></u>	\$ <u><u>1,489,887</u></u>	\$ <u><u>1,968,886</u></u>	\$ <u><u>2,245,979</u></u>
<b><u>EMPLOYEE INSURANCE FUND</u></b>				
<u>Assets</u>				
Cash and investments	\$ <u>3,361,893</u>	\$ <u>35,341,777</u>	\$ <u>24,904,085</u>	\$ <u>13,799,585</u>
Total assets	\$ <u><u>3,361,893</u></u>	\$ <u><u>35,341,777</u></u>	\$ <u><u>24,904,085</u></u>	\$ <u><u>13,799,585</u></u>
<u>Liabilities</u>				
Deposits held for others	\$ <u>3,361,893</u>	\$ <u>35,341,777</u>	\$ <u>24,904,085</u>	\$ <u>13,799,585</u>
Total liabilities	\$ <u><u>3,361,893</u></u>	\$ <u><u>35,341,777</u></u>	\$ <u><u>24,904,085</u></u>	\$ <u><u>13,799,585</u></u>
<b><u>TOTAL AGENCY FUNDS</u></b>				
<u>Assets</u>				
Cash and investments	\$ <u>6,086,871</u>	\$ <u>36,831,664</u>	\$ <u>26,872,971</u>	\$ <u>16,045,564</u>
Total assets	\$ <u><u>6,086,871</u></u>	\$ <u><u>36,831,664</u></u>	\$ <u><u>26,872,971</u></u>	\$ <u><u>16,045,564</u></u>
<u>Liabilities</u>				
Deposits held for others	\$ <u>3,361,893</u>	\$ <u>35,341,777</u>	\$ <u>24,904,085</u>	\$ <u>13,799,585</u>
Due to student groups	<u>2,724,978</u>	<u>1,489,887</u>	<u>1,968,886</u>	<u>2,245,979</u>
Total liabilities	\$ <u><u>6,086,871</u></u>	\$ <u><u>36,831,664</u></u>	\$ <u><u>26,872,971</u></u>	\$ <u><u>16,045,564</u></u>

# Statistical Section



## STATISTICAL SECTION

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

### **Financial Trends**

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

### **Revenue Capacity**

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

### **Debt Capacity**

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

### **Demographic and Economic Information**

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

### **Operating Information**

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

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

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

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
<b>Net Position:</b>					
Net investment in capital assets	\$ 480,205,341	\$ 485,420,031	\$ 483,557,940	\$ 478,823,950	\$ 478,208,141
Restricted	39,771,519	47,868,859	51,883,159	36,973,962	38,076,040
Unrestricted	<u>(341,600,591)</u>	<u>(369,873,406)</u>	<u>(401,875,725)</u>	<u>57,072,295</u>	<u>39,993,726</u>
Total net position	<u><u>\$ 178,376,269</u></u>	<u><u>\$ 163,415,484</u></u>	<u><u>\$ 133,565,374</u></u>	<u><u>\$ 572,870,207</u></u>	<u><u>\$ 556,277,907</u></u>
	<b><u>2012</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>	<b><u>2009</u></b>	<b><u>2008</u></b>
<b>Net Position:</b>					
Net investment in capital assets	\$ 453,090,065	\$ 434,745,660	\$ 408,491,273	\$ 395,715,727	\$ 369,666,112
Restricted	50,858,186	65,412,105	17,714,726	28,815,960	38,421,018
Unrestricted	<u>48,723,218</u>	<u>44,383,800</u>	<u>63,439,513</u>	<u>19,851,658</u>	<u>34,427,961</u>
Total net position	<u><u>\$ 552,671,469</u></u>	<u><u>\$ 544,541,565</u></u>	<u><u>\$ 489,645,512</u></u>	<u><u>\$ 444,383,345</u></u>	<u><u>\$ 442,515,091</u></u>

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

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

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

	<b>Fiscal Year Ended June 30</b>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>Expenses</b>					
Instruction	\$ 219,854,828	\$ 206,973,703	\$ 203,639,013	\$ 213,899,377	\$ 224,302,136
Support services - students and staff	61,436,186	60,250,541	58,847,288	64,945,835	69,035,667
Support services - administration	44,826,243	41,637,711	42,670,490	42,732,507	44,610,584
Operation and maintenance of plant services	49,036,681	49,688,066	51,097,685	49,866,704	55,716,491
Student transportation services	23,769,388	24,277,391	24,594,918	25,895,104	26,338,473
Operation of non-instructional services	25,771,350	24,028,856	24,786,616	22,647,923	21,534,017
Interest on long-term debt	8,400,732	10,932,855	11,501,715	11,640,250	13,064,629
Total expenses	<u>433,095,408</u>	<u>417,789,123</u>	<u>417,137,725</u>	<u>431,627,700</u>	<u>454,601,997</u>
<b>Program Revenues</b>					
Charges for services:					
Instruction	8,329,005	8,055,467	7,212,949	5,875,912	5,706,176
Operation of non-instructional services	4,314,144	2,776,552	3,436,318	3,395,327	3,110,765
Other activities	1,251,279	1,129,835	1,342,188	1,023,287	604,562
Operating grants and contributions	67,852,542	64,212,609	62,655,672	64,756,379	70,030,026
Capital grants and contributions	4,434,548	2,441,185	4,430,655	6,645,889	3,735,347
Total program revenues	<u>86,181,518</u>	<u>78,615,648</u>	<u>79,077,782</u>	<u>81,696,794</u>	<u>83,186,876</u>
<b>Net (Expense)/Revenue</b>	<u>\$ (346,913,890)</u>	<u>\$ (339,173,475)</u>	<u>\$ (338,059,943)</u>	<u>\$ (349,930,906)</u>	<u>\$ (371,415,121)</u>

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

Note: The provisions of the Governmental Accounting Standards Board (GASB) Statement No. 34 were adopted in fiscal year 2001 therefore only six years are shown.

(Continued)

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

	Fiscal Year Ended June 30				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<b>Expenses</b>					
Instruction	\$ 237,543,995	\$ 232,454,534	\$ 249,555,054	\$ 274,064,584	\$ 277,859,085
Support services - students and staff	72,454,063	70,371,615	68,096,321	73,312,642	77,635,780
Support services - administration	43,723,616	42,737,361	40,736,506	42,115,765	47,148,478
Operation and maintenance of plant services	56,498,727	56,053,302	55,307,716	57,068,774	57,591,997
Student transportation services	26,634,890	23,345,392	24,061,246	23,266,202	26,331,263
Operation of non-instructional services	21,981,761	18,430,745	18,992,991	19,192,468	18,759,077
Interest on long-term debt	13,936,906	15,517,905	14,045,722	14,868,122	14,047,689
Total expenses	<u>472,773,958</u>	<u>458,910,854</u>	<u>470,795,556</u>	<u>503,888,557</u>	<u>519,373,369</u>
<b>Program Revenues</b>					
Charges for services:					
Instruction	6,384,061	3,293,113	12,652,780	8,452,639	8,162,423
Operation of non-instructional services	2,739,728	3,204,525	3,640,047	4,222,326	4,615,045
Other activities	696,167	668,536	897,087	915,321	813,792
Operating grants and contributions	83,827,648	87,020,303	77,282,861	66,930,683	69,575,109
Capital grants and contributions	4,669,887	3,347,591	5,455,281	1,675,625	3,207,618
Total program revenues	<u>98,317,491</u>	<u>97,534,068</u>	<u>99,928,056</u>	<u>82,196,594</u>	<u>86,373,987</u>
<b>Net (Expense)/Revenue</b>	<u>\$ (374,456,467)</u>	<u>\$ (361,376,786)</u>	<u>\$ (370,867,500)</u>	<u>\$ (421,691,963)</u>	<u>\$ (432,999,382)</u>

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

**(Concluded)**

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

	<b>Fiscal Year Ended June 30</b>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>Net (Expense)/Revenue</b>	\$ (346,913,890)	\$ (339,173,475)	\$ (338,059,943)	\$ (349,930,906)	\$ (371,415,121)
<b>General Revenues:</b>					
Taxes:					
Property taxes, levied for general purposes	157,829,310	141,731,194	142,745,273	151,093,018	164,258,242
Property taxes, levied for debt service	22,861,124	24,614,671	21,151,962	42,704,992	39,875,831
Property taxes, levied for capital outlay		13,925,324	18,421,667	2,782,396	6,463,393
Investment income	620,166	557,570	530,244	352,847	740,367
Unrestricted county aid	12,876,806	13,151,610	13,033,210	14,097,314	14,372,495
Unrestricted state aid	163,180,636	171,211,671	164,102,726	152,463,686	146,611,426
Unrestricted federal aid	4,506,633	3,831,545	2,158,284	3,028,953	2,699,805
<b>Total general revenues</b>	<u>361,874,675</u>	<u>369,023,585</u>	<u>362,143,366</u>	<u>366,523,206</u>	<u>375,021,559</u>
<b>Changes in Net Position</b>	<u>\$ 14,960,785</u>	<u>\$ 29,850,110</u>	<u>\$ 24,083,423</u>	<u>\$ 16,592,300</u>	<u>\$ 3,606,438</u>

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

Note: The provisions of the Governmental Accounting Standards Board (GASB) Statement No. 34 were adopted in fiscal year 2001 therefore only six years are shown.

(Continued)

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

	Fiscal Year Ended June 30				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<b>Net (Expense)/Revenue</b>	\$ (374,456,467)	\$ (361,376,786)	\$ (370,867,500)	\$ (421,691,963)	\$ (432,999,382)
<b>General Revenues:</b>					
Taxes:					
Property taxes, levied for general purposes	155,769,383	122,512,450	142,759,522	131,633,343	134,956,549
Property taxes, levied for debt service	50,749,259	46,598,982	44,806,399	46,393,710	43,991,425
Property taxes, levied for capital outlay	2,156,401	25,031,169	378,741	12,258,603	9,719,093
Investment income	675,595	817,368	1,099,217	2,134,966	5,312,571
Unrestricted county aid	13,918,868	12,889,153	12,191,663	141,544	
Unrestricted state aid	158,195,164	190,988,261	202,282,511	229,617,096	272,140,866
Unrestricted federal aid	1,121,701	3,657,865	21,611,614	1,380,955	1,486,227
<b>Total general revenues</b>	<u>382,586,371</u>	<u>402,495,248</u>	<u>425,129,667</u>	<u>423,560,217</u>	<u>467,606,731</u>
<b>Changes in Net Position</b>	<u>\$ 8,129,904</u>	<u>\$ 41,118,462</u>	<u>\$ 54,262,167</u>	<u>\$ 1,868,254</u>	<u>\$ 34,607,349</u>

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

**Note:** The Arizona State Legislature suspended county equalization payments to school districts for fiscal years 2007-08 through 2008-09.

**(Concluded)**

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

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
General Fund:					
Nonspendable	\$ 1,762,249	\$ 1,532,880	\$ 1,568,190	\$ 1,401,642	\$ 1,354,618
Unassigned	23,310,670	30,871,023	27,952,038	30,539,900	31,111,961
Total General Fund	\$ 25,072,919	\$ 32,403,903	\$ 29,520,228	\$ 31,941,542	\$ 32,466,579
All Other Governmental Funds:					
Nonspendable	\$ 485,008	\$ 643,318	\$ 777,502	\$ 928,999	\$ 1,203,182
Restricted	37,499,375	44,700,979	47,643,989	33,487,783	47,338,139
Committed	4,925,981	2,419,323	1,039,083	910,868	747,383
Unassigned	(167,967)	(201,455)	(23,760)	(2,825,169)	(32,372)
Total all other governmental funds	\$ 42,742,397	\$ 47,562,165	\$ 49,436,814	\$ 32,502,481	\$ 49,256,332

(Continued)

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
General Fund:					
Nonspendable	\$ 1,696,474	\$ 2,516,592	\$	\$	\$
Unassigned	44,949,267	41,673,112			
Reserved			18,561,991	2,473,779	2,156,886
Unreserved			24,431,693	10,247,050	17,065,201
Total General Fund	<u>\$ 46,645,741</u>	<u>\$ 44,189,704</u>	<u>\$ 42,993,684</u>	<u>\$ 12,720,829</u>	<u>\$ 19,222,087</u>
All Other Governmental Funds:					
Nonspendable	\$ 1,192,659	\$ 1,151,571	\$	\$	\$
Restricted	91,678,314	130,932,893			
Committed	697,442	1,840,152			
Unassigned	(112)	(22,815)			
Reserved			456,094	448,178	457,812
Unreserved, reported in:					
Special revenue funds			35,070,776	27,647,952	26,442,348
Capital projects funds			45,131,394	71,961,823	62,315,116
Debt service fund			12,084,405	10,952,462	9,308,507
Total all other governmental funds	<u>\$ 93,568,303</u>	<u>\$ 133,901,801</u>	<u>\$ 92,742,669</u>	<u>\$ 111,010,415</u>	<u>\$ 98,523,783</u>

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

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

**(Concluded)**

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

	<b>Fiscal Year Ended June 30</b>				
	<u><b>2017</b></u>	<u><b>2016</b></u>	<u><b>2015</b></u>	<u><b>2014</b></u>	<u><b>2013</b></u>
<b>Federal sources:</b>					
Federal grants	\$ 48,067,680	\$ 44,769,017	\$ 42,860,201	\$ 49,697,352	\$ 51,441,832
Education Jobs					
Impact Aid	1,273,114	966,667	728,590	676,045	1,206,125
National School Lunch Program	19,377,148	17,705,168	18,181,402	18,011,161	17,567,092
Interest Subsidy	2,973,687	1,853,469	2,365,903	1,257,444	1,296,061
Total federal sources	<u>71,691,629</u>	<u>65,294,321</u>	<u>64,136,096</u>	<u>69,642,002</u>	<u>71,511,110</u>
<b>State sources:</b>					
State equalization assistance	142,748,905	147,561,816	143,771,604	132,185,366	128,594,364
State grants	480,624	796,650	548,195	997,741	1,838,710
School Facilities Board	730,985	523,629	726,400		
Other revenues	21,038,252	23,043,329	20,331,122	20,277,532	17,285,416
Total state sources	<u>164,998,766</u>	<u>171,925,424</u>	<u>165,377,321</u>	<u>153,460,639</u>	<u>147,718,490</u>
<b>Local sources:</b>					
Property taxes	180,359,530	179,330,981	184,034,798	195,388,011	209,545,368
County aid	12,876,806	13,151,610	13,033,210	14,097,314	14,372,495
Food service sales	2,415,246	1,400,598	1,909,739	2,003,028	2,200,959
Investment income	391,230	280,587	164,796	187,195	421,413
Other revenues	16,365,205	15,182,965	14,242,254	12,882,717	11,731,552
Total local sources	<u>212,408,017</u>	<u>209,346,741</u>	<u>213,384,797</u>	<u>224,558,265</u>	<u>238,271,787</u>
<b>Total revenues</b>	<u>\$ 449,098,412</u>	<u>\$ 446,566,486</u>	<u>\$ 442,898,214</u>	<u>\$ 447,660,906</u>	<u>\$ 457,501,387</u>

**(Continued)**



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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<b>Federal sources:</b>					
Federal grants	\$ 60,941,360	\$ 60,810,964	\$ 58,543,843	\$ 42,041,772	\$ 47,992,922
State Fiscal Stabilization (ARRA)		2,291,978	20,594,948		
Education Jobs	4,322,415	6,258,984			
Impact Aid	1,121,701	1,365,887	1,016,666	1,380,955	1,486,227
National School Lunch Program	17,017,815	16,473,993	16,871,966	16,574,952	14,483,896
Interest Subsidy	1,355,003				
Total federal sources	<u>84,758,294</u>	<u>87,201,806</u>	<u>97,027,423</u>	<u>59,997,679</u>	<u>63,963,045</u>
<b>State sources:</b>					
State equalization assistance	142,586,526	177,289,785	185,038,264	211,483,789	235,738,168
State grants	1,004,308	1,605,563	3,291,113	5,422,104	6,076,613
School Facilities Board					4,654,792
Other revenues	15,835,725	14,668,319	16,048,443	19,775,662	30,737,345
Total state sources	<u>159,426,559</u>	<u>193,563,667</u>	<u>204,377,820</u>	<u>236,681,555</u>	<u>277,206,918</u>
<b>Local sources:</b>					
Property taxes	210,099,111	189,258,948	187,598,121	189,705,780	186,860,498
County aid	13,918,868	12,889,153	12,191,663	279,544	
Food service sales	2,122,437	2,438,926	2,841,522	3,384,150	3,720,714
Investment income	461,420	611,420	924,187	1,868,172	5,066,837
Other revenues	12,108,138	9,117,882	19,243,985	17,424,953	17,870,809
Total local sources	<u>238,709,974</u>	<u>214,316,329</u>	<u>222,799,478</u>	<u>212,662,599</u>	<u>213,518,858</u>
<b>Total revenues</b>	<u>\$ 482,894,827</u>	<u>\$ 495,081,802</u>	<u>\$ 524,204,721</u>	<u>\$ 509,341,833</u>	<u>\$ 554,688,821</u>

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

**Note:** The Arizona State Legislature suspended county equalization payments to school districts for fiscal years 2007-08 through 2008-09.

**(Concluded)**

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

	<b>Fiscal Year Ended June 30</b>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>Expenditures:</b>					
Current -					
Instruction	\$ 206,083,290	\$ 184,171,606	\$ 179,021,232	\$ 182,170,194	\$ 200,508,623
Support services - students and staff	65,080,307	62,254,885	59,835,214	62,928,162	68,401,474
Support services - administration	46,887,015	42,556,971	42,079,368	40,912,970	42,935,792
Operation and maintenance of plant services	50,490,660	49,925,794	51,388,778	49,228,361	55,277,056
Student transportation services	22,374,249	22,123,760	22,151,830	22,626,196	23,676,242
Operation of non-instructional services	26,422,667	24,575,643	24,817,964	22,569,839	21,348,952
Capital outlay	16,552,132	26,349,041	46,900,850	45,330,412	57,417,569
Debt service -					
Interest and fiscal charges	9,258,936	11,071,732	11,740,160	11,720,671	13,086,907
Principal retirement	21,157,816	23,785,413	22,786,648	47,239,231	40,583,291
Bond issuance costs	587,030				
<b>Total expenditures</b>	<u>\$ 464,894,102</u>	<u>\$ 446,814,845</u>	<u>\$ 460,722,044</u>	<u>\$ 484,726,036</u>	<u>\$ 523,235,906</u>
Expenditures for capitalized assets	\$ 4,361,210	\$ 10,057,049	\$ 30,927,097	\$ 27,849,032	\$ 47,461,655
Debt service as a percentage of noncapital expenditures	7%	8%	8%	13%	11%

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

Notes:

**(Continued)**

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<i>Fiscal Year Ended June 30</i>					
<b>Expenditures:</b>					
Current -					
Instruction	\$ 207,817,232	\$ 204,760,085	\$ 230,202,146	\$ 234,931,349	\$ 240,042,909
Support services - students and staff	70,581,454	68,796,953	69,436,330	72,736,897	74,974,896
Support services - administration	41,370,788	40,360,497	40,324,873	40,973,334	44,211,988
Operation and maintenance of plant services	55,159,807	56,678,876	55,338,511	56,234,094	53,611,181
Student transportation services	23,454,160	22,241,973	23,193,120	21,568,722	24,300,043
Operation of non-instructional services	21,642,746	18,585,569	18,770,777	19,167,046	21,740,678
Capital outlay	56,698,083	52,393,932	51,201,278	66,818,229	84,056,213
Debt service -					
Claims and Judgements					
Interest and fiscal charges	13,959,184	15,555,722	14,079,089	15,205,476	14,081,326
Principal retirement	40,909,199	34,649,692	33,004,537	32,461,174	34,976,055
Bond issuance costs	441,705	776,763		762,221	367,959
<b>Total expenditures</b>	<u>\$ 532,034,358</u>	<u>\$ 514,800,062</u>	<u>\$ 535,550,661</u>	<u>\$ 560,858,542</u>	<u>\$ 592,363,248</u>
Expenditures for capitalized assets	\$ 33,205,672	\$ 43,314,099	\$ 34,878,196	\$ 44,654,742	\$ 58,186,989
Debt service as a percentage of noncapital expenditures	11%	11%	9%	9%	9%

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

**(Concluded)**

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

	Fiscal Year Ended June 30				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>Excess (deficiency) of revenues over expenditures</b>	\$ (15,795,690)	\$ (248,359)	\$ (17,823,830)	\$ (37,065,130)	\$ (65,734,519)
<b>Other financing sources (uses):</b>					
Refunding bonds issued	63,000,000				
Premium on sale of bonds	12,203,632				
Proceeds from sale of capital assets	2,838,216	1,426,879			48,617
Capital lease agreements			32,321,798	19,425,678	7,526,101
Transfers in	15,471,949	5,167,740	1,752,693	6,777,058	3,273,496
Transfers out	(15,471,949)	(5,167,740)	(1,752,693)	(6,777,058)	(3,273,496)
Payment to refunded bond escrow agent	(74,611,042)				
Insurance recoveries	143,072				
Total other financing sources (uses)	<u>3,573,878</u>	<u>1,426,879</u>	<u>32,321,798</u>	<u>19,425,678</u>	<u>7,574,718</u>
<b>Changes in fund balances</b>	<u>\$ (12,221,812)</u>	<u>\$ 1,178,520</u>	<u>\$ 14,497,968</u>	<u>\$ (17,639,452)</u>	<u>\$ (58,159,801)</u>
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<b>Excess (deficiency) of revenues over expenditures</b>	\$ (49,139,531)	\$ (19,718,260)	\$ (11,345,940)	\$ (51,516,709)	\$ (37,674,427)
<b>Other financing sources (uses):</b>					
Issuance of school improvement bonds		74,000,000		57,000,000	47,000,000
Refunding bonds issued	51,000,000	45,900,000			
Premium on sale of bonds	3,738,599	5,038,940		1,066,478	706,670
Proceeds from sale of capital assets	101,083	1,728,172			
Capital lease agreements	11,525,165		7,254,921	1,045,221	2,952,425
Transfers in	1,904,315	2,761,892	3,228,393	12,001,930	4,505,961
Transfers out	(1,904,315)	(2,761,892)	(3,228,393)	(12,001,930)	(4,505,961)
Payment to refunded bond escrow agent	(54,314,359)	(49,962,127)			
Total other financing sources (uses)	<u>12,050,488</u>	<u>76,704,985</u>	<u>7,254,921</u>	<u>59,111,699</u>	<u>50,659,095</u>
<b>Changes in fund balances</b>	<u>\$ (37,089,043)</u>	<u>\$ 56,986,725</u>	<u>\$ (4,091,019)</u>	<u>\$ 7,594,990</u>	<u>\$ 12,984,668</u>

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

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

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Commercial, Industrial, Utilities and Mining	\$ 965,433,532	\$ 976,879,689	\$ 1,010,697,174	\$ 1,019,451,977	\$ 1,081,215,033
Agricultural and Vacant	94,872,106	105,330,798	111,852,863	114,927,549	118,498,381
Residential (Owner Occupied)	1,328,794,436	1,268,030,829	1,251,339,919	1,336,979,464	1,477,013,301
Residential (Rental)	656,086,204	641,672,375	594,632,374	499,869,993	507,897,672
Railroad, Private Cars and Airlines	2,528,033	2,699,156	2,663,090	2,363,569	2,303,761
Historical Property	33,455,272	30,975,434	30,462,610	28,785,354	28,965,566
Certain Government Property Improvements		6,464	6,156	19,506	20,701
<b>Total</b>	<b>\$ 3,081,169,583</b>	<b>\$ 3,025,594,745</b>	<b>\$ 3,001,654,186</b>	<b>\$ 3,002,397,412</b>	<b>\$ 3,215,914,415</b>
Gross Full Cash Value	\$ 34,223,586,164	\$ 32,389,286,776	\$ 30,721,019,556	\$ 30,260,270,212	\$ 31,603,025,006
Ratio of Net Limited Value to Gross Full Cash Value	9.00%	9.34%	9.77%	9.92%	10.18%
Total Direct Rate	\$ 7.12	\$ 7.34	\$ 7.51	\$ 7.43	\$ 7.32

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Commercial, Industrial, Utilities and Mining	\$ 1,074,355,352	\$ 1,090,965,347	\$ 1,077,748,252	\$ 1,050,177,813	\$ 1,272,775,479
Agricultural and Vacant	112,720,592	114,484,305	106,372,665	103,609,679	80,675,702
Residential (Owner Occupied)	1,636,106,002	1,861,033,185	1,891,325,577	1,746,892,589	1,323,022,003
Residential (Rental)	478,805,500	508,578,926	479,696,735	428,515,359	432,497,621
Railroad, Private Cars and Airlines	2,023,840	2,014,148	2,084,546	2,398,360	3,187,093
Historical Property	29,071,310	29,884,448	26,118,631	22,935,741	21,151,850
Certain Government Property Improvements	78,131				
<b>Total</b>	<b>\$ 3,333,160,727</b>	<b>\$ 3,606,960,359</b>	<b>\$ 3,583,346,406</b>	<b>\$ 3,354,529,541</b>	<b>\$ 3,133,309,748</b>
Gross Full Cash Value	\$ 32,819,636,555	\$ 35,625,457,918	\$ 36,172,563,620	\$ 34,951,711,743	\$ 30,190,092,265
Ratio of Net Limited to Gross Full Cash Value	10.16%	10.12%	9.91%	9.60%	10.38%
Total Direct Rate	\$ 6.95	\$ 6.30	\$ 6.07	\$ 6.57	\$ 7.05

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

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

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

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Commercial, Industrial, Utilities and Mining	\$ 1,006,656,328	\$ 1,012,574,440	\$ 1,025,364,280	\$ 1,036,430,609	\$ 1,114,174,075
Agricultural and Vacant	97,700,856	108,813,131	114,157,316	119,316,810	126,790,265
Residential (Owner Occupied)	1,429,214,902	1,318,079,541	1,254,450,188	1,337,932,939	1,478,192,168
Residential (Rental)	717,687,648	672,444,407	601,425,570	503,614,469	512,387,222
Railroad, Private Cars and Airlines	2,705,166	2,750,284	2,688,000	2,385,858	2,347,426
Historical Property	35,707,258	31,954,759	30,607,284	29,656,219	30,404,234
Certain Government Property Improvements		9,746	6,156	19,506	21,389
<b>Total</b>	<b>\$ 3,289,672,158</b>	<b>\$ 3,146,626,308</b>	<b>\$ 3,028,698,794</b>	<b>\$ 3,029,356,410</b>	<b>\$ 3,264,316,779</b>
Gross Full Cash Value	\$ 34,223,586,164	\$ 32,389,286,776	\$ 30,721,019,556	\$ 30,260,270,212	\$ 31,603,025,006
Ratio of Net Full Cash Value to Gross Full Cash Value	9.61%	9.72%	9.86%	10.01%	10.33%
Estimated Net Full Cash Value	\$ 27,003,331,012	\$ 25,135,859,502	\$ 23,820,840,006	\$ 23,660,254,739	\$ 25,546,387,826
Total Direct Rate	\$ 7.12	\$ 7.34	\$ 7.51	\$ 7.43	\$ 7.32

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Commercial, Industrial, Utilities and Mining	\$ 1,124,168,415	\$ 1,188,354,335	\$ 1,221,801,653	\$ 1,143,811,906	\$ 1,118,258,896
Agricultural and Vacant	124,964,505	139,480,103	143,744,584	145,829,986	115,601,397
Residential (Owner Occupied)	1,640,031,268	1,887,895,526	2,032,583,387	2,050,227,168	1,753,984,903
Residential (Rental)	483,574,300	531,796,567	537,352,863	511,313,599	429,891,517
Railroad, Private Cars and Airlines	2,258,002	2,404,131	2,458,899	2,704,690	2,842,410
Historical Property	30,856,368	34,061,136	32,305,977	32,162,664	23,244,874
Certain Government Property Improvements	81,418				
<b>Total</b>	<b>\$ 3,405,934,276</b>	<b>\$ 3,783,991,798</b>	<b>\$ 3,970,247,363</b>	<b>\$ 3,886,050,013</b>	<b>\$ 3,443,823,997</b>
Gross Full Cash Value	\$ 32,819,636,555	\$ 35,625,457,918	\$ 36,172,563,620	\$ 34,951,711,743	\$ 30,190,092,265
Ratio of Net Full Cash Value to Gross Full Cash Value	10.38%	10.62%	10.98%	11.12%	11.41%
Estimated Net Full Cash Value	\$ 26,913,096,088	\$ 29,972,254,012	\$ 31,837,049,988	\$ 31,407,365,957	\$ 27,149,413,235
Total Direct Rate	\$ 6.95	\$ 6.30	\$ 6.07	\$ 6.57	\$ 7.05

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

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

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

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Commercial, Industrial, Utilities and Mining	18 %	19 %	19 %	20 %	20 %
Agricultural and Vacant	15	16	16	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	14	15	16	15	15

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Commercial, Industrial, Utilities and Mining	20 %	21 %	22 %	23 %	24 %
Agricultural and Vacant	16	16	16	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	15	17	18	20	21

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

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

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

Fiscal Year Ended June 30	Overlapping Rates										District Direct Rates		
	State	County	County Free Library	Flood Control District	Community College District	Fire District Assistance	Central Arizona Water	City of Tucson	City of South Tucson	Primary	Secondary	Total	
	Equalization	County	Library	District	District	Assistance	Water	Tucson	Tucson	Primary	Secondary	Total	
2017	0.50	4.98	0.52	0.33	1.37	0.05	0.14	1.60	0.25	6.38	0.74	7.12	
2016	0.51	5.09	0.52	0.31	1.37	0.05	0.14	1.60	0.25	6.52	0.82	7.34	
2015	0.51	4.98	0.44	0.30	1.33	0.05	0.14	1.46	0.25	6.80	0.71	7.51	
2014	0.51	4.45	0.38	0.26	1.29	0.05	0.14	1.43	2.98	6.01	1.43	7.43	
2013	0.00	4.20	0.35	0.26	1.17	0.04	0.10	1.26	2.76	6.08	1.24	7.32	
2012	0.00	4.20	0.35	0.26	1.11	0.04	0.10	1.16	2.66	5.47	1.48	6.95	
2011	0.00	4.06	0.31	0.26	1.08	0.04	0.10	0.96	0.20	5.05	1.25	6.30	
2010	0.00	4.02	0.26	0.26	1.08	0.04	0.10	0.93	0.20	4.94	1.13	6.07	
2009	0.00	4.00	0.34	0.29	1.14	0.04	0.10	0.96	0.21	5.36	1.21	6.57	
2008	0.00	4.29	0.40	0.34	1.19	0.04	0.10	1.13	0.23	5.75	1.30	7.05	

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



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

<u>Taxpayer</u>	<u>2017</u>		<u>2008</u>	
	<u>Net Limited Assessed Valuation</u>	<u>Percentage of District's Net Limited Assessed Valuation</u>	<u>Net Limited Assessed Valuation</u>	<u>Percentage of District's Net Full Cash Valuation</u>
Unisource Energy Corporation	\$ 66,358,255	2.15 %	\$ 40,623,192	1.18 %
Southwest Gas Corporation	24,105,239	0.78	27,563,225	0.80
SMSJ Tucson Holdings LLC	23,529,622	0.76		
Qwest Communications	21,358,908	0.69	48,733,257	1.42
Starr Pass Resort Developments LLC	10,709,666	0.35	15,889,377	0.46
WC Partners et al (Williams Center)	8,053,301	0.26	7,788,357	0.23
TMC Holdings Inc	7,892,064	0.26		
El Con Shopping Center	7,543,800	0.24	9,418,041	0.27
AT&T Mobility LLC	6,931,730	0.22		
Park Place Shopping Center	6,449,185	0.21	16,918,800	0.49
Wal-Mart Stores, Inc.			5,457,201	0.16
HUB Properties			6,404,625	0.19
Marshall Foundation			6,468,158	0.19
Total	<u>\$ 182,931,770</u>	<u>5.92 %</u>	<u>\$ 185,264,233</u>	<u>5.39 %</u>

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

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

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

<b>Fiscal Year Ended June 30</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Fiscal Years</b>	<b>Collected to the End of the Current Fiscal Year</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2017	\$ 175,019,179	\$ 169,670,800	96.94 %	\$	\$ 169,670,800	96.94 %
2016	180,517,207	172,697,266	95.67	7,092,094	179,789,360	99.60
2015	182,457,545	174,547,250	95.66	7,073,509	181,620,759	99.54
2014	196,991,408	188,246,693	95.56	8,040,104	196,286,797	99.64
2013	211,182,909	201,863,709	95.59	8,517,358	210,381,067	99.62
2012	208,831,937	199,284,574	95.43	9,165,364	208,449,938	99.82
2011	187,871,554	175,768,632	93.56	9,025,224	184,793,856	98.36
2010	179,853,772	171,331,961	95.26	8,247,509	179,579,470	99.85
2009	183,939,765	176,305,975	95.85	7,495,105	183,801,080	99.92
2008	180,563,077	173,169,013	95.90	7,360,632	180,529,645	99.98

**Source:** The source of this information is the 2017 Pima County Treasurer's records.

**Notes:** 1) Amounts collected are on a cash basis.

2) Unsecured personal property taxes are not included in this schedule because the dates of the monthly rolls vary each year. On the average, 90% of unsecured property taxes are collected within 90 days after the due date.

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

Fiscal Year Ended June 30	General Obligation Bonds					Total Outstanding Debt				
	General Obligation Bonds	Less: Amounts Restricted for Principal	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Capital Leases	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Percentage of Personal Income
2017	\$ 163,266,104	\$ 6,950,333	\$ 156,315,771	0.46 %	\$ 295	\$ 30,873,423	\$ 194,139,527	0.57 %	\$ 366	N/A %
2016	174,496,634	6,258,790	168,237,844	0.52	318	38,681,239	213,177,873	0.66	402	1.75
2015	190,064,802	3,760,236	186,304,566	0.61	352	47,666,652	237,731,454	0.77	449	2.02
2014	205,247,538	5,384,563	199,862,975	0.66	422	23,816,502	229,064,040	0.76	484	2.45
2013	242,508,469	9,582,846	232,925,623	0.74	490	14,555,055	257,063,524	0.81	541	2.46
2012	278,767,431	16,538,166	262,229,265	0.80	554	11,982,245	290,749,676	0.89	614	2.66
2011	312,128,142	14,136,565	297,991,577	0.84	771	5,136,279	317,264,421	0.89	821	2.96
2010	265,770,552	13,599,040	252,171,512	0.70	603	7,255,971	273,026,523	0.75	653	3.88
2009	295,628,919	12,394,579	283,234,340	0.81	580	3,180,587	298,809,506	0.85	612	0.85
2008	269,532,016	10,557,977	258,974,039	0.86	497	3,726,540	273,258,556	0.91	525	0.81

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

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

**TUCSON UNIFIED SCHOOL DISTRICT NO. 1**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**JUNE 30, 2017**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Overlapping:			
Pima County	\$ 344,620,000	40.99 %	\$ 141,259,738
Pima College District	None	40.16	None
City of Tucson	432,610,000	96.99	419,588,439
Subtotal, Overlapping Debt			<u>560,848,177</u>
Direct:			
Tucson Unified School District No. 1		100.00	<u>194,139,527</u>
Total Direct and Overlapping Governmental Activities Debt			<u><u>\$ 754,987,704</u></u>

**DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS**

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation		5.07 %
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 1,353	
As a Percentage of Net Limited Assessed Valuation		23.28 %
As a Percentage of Gross Full Cash Value		2.10 %

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

- Notes:**
- 1) Estimated percentage of debt outstanding applicable to the District is calculated based on a portion of the District's net limited assessed valuation as a percentage of the net limited assessed valuation of the overlapping jurisdiction.
  - 2) Outstanding debt as of June 30, 2016 is presented for the overlapping governments as this is the most recent available information.

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

**Class B Bond Legal Debt Margin Calculation for Fiscal Year 2017:**

Net full cash assessed valuation	\$ 3,289,672,158
Debt limit (20% of assessed value)	657,934,432
Debt applicable to limit	<u>148,185,000</u>
Legal debt margin	<u>\$ 509,749,432</u>

**Total Legal Debt Margin Calculation for Fiscal Year 2017:**

Net full cash assessed valuation	\$ 3,289,672,158
Debt limit (30% of assessed value)	986,901,647
Debt applicable to limit	<u>148,185,000</u>
Legal debt margin	<u>\$ 838,716,647</u>

**Fiscal Year Ended June 30**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Debt Limit	\$ 986,901,647	\$ 943,987,892	\$ 908,609,638	\$ 908,806,923	\$ 979,295,034
Total net debt applicable to limit	<u>148,185,000</u>	<u>168,855,000</u>	<u>183,665,000</u>	<u>197,970,000</u>	<u>235,045,000</u>
Legal debt margin	<u>\$ 838,716,647</u>	<u>\$ 775,132,892</u>	<u>\$ 724,944,638</u>	<u>\$ 710,836,923</u>	<u>\$ 744,250,034</u>
Total net debt applicable to the limit as a percentage of debt limit	15%	18%	20%	22%	24%

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Debt Limit	\$ 1,021,780,283	\$ 1,135,197,539	\$ 1,191,074,209	\$ 1,165,815,004	\$ 1,033,147,199
Total net debt applicable to limit	<u>270,675,000</u>	<u>306,905,000</u>	<u>265,260,000</u>	<u>295,085,000</u>	<u>268,955,000</u>
Legal debt margin	<u>\$ 751,105,283</u>	<u>\$ 828,292,539</u>	<u>\$ 925,814,209</u>	<u>\$ 870,730,004</u>	<u>\$ 764,192,199</u>
Total net debt applicable to the limit as a percentage of debt limit	26%	27%	22%	25%	26%

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

- Notes:** 1) The District's general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds outstanding and the statutory debt limit on Class B bonds outstanding. The calculations of the debt margins are presented in detail for the current fiscal year only.
- 2) Prior to FY17, net bond premium was restricted by amount and not subject to the statutory debt limit. Beginning with FY17, any

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

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands)</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>	<u>Estimated District Population</u>
2016	1,013,103	\$ N/A	\$ N/A	4.9 %	529,989
2015	1,009,371	38,922,402	38,536	5.6	529,845
2014	1,007,162	37,198,714	37,031	6.2	529,336
2013	996,554	36,935,363	37,063	7.0	473,481
2012	992,394	36,058,871	36,335	7.2	475,000
2011	986,081	34,931,620	35,371	8.4	473,600
2010	980,263	33,766,590	34,987	9.5	386,588
2009	1,018,012	33,573,864	33,833	8.3	418,074
2008	1,012,018	35,259,120	34,058	5.1	488,100
2007	1,003,235	33,572,826	31,755	3.7	520,556

**Sources:** The source of the "Personal Income" and "Per Capita" information is the Bureau of Economic Analysis. The source of the "Population" and "Unemployment Rate" information from 2007 through 2010 is the University of Arizona, Eller College of Management, Economic and Business Research Center. For 2011 through 2016, the source of the information is the Arizona Office of Employment and Population Statistics.

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

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

<b>Employer</b>	<b>2017</b>		<b>2008</b>	
	<b>Employees</b>	<b>Percentage of Total Employment</b>	<b>Employees</b>	<b>Percentage of Total Employment</b>
University of Arizona	13,160	2.95 %	10,355	2.32 %
Davis Monthan AFB	10,630	2.38	8,235	
Raytheon Missile Systems	10,620	2.38	11,185	2.50
Pima County	6,710	1.50	7,290	1.63
Banner-University Medicine	6,210	1.39		
Tucson Unified School District	5,966	1.34		
City of Tucson	4,370	0.98	5,850	1.31
Wal-Mart Stores, Inc.	4,200	0.94	5,625	1.26
Tucson Medical Center	3,820	0.86		
Veterans Health Administration	3,240	0.73		
State of Arizona			9,930	2.22
Freeport-McMoran Mining			4,900	1.10
ASARCO LLC			1,950	0.44
International Business Machines Corp.			1,750	0.39
<b>Total</b>	<b>68,926</b>	<b>15.45 %</b>	<b>67,070</b>	<b>13.17 %</b>
<b>Total employment</b>	<b>446,600</b>		<b>446,600</b>	

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

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

	<b>Full-time Equivalent Employees as of June 30</b>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>Supervisory</b>					
Administrators	45	46	50	49	41
Principals	83	85	78	82	87
Assistant principals	45	47	42	43	55
Total supervisory	<u>173</u>	<u>178</u>	<u>170</u>	<u>174</u>	<u>183</u>
<b>Instruction</b>					
Teachers	2,574	2,364	2,454	2,536	2,764
Other professionals (instructional)	47	119	190	110	130
Aides	542	567	550	523	549
Total instruction	<u>3,163</u>	<u>3,050</u>	<u>3,194</u>	<u>3,169</u>	<u>3,443</u>
<b>Student Services</b>					
Nurses	35	41	40	41	41
Counselors/Advisors	89	81	75	71	84
Speech Clinicians	69	71	67	57	60
Librarians	17	11	10	14	34
Other	624	472	570	472	465
Total student services	<u>834</u>	<u>676</u>	<u>762</u>	<u>655</u>	<u>684</u>
<b>Support and Administration</b>					
Facilities Maintenance	172	160	241	155	189
Custodians	253	252	155	236	286
Bus Drivers/ Monitors	351	321	312	321	375
Food Service workers	174	198	185	189	181
Other classified	846	819	732	739	809
Total support and administration	<u>1,796</u>	<u>1,750</u>	<u>1,625</u>	<u>1,640</u>	<u>1,840</u>
<b>Total</b>	<u><u>5,966</u></u>	<u><u>5,654</u></u>	<u><u>5,751</u></u>	<u><u>5,638</u></u>	<u><u>6,150</u></u>

(Continued)



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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<b>Supervisory</b>					
Administrators	46	43	36	46	48
Principals	92	92	89	90	99
Assistant principals	48	44	51	67	72
Total supervisory	<u>186</u>	<u>179</u>	<u>176</u>	<u>203</u>	<u>219</u>
<b>Instruction</b>					
Teachers	2,845	2,854	3,068	3,291	3,406
Other professionals (instructional)	118	86	71	71	131
Aides	583	595	621	564	568
Total instruction	<u>3,546</u>	<u>3,535</u>	<u>3,760</u>	<u>3,926</u>	<u>4,105</u>
<b>Student Services</b>					
Nurses	45	34	47		
Counselors/Advisors	57	72	109		
Speech Clinicians	45	49	55		
Librarians	23	25	45	74	83
Other	446	340	372	767	713
Total student services	<u>616</u>	<u>520</u>	<u>628</u>	<u>841</u>	<u>796</u>
<b>Support and Administration</b>					
Facilities Maintenance	201	196	195		
Custodians	316	307	325	333	323
Bus Drivers/ Monitors	369	383	391	466	473
Food Service workers	194	203	218	253	255
Other classified	827	876	826	977	1,036
Total support and administration	<u>1,907</u>	<u>1,965</u>	<u>1,955</u>	<u>2,029</u>	<u>2,087</u>
<b>Total</b>	<u><u>6,255</u></u>	<u><u>6,199</u></u>	<u><u>6,519</u></u>	<u><u>6,999</u></u>	<u><u>7,207</u></u>

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

**(Concluded)**

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

<b>Fiscal Year Ended June 30</b>	<b>Average Daily Membership</b>	<b>Operating Expenditures</b>	<b>Cost per Pupil</b>	<b>Percentage Change</b>	<b>Expenses</b>	<b>Cost per Pupil</b>	<b>Percentage Change</b>	<b>Teaching Staff</b>	<b>Pupil-Teacher Ratio</b>	<b>Percentage of Free/Reduced Students</b>
2017	44,560	\$ 417,338,188	\$ 9,366	11.41 %	\$ 433,095,408	\$ 9,719	6.71 %	3,163	14.1	71.0 %
2016	45,870	385,608,659	8,407	1.51	417,789,123	9,108	0.01	3,050	15.0	75.0
2015	45,802	379,294,386	8,281	1.43	417,137,725	9,107	(1.68)	3,194	14.3	74.9
2014	46,597	380,435,722	8,164	(4.24)	431,627,700	9,263	(1.50)	3,169	14.7	73.0
2013	48,342	412,148,139	8,526	(0.47)	454,601,997	9,404	(2.46)	3,443	14.0	72.0
2012	49,036	420,026,187	8,566	4.64	472,773,958	9,641	5.59	3,546	13.8	71.5
2011	50,261	411,423,953	8,186	(1.09)	458,910,854	9,131	2.47	3,535	14.2	68.6
2010	52,836	437,265,757	8,276	0.63	470,795,556	8,911	(4.18)	3,760	14.1	67.1
2009	54,186	445,611,442	8,224	(0.11)	503,888,557	9,299	(0.21)	3,926	13.8	63.3
2008	55,736	458,881,695	8,233	2.48	519,373,369	9,318	7.53	4,105	13.6	64.8
2007	57,118	458,881,695	8,034	#DIV/0!	494,989,071	8,666	#DIV/0!			

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

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

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

	<b>Fiscal Year Ended June 30</b>									
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<b><u>Schools</u></b>										
<b>Elementary</b>										
Buildings	493	519	519	519	519	596	579	579	579	579
Square feet	2,557,066	2,750,849	2,750,849	2,750,849	2,750,849	3,617,427	3,549,471	3,549,471	3,549,471	3,549,471
Capacity	26,220	31,600	31,600	31,600	31,600	36,490	32,370	32,370	32,370	31,620
Enrollment	21,543	22,095	22,619	22,619	22,619	23,231	28,231	28,231	28,231	29,413
<b>Middle</b>										
Buildings	126	126	126	126	126	126	120	120	120	120
Square feet	1,823,702	1,823,702	1,823,702	1,823,702	1,823,702	1,943,292	1,726,343	1,726,343	1,726,343	1,726,343
Capacity	20,850	20,850	20,850	20,850	20,850	20,850	14,115	14,115	14,115	14,115
Enrollment	10,067	10,152	12,816	12,816	12,816	13,448	12,092	12,092	12,092	12,486
<b>High</b>										
Buildings	118	118	118	118	118	118	110	110	110	110
Square feet	3,411,819	3,411,819	3,411,819	3,411,819	3,411,819	3,411,819	3,272,318	3,272,318	3,272,318	3,272,318
Capacity	21,575	21,575	21,575	21,575	21,575	21,575	18,670	18,670	18,670	18,670
Enrollment	14,253	14,214	14,404	14,404	14,404	14,647	16,790	16,790	16,790	16,010
<b>Other</b>										
Buildings	104	92	93	94	94	28	28	28	28	28
Square feet	506,841	3,397,120	428,082	453,143	453,143	113,288	113,288	113,288	113,288	113,288
Capacity	2,625	675	675	675	675	300	300	300	300	300
Enrollment	174	174	174	174	174	250	250	250	250	193
<b><u>Administrative</u></b>										
Buildings	91	91	91	91	90	89	89	89	89	89
Square feet	460,301	460,301	460,301	460,301	443,496	410,510	410,510	410,510	410,510	410,510

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

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**TUCSON UNIFIED**  
SCHOOL DISTRICT

1010 E 10th Street • Tucson, Arizona 85719