
PRESCOTT UNIFIED SCHOOL DISTRICT NO. 1

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2021



PRESCOTT UNIFIED SCHOOL DISTRICT NO. 1

PRESCOTT, ARIZONA

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

Issued by:
Business Services Department

PRESCOTT UNIFIED SCHOOL DISTRICT NO. 1

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INTRODUCTORY SECTION

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PRESCOTT UNIFIED SCHOOL DISTRICT NO. 1

300 E. Gurley, Prescott, Arizona 86301

(928) 445-5400



December 29, 2021

Citizens and Governing Board
Prescott Unified School District No. 1
300 East Gurly Street
Prescott, Arizona 86301

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

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

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

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

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

PROFILE OF THE DISTRICT

The District is one of twenty-three public school districts located in Yavapai County, Arizona. It provides a program of public education from preschool through grade twelve, with an estimated current enrollment of 3,509 students.

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

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

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

The District is located in Central Yavapai County, Arizona. Its boundaries encompass an area of approximately 283 square miles. The City of Prescott, which is the Yavapai County seat, is located entirely within the District. The average age of the District's school buildings is 70 years.

The District's complexion is primarily rural in nature. The economy of the area is based on governmental activity, manufacturing, lumbering, agriculture, commerce, construction, and tourism. Governmental activity includes the City of Prescott as the County seat, the Veterans Administration Center and headquarters for the Prescott National Forest. Lumbering involves a portion of a 1.25 million acre tract of forest managed by the Prescott National Forest. Agricultural activities consist of cattle and sheep ranching. Commerce includes Prescott as a regional trade center for North Central Arizona. Construction activity continues at a steady pace each year. Tourism is encouraged by many historic and scenic landmarks. In addition, tourists may enjoy the many hiking trails and lakes for fishing and picnicking. Major annual events include Prescott Frontier Days, the Bluegrass Festival, Fourth of July Parade, as well as arts and craft shows on the Courthouse Plaza throughout the summer months, and the annual Courthouse Lighting Ceremony at Christmas time.

Yavapai County is the second fastest growing county in Arizona. The City of Prescott is the largest urban area within the county with a 2020 estimated population of about 45,827. The city's growth has been steady at about 4 percent for the past decade and is expected to continue at that rate. More than 100,000 people reside in the tri-city area which includes Prescott, Prescott Valley and Chino Valley. The majority of these residents live within a 10-mile radius of downtown Prescott.

The following is a list of major initiatives achieved by the District through fiscal year 2020-21:

- Developed a "Return to School" district plan for safe in-person learning, as well as benchmarks indicating distance learning was needed.
- While in hybrid or full distance learning models, PUSD continued to provide breakfast and lunch meals to students and community through a curbside pickup model.
- Developed tools and teaching strategies for remote learning.
- Rapidly put in place mitigating measures to safely provide in-person learning when metrics allows in-person learning.
- Provided COVID testing for students and community members through after-school COVID testing at our schools.
- Expanding our Preschool program by housing a preschool at every elementary as well as the central Discovery Gardens location.
- Provided a full distance learning model for parents who didn't want their child to be at the brick and mortar school setting.
- Provided a school setting for students whose parents couldn't be at home with them during distance learning days.
- Started the process to adopt a Sexual Health Education curriculum for grades 5, 7, and 9.
- Started the process to adopt and implement a K-4 ELA curriculum.

The following is a list of projects that the District is working on for future fiscal years:

- Complete the process to adopt and implement a Sexual Health Education Curriculum for Grades 5, 7 & 9
- Complete the process to adopt and implement a K-4 ELA Curriculum
- Train all new teachers in Capturing Kids Hearts and Classroom Instruction That works
- Teachers are using a variety of strategies to help students become personally invested in and take ownership of their learning
- All of our schools have built in time for interventions and enrichment during the day
- PUSD Everywhere Online School now available for students in grades K-12
- Provide cooperative learning training: Kagan to 100 teachers
- Expand our intervention support for 7-8 grade math by partnering with ASU: Math Momentum grant
- Build capacity in social emotional learning at the classroom level
- Institute instructional practices that can be used across the grade levels to impact student achievement: close reading, mathematical practices, and Classroom Instruction that Works
- Provide Capturing Kids Hearts Training & institute the program at the high school level
- Based upon the ITM model, implement a online school called “PUSD Everywhere”
- Begin curriculum adoption for new social studies curriculum
- Expand Instructional Outreach program
- Develop and institute Teacher Certification Program in PUSD
- Start the process to adopt 5th-12th ELA Curriculum
- Provide IT support, bus driver training, and bus maintenance/repairs to neighboring smaller districts

The annual expenditure budget serves as the foundation for the District’s financial planning and control. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual expenditure budget approved by the District’s Governing Board. The expenditure budget is prepared by fund for all Governmental Funds, and includes function and object code detail for the General Fund, and some Special Revenue and Capital Projects Funds. The legal level of budgetary control (that is, the level at which expenditures cannot exceed the appropriated amount) is established at the individual fund level for all funds. Funds that are not required to legally adopt a budget may have overexpenditures 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 the broader perspective of the specific environment within which the District operates.

Local Economy. The unemployment rate in Prescott is 3.4 percent whereas the national average is 6.9 percent. The total new residential permits issued are 431, which is greater from one year ago. Gross taxable sales in Prescott are also up by almost 14.4 percent.

Long-term Financial Planning. The Prescott Unified School District No. 1 had a student population of 3,509. Student populations are expected to remain flat in the upcoming year.

District Administration works closely with the Governing Board, Interest Based Team and the community in financial planning. Those groups helped pass the District's override and bond to supplement the budget. They also work in communicating to various Arizona Legislators the financial needs of the District. The District has a three year plan for the maintenance of facilities.

AWARDS AND ACKNOWLEDGMENTS

Awards. The Association of School Business Officials (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its annual comprehensive financial report for the fiscal year ended June 30, 2020. This was the 29th consecutive year that the District has received this prestigious award. In addition, the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its annual comprehensive financial report for the fiscal year ended June 30, 2020. In order to be awarded these certificates, the District published an easily readable and efficiently organized annual comprehensive financial report.

This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

These certificates are valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the programs' requirements and we are submitting it to ASBO and GFOA to determine its eligibility for the fiscal year ended June 30, 2021 certificates.

- Kelli Bradstreet won the Chamber of Commerce Business Awards - 2021 Educator of the Year
- Prescott High Schools girl's cross country team won the State Championship
- Girl's soccer and boy's cross country teams were State Champion Runner Ups
- Mountain biking ranked third in the state

Acknowledgments. The preparation of the annual comprehensive financial report on a timely basis was made possible by the dedicated service of the entire staff of the business 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,



Joe Howard
Superintendent



Brian Moore
Chief Financial Officer



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

Prescott Unified School District 1

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

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



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

W. Edward Chabal
President

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

David J. Lewis
Executive Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

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

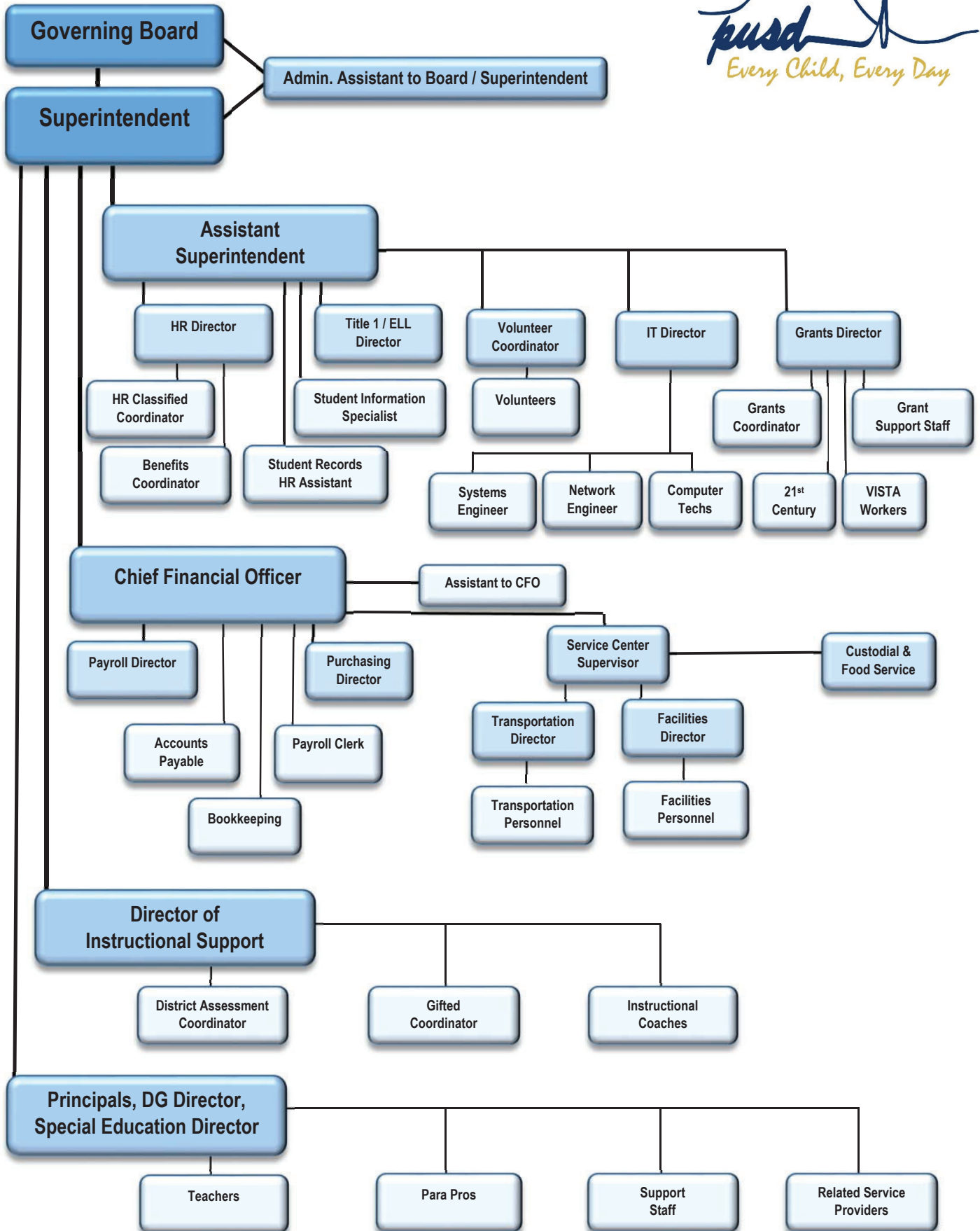
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

Organizational Chart 2020-2021



PRESCOTT UNIFIED SCHOOL DISTRICT NO. 1

LIST OF PRINCIPAL OFFICIALS

GOVERNING BOARD

Mrs. Deb Dillon, President

Mr. Andy Fraher, Vice President

Dr. Connie Donovan, Member

Mrs. Kara Woods, Member

Mrs. Sarah Vincent, Member

ADMINISTRATIVE STAFF

Joe Howard, Superintendent

Mardi Read, Assistant Superintendent

Brian Moore, Chief Financial Officer

Clark Tenney, Director of Human Resources

Kelli Bradstreet, Director of Instructional Support

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FINANCIAL SECTION

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Independent Auditor's Report

Governing Board
Prescott Unified School District No. 1

Report on Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Prescott Unified School District No. 1 (District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Prescott Unified School District No. 1, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Prescott Unified School District No. 1 and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Combining and Individual Fund Financial Statements and Schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining and Individual Fund Financial Statements and Schedules information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section and Statistical Section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on other work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2021, on our consideration of Prescott Unified School District No. 1's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Prescott Unified School District No. 1's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Prescott Unified School District No. 1's internal control over financial reporting and compliance.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Scottsdale, Arizona
December 29, 2021

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

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

As management of the Prescott Unified School District (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2021. The management's discussion and analysis is presented as required supplementary information to supplement the basic financial statements. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

FINANCIAL HIGHLIGHTS

- The District's total net position of governmental activities increased \$2.4 million which represents an 12 percent increase from the prior fiscal year as a result of an increase in operating grants and contributions from COVID-19 related grants, as well as an increase in property tax revenues.
- General revenues accounted for \$30.2 million in revenue, or 75 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$9.8 million or 25 percent of total current fiscal year revenues.
- The District had approximately \$37.5 million in expenses related to governmental activities, an increase of eight percent from the prior fiscal year.
- Among major funds, the General Fund had \$26.9 million in current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$25.0 million in expenditures. The General Fund's fund balance increase from \$8.7 million at the prior fiscal year end to \$10.7 million at the end of the current fiscal year was primarily due to using COVID-19 relief grant monies to pay for \$1.1 million of teacher's salaries instead of General Fund monies, thus increasing the District's carryforward. In addition, the District had decreased spending due to the District being closed for part of the year due to COVID-19.
- Net position for the Internal Service Fund increased \$12,488 from the prior fiscal year. There were no operating revenues or expenses during the current fiscal year.

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

OVERVIEW OF FINANCIAL STATEMENTS

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 employee benefit trust. Because this service predominantly benefits governmental functions, it has been included within governmental activities in the government-wide financial statements. The Employee Benefit Trust, although a legally separate component unit, functions for all employees of the District, and therefore has been included as an internal service fund.

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$22.8 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.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table presents a summary of the District's net position for the fiscal years ended June 30, 2021 and June 30, 2020.

	As of June 30, 2021	As of June 30, 2020
Current assets	\$ 19,543,543	\$ 18,679,811
Capital assets, net	39,134,021	38,505,234
Total assets	<u>58,677,564</u>	<u>57,185,045</u>
Deferred outflows	<u>5,426,696</u>	<u>3,112,865</u>
Current and other liabilities	674,003	406,061
Long-term liabilities	40,263,268	37,738,036
Total liabilities	<u>40,937,271</u>	<u>38,144,097</u>
Deferred inflows	<u>391,040</u>	<u>1,805,399</u>
Net position:		
Net investment in capital assets	29,392,750	29,273,651
Restricted	8,533,494	8,330,228
Unrestricted	(15,150,295)	(17,255,465)
Total net position	<u>\$ 22,775,949</u>	<u>\$ 20,348,414</u>

At the end of the current fiscal year, the District reported a negative unrestricted net position of \$15.2 million due primarily to the District's proportionate share of the state pension plan's unfunded liability. Positive net position was reported in the other two categories. The same situation held true for the prior fiscal year.

The District's financial position is the product of several financial transactions including the net result of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets. The following are significant current year transactions that had an impact on the Statement of Net Position.

- The principal retirement of \$1.1 million of bonds.
- The addition of \$3.3 million in capital assets through school improvements and purchases of vehicles, furniture and equipment.
- The increase of \$3.9 million in pension liabilities due to changes in estimates and payments.

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

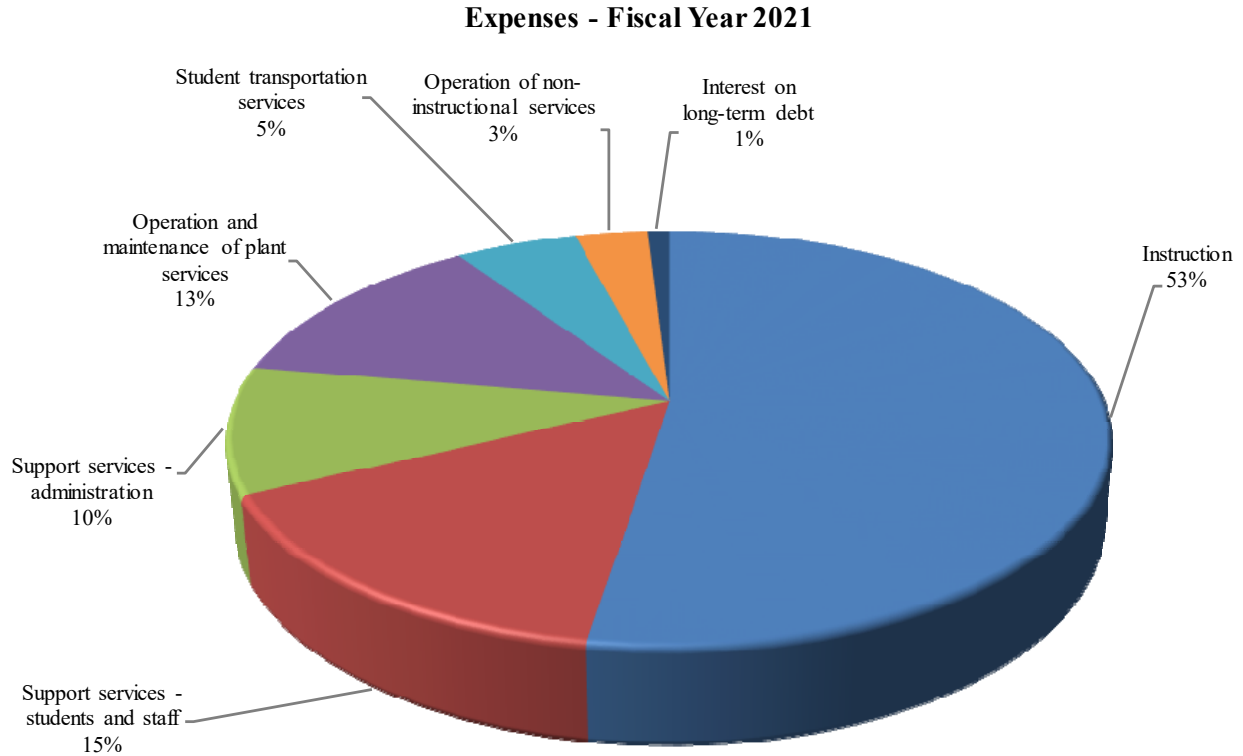
GOVERNMENT-WIDE FINANCIAL ANALYSIS

Changes in net position. The District's total revenues for the current fiscal year were \$40.0 million. The total cost of all programs and services was \$37.5 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2021 and June 30, 2020.

	Fiscal Year Ended June 30, 2021	Fiscal Year Ended June 30, 2020
Revenues:		
Program revenues:		
Charges for services	\$ 1,613,076	\$ 2,239,483
Operating grants and contributions	5,924,502	4,226,576
Capital grants and contributions	2,273,069	1,037,429
General revenues:		
Property taxes	21,170,137	19,691,453
Investment income	66,152	271,234
Unrestricted state aid	8,519,590	8,113,003
Unrestricted federal aid	407,453	579,975
Total revenues	<u>39,973,979</u>	<u>36,159,153</u>
Expenses:		
Instruction	19,708,947	17,850,162
Support services - students and staff	5,801,055	5,591,414
Support services - administration	3,672,919	3,498,549
Operation and maintenance of plant services	4,837,233	4,415,200
Student transportation services	1,993,299	1,757,579
Operation of non-instructional services	1,186,625	1,306,040
Interest on long-term debt	346,366	270,532
Total expenses	<u>37,546,444</u>	<u>34,689,476</u>
Changes in net position	2,427,535	1,469,677
Net position, beginning	20,348,414	18,878,737
Net position, ending	<u>\$ 22,775,949</u>	<u>\$ 20,348,414</u>

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS



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

- Instruction expenses increased \$1.9 million primarily as a result of a five percent raise for all employees and purchases of equipment and technology needed for distance learning.
- Operating grants and contributions increased \$1.7 million primarily due to COVID-19 related grants.
- Capital grants and contributions increased \$1.2 million primarily due to capital projects being funded by the School Facilities Board.

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.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

	Year Ended June 30, 2021		Year Ended June 30, 2020	
	Total	Net (Expense)/	Total	Net (Expense)/
	Expenses	Revenue	Expenses	Revenue
Instruction	\$ 19,708,947	\$ (12,816,187)	\$ 17,850,162	\$ (13,444,872)
Support services - students and staff	5,801,055	(4,772,732)	5,591,414	(3,997,412)
Support services - administration	3,672,919	(3,541,566)	3,498,549	(3,424,776)
Operation and maintenance of plant services	4,837,233	(4,512,968)	4,415,200	(4,181,938)
Student transportation services	1,993,299	(1,912,628)	1,757,579	(1,730,415)
Operation of non-instructional services	1,186,625	93,505	1,306,040	(215,294)
Interest on long-term debt	346,366	(273,221)	270,532	(191,281)
Total	\$ 37,546,444	\$ (27,735,797)	\$ 34,689,476	\$ (27,185,988)

- The cost of all governmental activities this year was \$37.5 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$9.8 million.
- Net cost of governmental activities of \$27.7 million was financed by general revenues, which are made up of primarily property taxes of \$21.2 million and state and federal aid of \$8.9 million. Investment earnings accounted for \$66,152 of funding.

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 \$17.5 million, a decrease of \$392,633 primarily due to decreased enrollment and decreased funding due to distance learning adjustment.

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

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The General Fund comprises 61 percent of the total fund balance. Approximately \$8.1 million, or 76 percent of the General Fund's fund balance is unassigned.

The General Fund is the principal operating fund of the District. The increase in fund balance of \$2.0 million to \$10.7 million as of fiscal year end was due to using COVID-19 grant monies to pay for teacher salaries and benefits that would have been normally paid from the General Fund. General Fund revenues increased \$1.3 million primarily as a result of budgeting for an increased ADM from the prior year. General Fund expenditures decreased \$1.8 million due to using COVID-19 related grants for expenditures that are normally paid from the General Fund.

The Title I Grants Fund's fund balance decreased \$207,481 due primarily to outstanding grant reimbursements.

The Other Federal Projects Funds' fund balance decreased \$611,449 due primarily to outstanding grant reimbursements.

Proprietary funds. Unrestricted net position of the Internal Service Funds at the end of the fiscal year amounted to \$140,191. The increase of \$12,488 from the prior fiscal year was not significant.

BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the General Fund annual expenditure budget for changes in changes in student enrollment, anticipated costs, and budget capacity. The difference between the original budget and the final amended budget was a \$413,822 decrease, or one percent.

Significant variances for the final amended budget and actual revenues resulted from the District not being required by the State of Arizona to prepare a revenue budget. A schedule showing the original and final budget amounts compared to the District's actual financial activity for the General Fund is provided in this report as required supplementary information. The significant favorable variances of \$3.1 million in instruction, \$539,017 in operation and maintenance of plant services, and \$378,035 in student transportation services expenditures were a result of \$3.8 million of Maintenance and Operation carryforward budgeted from the prior fiscal year. Actual expenditures in the current fiscal year were less than budgeted expenditures.

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

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District had invested \$80.8 million in capital assets, including school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. This amount represents a net increase prior to depreciation of \$3.3 million from the prior fiscal year, primarily due to parking lots, roofing, windows, and doors renovations. Total depreciation expense for the current fiscal year was \$2.7 million.

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2021 and June 30, 2020.

	As of June 30, 2021	As of June 30, 2020
Capital assets - non-depreciable	\$ 3,443,697	\$ 1,843,727
Capital assets - depreciable, net	35,690,324	36,661,507
Total	\$ 39,134,021	\$ 38,505,234

The estimated cost to complete current construction projects is \$107,919.

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

Debt Administration. At year end, the District had \$11.6 million in long-term debt outstanding, \$1.5 million due within one year. Long-term debt decreased by \$1.4 million primarily due to principal payments during the current year.

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 \$393.2 million and the Class B debt limit is \$262.1 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 8 through 10.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Many factors were considered by the District's administration during the process of developing the fiscal year 2021-22 budget. Among them:

- Fiscal year 2020-21 budget balance carry forward (estimated \$3.2 million).
- District student population (estimated 3,589).
- Employee salaries (estimated \$17.8 million).

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 6% percent to \$29.3 million in fiscal year 2021-22. An expected increase in average daily membership is the primary reason for the increase. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2021-22 budget.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Business Services Department, Prescott Unified School District No. 1, 300 East Gurley Street, Prescott, Arizona, 86301.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 16,213,785
Property taxes receivable	322,866
Accounts receivable	24,000
Due from governmental entities	2,982,892
Total current assets	19,543,543
Noncurrent assets:	
Capital assets not being depreciated	3,443,697
Capital assets, net of accumulated depreciation	35,690,324
Total noncurrent assets	39,134,021
Total assets	58,677,564
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Pension plan items	5,426,696
 <u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	616,114
Construction contracts payable	18,155
Compensated absences payable	133,333
Unearned revenues	39,734
Obligations under capital leases	143,000
Bonds payable	1,320,000
Total current liabilities	2,270,336
Noncurrent liabilities:	
Non-current portion of long-term obligations	38,666,935
Total noncurrent liabilities	38,666,935
Total liabilities	40,937,271
 <u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension plan items	391,040
 <u>NET POSITION</u>	
Net investment in capital assets	29,392,750
Restricted for:	
Instruction	1,484,804
Food service	544,852
Non-instructional purposes	2,507,796
Debt service	252,110
Capital outlay	3,743,932
Unrestricted	(15,150,295)
Total net position	\$ 22,775,949

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

**PRESCOTT UNIFIED SCHOOL DISTRICT NO. 1
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Instruction	\$ 19,708,947	\$ 1,191,852	\$ 3,427,839	\$ 2,273,069	\$ (12,816,187)
Support services - students and staff	5,801,055	106,513	921,810		(4,772,732)
Support services - administration	3,672,919		131,353		(3,541,566)
Operation and maintenance of plant services	4,837,233	189,565	134,700		(4,512,968)
Student transportation services	1,993,299		80,671		(1,912,628)
Operation of non-instructional services	1,186,625	125,146	1,154,984		93,505
Interest on long-term debt	346,366		73,145		(273,221)
Total governmental activities	<u>\$ 37,546,444</u>	<u>\$ 1,613,076</u>	<u>\$ 5,924,502</u>	<u>\$ 2,273,069</u>	<u>\$ (27,735,797)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes	19,239,980
Property taxes, levied for debt service	1,543,187
Property taxes, levied for capital outlay	386,970
Investment income	66,152
Unrestricted state aid	8,519,590
Unrestricted federal aid	407,453
Total general revenues	<u>30,163,332</u>

Changes in net position

2,427,535

Net position, beginning of year

20,348,414

Net position, end of year

\$ 22,775,949

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

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FUND FINANCIAL STATEMENTS

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

	General	Title I Grants	Other Federal Projects
<u>ASSETS</u>			
Cash and investments	\$ 8,118,247	\$	\$
Property taxes receivable	297,581		
Accounts receivable			
Due from governmental entities	1,545,405	219,302	663,308
Due from other funds	1,138,240		
Total assets	\$ 11,099,473	\$ 219,302	\$ 663,308
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 168,577	\$	\$ 13,839
Construction contracts payable			
Due to other funds		219,302	649,469
Unearned revenues	39,168		
Total liabilities	207,745	219,302	663,308
Deferred inflows of resources:			
Unavailable revenues - property taxes	204,787		
Unavailable revenues - intergovernmental		211,644	653,522
Total deferred inflows of resources	204,787	211,644	653,522
Fund balances (deficits):			
Restricted	2,539,862		
Unassigned	8,147,079	(211,644)	(653,522)
Total fund balances	10,686,941	(211,644)	(653,522)
 Total liabilities, deferred inflows of resources and fund balances	 \$ 11,099,473	 \$ 219,302	 \$ 663,308

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 7,955,347	\$ 16,073,594
25,285	322,866
24,000	24,000
554,877	2,982,892
	1,138,240
<u>\$ 8,559,509</u>	<u>\$ 20,541,592</u>

\$ 433,698	\$ 616,114
18,155	18,155
269,469	1,138,240
566	39,734
<u>721,888</u>	<u>1,812,243</u>

22,416	227,203
<u>185,854</u>	<u>1,051,020</u>
<u>208,270</u>	<u>1,278,223</u>

7,798,179	10,338,041
(168,828)	7,113,085
<u>7,629,351</u>	<u>17,451,126</u>

<u>\$ 8,559,509</u>	<u>\$ 20,541,592</u>
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PRESCOTT UNIFIED SCHOOL DISTRICT NO. 1
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021

Total governmental fund balances		\$ 17,451,126
<p>Amounts reported for <i>governmental activities</i> in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		
Governmental capital assets	\$ 80,759,384	
Less accumulated depreciation	<u>(41,625,363)</u>	39,134,021
<p>Some receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds.</p>		
Property taxes	227,203	
Intergovernmental	<u>1,051,020</u>	1,278,223
<p>Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.</p>		
Deferred outflows of resources related to pensions	5,426,696	
Deferred inflows of resources related to pensions	<u>(391,040)</u>	5,035,656
<p>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.</p>		
		140,191
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.</p>		
Compensated absences payable	(790,674)	
Obligations under capital leases	(1,570,000)	
Net pension liability	(27,887,034)	
Bonds payable	<u>(10,015,560)</u>	<u>(40,263,268)</u>
Net position of governmental activities		\$ <u>22,775,949</u>

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

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

	General	Title I Grants	Other Federal Projects
Revenues:			
Other local	\$ 1,060,958	\$	\$
Property taxes	19,184,618		
State aid and grants	6,294,679		
Federal aid, grants and reimbursements	407,453	427,207	1,502,999
Total revenues	26,947,708	427,207	1,502,999
Expenditures:			
Current -			
Instruction	12,549,204	505,210	1,634,415
Support services - students and staff	4,390,093	74,444	183,286
Support services - administration	3,057,092	36,325	19,361
Operation and maintenance of plant services	3,321,802		98,742
Student transportation services	1,267,220		20,481
Operation of non-instructional services	115,735		1,822
Capital outlay	172,205	1,029	146,273
Debt service -			
Principal retirement	142,999		
Interest and fiscal charges			
Total expenditures	25,016,350	617,008	2,104,380
Excess (deficiency) of revenues over expenditures	1,931,358	(189,801)	(601,381)
Other financing sources (uses):			
Transfers in	62,730		
Transfers out		(17,680)	(10,068)
Total other financing sources (uses)	62,730	(17,680)	(10,068)
Changes in fund balances	1,994,088	(207,481)	(611,449)
Fund balances (deficits), beginning of year	8,692,853	(4,163)	(42,073)
Fund balances (deficits), end of year	\$ 10,686,941	\$ (211,644)	\$ (653,522)

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 1,024,368	\$ 2,085,326
1,935,688	21,120,306
4,631,035	10,925,714
2,516,551	4,854,210
<u>10,107,642</u>	<u>38,985,556</u>
2,954,331	17,643,160
1,060,701	5,708,524
162,110	3,274,888
205,928	3,626,472
60,855	1,348,556
976,230	1,093,787
4,648,756	4,968,263
1,164,001	1,307,000
407,539	407,539
<u>11,640,451</u>	<u>39,378,189</u>
<u>(1,532,809)</u>	<u>(392,633)</u>
1,621	64,351
<u>(36,603)</u>	<u>(64,351)</u>
<u>(34,982)</u>	
<u>(1,567,791)</u>	<u>(392,633)</u>
9,197,142	17,843,759
<u>\$ 7,629,351</u>	<u>\$ 17,451,126</u>

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

Changes in fund balances - total governmental funds **\$ (392,633)**

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	\$ 3,349,009	
Less current year depreciation	<u>(2,720,222)</u>	628,787

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

Property taxes	49,831	
Intergovernmental	<u>926,104</u>	975,935

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	187,000	
Bond principal retirement	<u>1,120,000</u>	1,307,000

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

Current year pension contributions	2,217,548	
Pension expense	<u>(2,387,344)</u>	(169,796)

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.

Amortization of deferred bond items	61,173	
Compensated absences	<u>4,581</u>	65,754

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.

12,488

Changes in net position in governmental activities **\$ 2,427,535**

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

PRESCOTT UNIFIED SCHOOL DISTRICT NO. 1
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	<u>Governmental Activities: Internal Service Funds</u>
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 140,191
Total current assets	<u>140,191</u>
Total assets	<u>140,191</u>
 <u>NET POSITION</u>	
Unrestricted	<u>140,191</u>
Total net position	<u><u>\$ 140,191</u></u>

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

PRESCOTT UNIFIED SCHOOL DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Governmental Activities: Internal Service Funds
Nonoperating revenues (expenses):	
Investment income	\$ 12,488
Total nonoperating revenues (expenses)	<u>12,488</u>
Changes in net position	<u>12,488</u>
Total net position, beginning of year	127,703
Total net position, end of year	<u><u>\$ 140,191</u></u>

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

**PRESCOTT UNIFIED SCHOOL DISTRICT NO. 1
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2021**

	Governmental Activities: Internal Service Funds
Cash flows from investing activities:	
Investment income	12,488
Investment activity	433
	12,921
Net cash provided by/used for investing activities	12,921
Net increase/decrease in cash and cash equivalents	12,921
Cash and cash equivalents, beginning of year	125,742
Cash and cash equivalents, end of year	\$ 138,663
<u>Reconciliation of Cash and Cash Equivalents to the Statement of Net Position</u>	
Cash and investments	\$ 140,191
Less investments not maturing in less than three months	1,528
	138,663
Total cash and cash equivalents	\$ 138,663

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

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

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

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

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B. Government-Wide and Fund Financial Statements

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

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 and state aid, and other items not included among program revenues are reported instead as general revenues.

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

Government-Wide Financial Statements – The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. As a general rule, the effect of internal activity has been eliminated from the government-wide financial statements; however, the effects of interfund services provided and used between functions are reported as expenses and program revenues at 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 60 days of the end of the current fiscal period.

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Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due.

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

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

Separate financial statements are presented for governmental funds and proprietary funds. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements.

The District reports the following major governmental funds:

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

Title I Grants – 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.

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

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Additionally, the District reports the following fund type:

Proprietary Fund – The Proprietary Fund is an Internal Service Fund that accounts for activities related to the District’s insurance program.

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 funds are charges for health and welfare benefits and charges to District departments for goods and services. Operating expenses for internal service funds include the cost of goods and services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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.

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.

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

E. Investment Income

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

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

H. 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.

I. 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	10 - 30 years
Buildings and improvements	5 - 80 years
Vehicles, furniture and equipment	5 - 50 years

J. 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.

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

K. Compensated Absences

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

L. Pensions

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

M. Long-term Obligations

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

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

N. 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 and after nonoperating revenues/ expenses in proprietary funds.

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

O. 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.

P. Estimates

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

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

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

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

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

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NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

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

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

The table below provides detail of the major components of the District’s fund balance classifications at year end. Voter approved initiatives include monies restricted in the Classroom Site and Instructional Improvement Funds.

	<u>General Fund</u>	<u>Title I Grants Fund</u>	<u>Other Federal Projects Fund</u>	<u>Non-Major Governmental Funds</u>
Fund Balances:				
Restricted:				
Debt service	\$	\$	\$	\$ 233,138
Capital projects	2,539,862			1,183,300
Bond building projects				1,844,289
Voter approved initiatives				1,046,233
Federal and state projects				430,909
Food service				544,852
Civic center				83,874
Extracurricular activities				1,070,375
Gifts and donations				990,397
Career technical education				229,378
Student activities				122,484
Other purposes				18,950
Unassigned	8,147,079	(211,644)	(653,522)	(168,828)
Total fund balances	<u>\$10,686,941</u>	<u>\$ (211,644)</u>	<u>\$ (653,522)</u>	<u>\$ 7,629,351</u>

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NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

	Deficit
Major Funds:	
Title I Grants	\$ 211,644
Other Federal Projects	653,522
Non-Major Governmental Funds:	
Title IV Grants	92,466
Indian Education	4,974
Special Education Grants	53,687
Johnson O’Malley	300
Vocational Education	17,288
Homeless Education	113

The deficits arose because of pending grant reimbursements. Additional revenues received in fiscal year 2021-22 are expected to eliminate the deficits.

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

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 \$265,091 and the bank balance was \$301,181. At year end, \$28,688 of the District’s deposits was covered by collateral held by the pledging financial institution’s trust department or agent but not in the District’s name.

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

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

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NOTE 4 – CASH AND INVESTMENTS

Valuation Techniques. Equity securities 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 fair value hierarchy are valued using matrix pricing techniques. Matrix pricing is used to value securities based on the securities’ relationship to benchmark quoted prices. Real estate assets classified in Level 3 are valued by external appraisals and are generally obtained at least annually. The appraisals are performed using generally accepted valuation approaches by an independent appraiser.

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.

All investments in which the fair value hierarchy is applicable are measured at fair value on a recurring basis. At year end, the District’s investments consisted of the following:

Investment Type	Category	Fair Value	Investment Maturities (in Years)	
			Less than 1	More than 10
Fixed Income Securities	Level 1	\$ 1,528	\$	\$ 1,528
Mutual Funds	Level 1	116,170	116,170	
			<u>\$ 116,170</u>	<u>\$ 1,528</u>
County Treasurer’s investment pool	Not applicable	<u>15,830,996</u>	1.027 years average maturities	
Total		<u>\$ 15,948,694</u>		

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

Credit Risk. The District has no investment policy that would further limit its investment choices. As of the year end, the District’s investment in the County Treasurer’s investment pool and mutual funds and government-asset backed securities did not receive a credit quality rating from a national rating agency. The District’s investments were unrated.

Custodial Credit Risk – Investments. The District’s investment in the County Treasurer’s investment pool 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. No more than five percent of the District’s investments are in with any one issuer.

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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	Title I Grants Fund	Other Federal Projects Fund	Non-Major Governmental Funds
Due from other governmental entities:				
Due from federal government	\$	\$ 219,302	\$ 663,308	\$ 344,317
Due from state government	1,545,405			210,560
Net due from governmental entities	<u>\$ 1,545,405</u>	<u>\$ 219,302</u>	<u>\$ 663,308</u>	<u>\$ 554,877</u>

NOTE 6 – CAPITAL ASSETS

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

Governmental Activities	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 969,866	\$	\$	\$ 969,866
Construction in progress	873,861	3,144,776	1,544,806	2,473,831
Total capital assets, not being depreciated	<u>1,843,727</u>	<u>3,144,776</u>	<u>1,544,806</u>	<u>3,443,697</u>
Capital assets, being depreciated:				
Land improvements	7,511,219	1,447,904		8,959,123
Buildings and improvements	60,139,758	59,600		60,199,358
Vehicles, furniture and equipment	7,915,671	241,535		8,157,206
Total capital assets being depreciated	<u>75,566,648</u>	<u>1,749,039</u>		<u>77,315,687</u>
Less accumulated depreciation for:				
Land improvements	(3,010,295)	(359,261)		(3,369,556)
Buildings and improvements	(31,206,757)	(1,870,627)		(33,077,384)
Vehicles, furniture and equipment	(4,688,089)	(490,334)		(5,178,423)
Total accumulated depreciation	<u>(38,905,141)</u>	<u>(2,720,222)</u>		<u>(41,625,363)</u>
Total capital assets, being depreciated, net	<u>36,661,507</u>	<u>(971,183)</u>		<u>35,690,324</u>
Governmental activities capital assets, net	<u>\$ 38,505,234</u>	<u>\$ 2,173,593</u>	<u>\$ 1,544,806</u>	<u>\$ 39,134,021</u>

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NOTE 6 – CAPITAL ASSETS

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 1,150,388
Support services – students and staff	6,792
Support services – administration	120,031
Operation and maintenance of plant services	1,092,946
Student transportation services	323,330
Operation of non-instructional services	<u>26,735</u>
Total depreciation expense – governmental activities	<u>\$ 2,720,222</u>

Construction Commitments – At year end, the District had contractual commitments related to various capital projects at Prescott Mile High Middle School and Prescott High School. At year end the District had spent \$2,473,831 on the projects and had estimated remaining contractual commitments of \$107,919. The projects are being funded with Building Renewal Grant and General Funds monies.

NOTE 7 – REVOLVING LINE OF CREDIT

The District has a \$5,000,000 million revolving line of credit to provide cash flow during the year to mitigate the impact of timing differences of expenditures and the receipt of state aid and property tax revenues. At year end, the District had \$5,000,000 million in unused line of credit.

NOTE 8 – OBLIGATIONS UNDER CAPITAL LEASES

The District has acquired copiers, software, and energy retrofits and other energy savings items 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 General, Unrestricted Capital Outlay, and the Energy and Water Savings Funds are used to pay the capital lease obligations. The District receives a federal interest subsidy to fund the interest payments for the District-wide energy project. Amortization of assets recorded under capital leases is included with depreciation expense.

The assets acquired through capital leases that meet the District’s capitalization threshold are as follows:

	Governmental Activities
Asset:	
Building improvements	\$ 2,149,830
Vehicles, furniture and equipment	715,321
Less: Accumulated depreciation	<u>(1,324,814)</u>
Total	<u>\$ 1,540,337</u>

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NOTE 8 – OBLIGATIONS UNDER CAPITAL LEASES

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

Year Ending June 30:	<u>Governmental Activities</u>
2022	\$ 210,039
2023	203,933
2024	197,827
2025	191,721
2026	185,615
2027-31	834,524
2032	<u>154,127</u>
Total minimum lease payments	1,977,786
Less: amount representing interest	<u>407,786</u>
Present value of minimum lease payments	<u>\$1,570,000</u>
Due within one year	<u>\$ 143,000</u>

NOTE 9 – GENERAL OBLIGATION BONDS PAYABLE

Bonds payable at year end consisted of the following outstanding general obligation bonds. Of the total amount originally authorized, all has been issued. The bonds are both callable with interest payable semiannually. Property taxes from the Debt Service Fund are used to pay bonded debt. The District's legal debt limit is \$393.2 million and the available margin is \$383.7 million.

<u>Purpose</u>	<u>Original Amount Issued</u>	<u>Interest Rates</u>	<u>Remaining Maturities</u>	<u>Outstanding Principal June 30, 2021</u>	<u>Due Within One Year</u>
Governmental activities:					
School Improvement Bonds, Project of 2015, Series A 2016 (Class B)	\$ 7,500,000	2.0-3.5%	7/1/21-30	\$ 3,950,000	\$ 400,000
School Improvement Bonds, Project of 2015, Series B 2018 (Class B)	3,895,000	3.0-4.0%	7/1/21-30	2,520,000	375,000
School Improvement Bonds, Project of 2015, Series C 2020 (Class B)	3,365,000	3.00%	7/1/21-33	<u>2,995,000</u>	<u>545,000</u>
Total				<u>\$ 9,465,000</u>	<u>\$ 1,320,000</u>

PRESCOTT UNIFIED SCHOOL DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
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NOTE 9 – GENERAL OBLIGATION BONDS PAYABLE

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

Year ending June 30:	Governmental Activities	
	Principal	Interest
2022	\$ 1,320,000	\$ 292,976
2023	1,400,000	257,376
2024	665,000	217,376
2025	695,000	199,076
2026	745,000	612,926
2027-31	3,755,000	78,750
2032-33	885,000	40,200
Total	\$ 9,465,000	\$ 1,698,680

NOTE 10 – CHANGES IN LONG-TERM LIABILITIES

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
Private placement general obligation bonds	\$ 10,585,000	\$	\$ 1,120,000	\$ 9,465,000	\$ 1,320,000
Premium	611,733		61,173	550,560	
Total bonds payable	11,196,733		1,181,173	10,015,560	1,320,000
Obligations under capital leases	1,757,000		187,000	1,570,000	143,000
Net pension liability	23,989,048	3,897,986		27,887,034	
Compensated absences payable	795,255	116,983	121,564	790,674	133,333
Governmental activity long-term liabilities	\$ 37,738,036	\$ 4,014,969	\$ 1,489,737	\$ 40,263,268	\$ 1,596,333

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

NOTE 11 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At year end, interfund balances were as follows:

Due to/from other funds:

	General Fund	Total Due to Other Funds
Title I Grants Fund	\$ 219,302	\$ 219,302
Other Federal Projects Fund	649,469	649,469
Non-Major Governmental Funds	269,469	269,469
Total Due from Other Funds	\$ 1,138,240	\$ 1,138,240

At year end, several funds had negative cash balances in the Treasurer’s pooled cash accounts. Negative cash on deposit with the County Treasurer was reduced by interfund borrowing with the General Fund. All interfund balances are expected to be paid within one year.

Interfund transfers:

	Transfers in		
	General Fund	Non-Major Governmental Funds	Total
Transfers out			
Title I Grants Fund	\$ 17,680	\$	\$ 17,680
Other Federal Projects Fund	10,068		10,068
Non-Major Governmental Funds	34,982	1,621	36,603
Total	\$ 62,730	\$ 1,621	\$ 64,351

Transfers between funds were used to (1) move investment income and premium earned in the Bond Building Fund that is required by statute to be expended in the Debt Service Fund, and (2) to move federal grant funds restricted for indirect costs.

NOTE 12 – CONTINGENT LIABILITIES

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

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

NOTE 13 – RISK MANAGEMENT

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

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

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

NOTE 14 – PENSIONS

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.

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

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

NOTE 14 – PENSIONS

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

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

*With actuarially reduced benefits

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

Contributions. In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 12.22 percent (12.04 percent for retirement and 0.18 percent for long-term disability) of the members’ annual covered payroll, and the District was required by statute to contribute at the actuarially determined rate of 12.22 percent (11.65 percent for retirement, 0.39 percent for health insurance premium benefit, and 0.18 percent for long-term disability) of the active members’ annual covered payroll. The District’s contributions to the pension plan for the year ended June 30, 2021 were \$2,217,548.

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

NOTE 14 – PENSIONS

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

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

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

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

Net Liability	District % Proportion	Increase (Decrease)
\$ 27,887,034	0.161	(0.004)

Pension Expense and Deferred Outflows/Inflows of Resources. The District has deferred outflows and inflows of resources related to the net pension liability. Certain changes in the net pension liability are recognized as pension expense over a period of time rather than the year of occurrence. The District’s pension expense for the year ended June 30, 2021 was \$2,387,344.

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

NOTE 14 – PENSIONS

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 252,287	\$
Net difference between projected and actual earnings on pension investments	2,689,737	
Changes in proportion and differences between contributions and proportionate share of contributions	267,124	391,040
Contributions subsequent to the measurement date	2,217,548	
Total	\$ 5,426,696	\$ 391,040

The amounts of deferred outflows of resources resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as an adjustment of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:		
2022	\$	373,728
2023		639,551
2024		972,907
2025		831,922

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

Actuarial valuation date	June 30, 2019
Actuarial roll forward date	June 30, 2020
Actuarial cost method	Entry age normal
Investment rate of return	7.5%
Inflation	2.3%
Projected salary increases	2.7-7.2%
Permanent base increases	Included
Mortality rates	2017 SRA Scale U-MP

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

NOTE 14 – PENSIONS

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2016. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2017, actuarial valuation.

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

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

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

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

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

NOTE 14 – PENSIONS

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

	1% Decrease	Current Discount Rate	1% Increase
Rate	6.5%	7.5%	8.5%
Net liability	\$ 38,135,141	\$ 27,887,034	\$ 19,320,143

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.

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REQUIRED SUPPLEMENTARY INFORMATION

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

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other local	\$	\$	\$ 451,030	\$ 451,030
Property taxes			19,184,618	19,184,618
State aid and grants			6,294,475	6,294,475
Total revenues			<u>25,930,123</u>	<u>25,930,123</u>
Expenditures:				
Current -				
Instruction	15,567,093	14,985,022	11,888,437	3,096,585
Support services - students and staff	3,690,051	4,030,545	3,831,610	198,935
Support services - administration	3,063,787	3,002,732	2,921,373	81,359
Operation and maintenance of plant services	3,803,730	3,809,744	3,270,727	539,017
Student transportation services	1,736,751	1,645,255	1,267,220	378,035
Operation of non-instructional services	135,935	110,227	95,921	14,306
Total expenditures	<u>27,997,347</u>	<u>27,583,525</u>	<u>23,275,288</u>	<u>4,308,237</u>
Changes in fund balances	<u>(27,997,347)</u>	<u>(27,583,525)</u>	<u>2,654,835</u>	<u>30,238,360</u>
Fund balances, beginning of year			4,495,803	4,495,803
Fund balances (deficits), end of year	<u>\$ (27,997,347)</u>	<u>\$ (27,583,525)</u>	<u>\$ 7,150,638</u>	<u>\$ 34,734,163</u>

See accompanying notes to this schedule.

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues:				
Federal aid, grants and reimbursements	\$	\$	\$ 427,207	\$ 427,207
Total revenues			<u>427,207</u>	<u>427,207</u>
Expenditures:				
Current -				
Instruction	580,615	625,615	505,210	120,405
Support services - students and staff			74,444	(74,444)
Support services - administration			36,325	(36,325)
Capital outlay			1,029	(1,029)
Total expenditures	<u>580,615</u>	<u>625,615</u>	<u>617,008</u>	<u>8,607</u>
Excess (deficiency) of revenues over expenditures	<u>(580,615)</u>	<u>(625,615)</u>	<u>(189,801)</u>	<u>435,814</u>
Other financing sources (uses):				
Transfers out			(17,680)	(17,680)
Total other financing sources (uses)			<u>(17,680)</u>	<u>(17,680)</u>
Changes in fund balances	<u>(580,615)</u>	<u>(625,615)</u>	<u>(207,481)</u>	<u>418,134</u>
Fund balances (deficits), beginning of year			(4,163)	(4,163)
Fund balances (deficits), end of year	<u>\$ (580,615)</u>	<u>\$ (625,615)</u>	<u>\$ (211,644)</u>	<u>\$ 413,971</u>

See accompanying notes to this schedule.

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

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Federal aid, grants and reimbursements	\$	\$	\$ 1,502,999	\$ 1,502,999
Total revenues			<u>1,502,999</u>	<u>1,502,999</u>
Expenditures:				
Current -				
Instruction	846,893	3,690,264	1,634,415	2,055,849
Support services - students and staff			183,286	(183,286)
Support services - administration			19,361	(19,361)
Operation and maintenance of plant services			98,742	(98,742)
Student transportation services			20,481	(20,481)
Operation of non-instructional services			1,822	(1,822)
Capital outlay			146,273	(146,273)
Total expenditures	<u>846,893</u>	<u>3,690,264</u>	<u>2,104,380</u>	<u>1,585,884</u>
Excess (deficiency) of revenues over expenditures	<u>(846,893)</u>	<u>(3,690,264)</u>	<u>(601,381)</u>	<u>3,088,883</u>
Other financing sources (uses):				
Transfers out			(10,068)	(10,068)
Total other financing sources (uses)			<u>(10,068)</u>	<u>(10,068)</u>
Changes in fund balances	<u>(846,893)</u>	<u>(3,690,264)</u>	<u>(611,449)</u>	<u>3,078,815</u>
Fund balances (deficits), beginning of year			(42,073)	(42,073)
Fund balances (deficits), end of year	<u>\$ (846,893)</u>	<u>\$ (3,690,264)</u>	<u>\$ (653,522)</u>	<u>\$ 3,036,742</u>

See accompanying notes to this schedule.

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Measurement date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
District's proportion of the net pension (assets) liability	0.16%	0.17%	0.16%	0.16%	0.17%
District's proportionate share of the net pension (assets) liability	\$ 27,887,034	\$ 23,989,048	\$ 22,180,483	\$ 25,323,679	\$ 28,159,597
District's covered payroll	\$ 17,590,961	\$ 17,355,572	\$ 15,748,844	\$ 15,788,302	\$ 16,329,152
District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	158.53%	138.22%	140.84%	160.40%	172.45%
Plan fiduciary net position as a percentage of the total pension liability	69.33%	73.24%	73.40%	69.92%	67.06%

SCHEDULE OF PENSION CONTRIBUTIONS
ARIZONA STATE RETIREMENT SYSTEM
LAST SEVEN FISCAL YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 2,217,548	\$ 2,014,165	\$ 1,940,353	\$ 1,716,624	\$ 1,701,979
Contributions in relation to the actuarially determined contribution	<u>2,217,548</u>	<u>2,014,165</u>	<u>1,940,353</u>	<u>1,716,624</u>	<u>1,701,979</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 19,034,747	\$ 17,590,961	\$ 17,355,572	\$ 15,748,844	\$ 15,788,302
Contributions as a percentage of covered payroll	11.65%	11.45%	11.18%	10.90%	10.78%

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

See accompanying notes to this schedule.

<u>2016</u>	<u>2015</u>
June 30, 2015	June 30, 2014
0.19%	0.20%
\$ 29,963,692	\$ 29,054,798
\$ 17,681,616	\$ 17,758,636
169.46%	163.61%
68.35%	69.49%

<u>2016</u>	<u>2015</u>
\$ 1,771,713	\$ 1,925,528
1,771,713	1,925,528
\$	\$
\$ 16,329,152	\$ 17,681,616
10.85%	10.89%

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

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

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

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

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

	Total Expenditures	Fund Balances End of Year
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	\$ 25,016,350	\$ 10,686,941
Activity budgeted as special revenue funds	(1,523,775)	(592,008)
Activity budgeted as capital projects funds	(196,745)	(2,671,836)
Employee insurance account	(20,542)	(272,459)
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	\$ 23,275,288	\$ 7,150,638

NOTE 2 – PENSION PLAN SCHEDULES

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

Factors that Affect Trends. The actuarial assumptions used in the June 30, 2019, valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2016. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2017, actuarial valuation.

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

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GOVERNMENTAL FUNDS

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

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<u>ASSETS</u>			
Cash and investments	\$ 4,526,810	\$ 233,138	\$ 3,195,399
Property taxes receivable		18,972	6,313
Accounts receivable	24,000		
Due from governmental entities	344,317		210,560
Total assets	<u>\$ 4,895,127</u>	<u>\$ 252,110</u>	<u>\$ 3,412,272</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES</u>			
<u>AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 87,940	\$	\$ 345,758
Construction contracts payable			18,155
Due to other funds	269,469		
Unearned revenues	566		
Total liabilities	<u>357,975</u>		<u>363,913</u>
Deferred inflows of resources:			
Unavailable revenues - property taxes		18,972	3,444
Unavailable revenues - intergovernmental	168,528		17,326
Total deferred inflows of resources	<u>168,528</u>	<u>18,972</u>	<u>20,770</u>
Fund balances (deficits):			
Restricted	4,537,452	233,138	3,027,589
Unassigned	(168,828)		
Total fund balances	<u>4,368,624</u>	<u>233,138</u>	<u>3,027,589</u>
Total liabilities, deferred inflows of resources			
and fund balances	<u>\$ 4,895,127</u>	<u>\$ 252,110</u>	<u>\$ 3,412,272</u>

Total Non-Major
Governmental
Funds

\$ 7,955,347
25,285
24,000
554,877
\$ 8,559,509

\$ 433,698
18,155
269,469
566
721,888

22,416
185,854
208,270

7,798,179
(168,828)
7,629,351

\$ 8,559,509

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

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Revenues:			
Other local	\$ 990,406	\$ 24,636	\$ 9,326
Property taxes		1,542,509	393,179
State aid and grants	2,514,280		2,116,755
Federal aid, grants and reimbursements	2,443,406		73,145
Total revenues	<u>5,948,092</u>	<u>1,567,145</u>	<u>2,592,405</u>
Expenditures:			
Current -			
Instruction	2,954,331		
Support services - students and staff	1,060,701		
Support services - administration	162,110		
Operation and maintenance of plant services	205,928		
Student transportation services	60,855		
Operation of non-instructional services	976,230		
Capital outlay	405,406		4,243,350
Debt service -			
Principal retirement		1,120,000	44,001
Interest and fiscal charges		332,629	74,910
Total expenditures	<u>5,825,561</u>	<u>1,452,629</u>	<u>4,362,261</u>
Excess (deficiency) of revenues over expenditures	<u>122,531</u>	<u>114,516</u>	<u>(1,769,856)</u>
Other financing sources (uses):			
Transfers in		1,621	
Transfers out	(34,982)		(1,621)
Total other financing sources (uses)	<u>(34,982)</u>	<u>1,621</u>	<u>(1,621)</u>
Changes in fund balances	<u>87,549</u>	<u>116,137</u>	<u>(1,771,477)</u>
Fund balances, beginning of year	4,281,075	117,001	4,799,066
Fund balances, end of year	<u>\$ 4,368,624</u>	<u>\$ 233,138</u>	<u>\$ 3,027,589</u>

Total Non-Major
Governmental
Funds

\$ 1,024,368
1,935,688
4,631,035
2,516,551
10,107,642

2,954,331
1,060,701
162,110
205,928
60,855
976,230
4,648,756

1,164,001
407,539
11,640,451

(1,532,809)

1,621
(36,603)
(34,982)

(1,567,791)

9,197,142
\$ 7,629,351

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.

English Language Learner - to account for monies received to provide for the incremental cost of instruction to English language learners.

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.

Limited English and 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.

Homeless Education - to account for financial assistance received to ensure that all homeless children and youth have equal access to the same free, appropriate public education available to other children.

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

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

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

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

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

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

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

Rural Assistance - to account for state assistance distributed to school districts located in a county with a population of less than 500,000.

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

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.

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

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

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

Career and Technical Education Projects - to account for activity related to the production and subsequent sale of items produced in an instructional program by career and technical 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.

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.

Grants and Gifts to Teachers - to account for grants and gifts under \$1,500 received from private sources that are designated for use by a teacher for instructional purposes.

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

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

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

	Classroom Site	Instructional Improvement	County, City, and Town Grants
<u>ASSETS</u>			
Cash and investments	\$ 693,192	\$ 353,041	\$ 7,662
Accounts receivable			
Due from governmental entities			
Total assets	\$ 693,192	\$ 353,041	\$ 7,662
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			
Unearned revenues	_____	_____	_____
Total liabilities	_____	_____	_____
Deferred inflows of resources:			
Unavailable revenues - intergovernmental	_____	_____	_____
Fund balances (deficits):			
Restricted	693,192	353,041	7,662
Unassigned			
Total fund balances	693,192	353,041	7,662
 Total liabilities, deferred inflows of resources and fund balances	\$ 693,192	\$ 353,041	\$ 7,662

<u>Professional Development and Technology Grants</u>	<u>Title IV Grants</u>	<u>Indian Education</u>	<u>Special Education Grants</u>	<u>Johnson O'Malley</u>	<u>Vocational Education</u>
\$	\$	\$	\$	\$ 266	\$
33,053	195,533	4,974	53,687		17,288
<u>\$ 33,053</u>	<u>\$ 195,533</u>	<u>\$ 4,974</u>	<u>\$ 53,687</u>	<u>\$ 266</u>	<u>\$ 17,288</u>
\$	\$ 35,179	\$	\$	\$	\$
33,053	160,354	4,974	53,687		17,288
				566	
<u>33,053</u>	<u>195,533</u>	<u>4,974</u>	<u>53,687</u>	<u>566</u>	<u>17,288</u>
	92,466	4,974	53,687		17,288
	(92,466)	(4,974)	(53,687)	(300)	(17,288)
	<u>(92,466)</u>	<u>(4,974)</u>	<u>(53,687)</u>	<u>(300)</u>	<u>(17,288)</u>
<u>\$ 33,053</u>	<u>\$ 195,533</u>	<u>\$ 4,974</u>	<u>\$ 53,687</u>	<u>\$ 266</u>	<u>\$ 17,288</u>

(Continued)

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

	Homeless Education	E-Rate	College Credit Exam Incentives
<u>ASSETS</u>			
Cash and investments	\$	\$ 13,813	\$ 17,081
Accounts receivable			
Due from governmental entities	113		
Total assets	\$ 113	\$ 13,813	\$ 17,081
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds	113		
Unearned revenues			
Total liabilities	113		
Deferred inflows of resources:			
Unavailable revenues - intergovernmental	113		
Fund balances (deficits):			
Restricted		13,813	17,081
Unassigned	(113)		
Total fund balances	(113)	13,813	17,081
 Total liabilities, deferred inflows of resources and fund balances	\$ 113	\$ 13,813	\$ 17,081

<u>Results-based Funding</u>	<u>Other State Projects</u>	<u>Food Service</u>	<u>Civic Center</u>	<u>Extracurricular Activities Fees Tax Credit</u>	<u>Gifts and Donations</u>
\$ 157,414	\$ 242,601	\$ 516,044 24,000 39,669	\$ 101,774	\$ 1,070,375	\$ 990,397
<u>\$ 157,414</u>	<u>\$ 242,601</u>	<u>\$ 579,713</u>	<u>\$ 101,774</u>	<u>\$ 1,070,375</u>	<u>\$ 990,397</u>
\$	\$	\$ 34,861	\$ 17,900	\$	\$
		<u>34,861</u>	<u>17,900</u>		
157,414	242,601	544,852	83,874	1,070,375	990,397
<u>157,414</u>	<u>242,601</u>	<u>544,852</u>	<u>83,874</u>	<u>1,070,375</u>	<u>990,397</u>
<u>\$ 157,414</u>	<u>\$ 242,601</u>	<u>\$ 579,713</u>	<u>\$ 101,774</u>	<u>\$ 1,070,375</u>	<u>\$ 990,397</u>

(Continued)

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

	<u>Career and Technical Education Projects</u>	<u>Fingerprint</u>	<u>Textbooks</u>
<u>ASSETS</u>			
Cash and investments	\$ 29	\$ 18	\$ 31
Accounts receivable			
Due from governmental entities			
Total assets	<u>\$ 29</u>	<u>\$ 18</u>	<u>\$ 31</u>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			
Unearned revenues	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u> </u>	<u> </u>	<u> </u>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental	<u> </u>	<u> </u>	<u> </u>
Fund balances (deficits):			
Restricted	29	18	31
Unassigned			
Total fund balances	<u>29</u>	<u>18</u>	<u>31</u>
 Total liabilities, deferred inflows of resources and fund balances	 <u>\$ 29</u>	 <u>\$ 18</u>	 <u>\$ 31</u>

<u>Grants and Gifts to Teachers</u>	<u>Career Technical Education</u>	<u>Student Activities</u>	<u>Totals</u>
\$ 11,210	\$ 229,378	\$ 122,484	\$ 4,526,810
			24,000
			344,317
<u>\$ 11,210</u>	<u>\$ 229,378</u>	<u>\$ 122,484</u>	<u>\$ 4,895,127</u>
\$	\$	\$	\$ 87,940
			269,469
			566
			<u>357,975</u>
			<u>168,528</u>
11,210	229,378	122,484	4,537,452
			(168,828)
<u>11,210</u>	<u>229,378</u>	<u>122,484</u>	<u>4,368,624</u>
<u>\$ 11,210</u>	<u>\$ 229,378</u>	<u>\$ 122,484</u>	<u>\$ 4,895,127</u>

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

	Classroom Site	Instructional Improvement	County, City, and Town Grants
Revenues:			
Other local	\$ 8,264	\$ 1,277	\$ 40
State aid and grants	1,938,760	162,775	
Federal aid, grants and reimbursements			
Total revenues	1,947,024	164,052	40
Expenditures:			
Current -			
Instruction	1,702,871	106,968	155
Support services - students and staff	350,538		
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			1,010
Total expenditures	2,053,409	106,968	1,165
Excess (deficiency) of revenues over expenditures	(106,385)	57,084	(1,125)
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	(106,385)	57,084	(1,125)
Fund balances (deficits), beginning of year	799,577	295,957	8,787
Fund balances (deficits), end of year	\$ 693,192	\$ 353,041	\$ 7,662

<u>English Language Learner</u>	<u>Professional Development and Technology Grants</u>	<u>Title IV Grants</u>	<u>Limited English and Immigrant Students</u>	<u>Indian Education</u>	<u>Special Education Grants</u>
\$ 39,915	\$	\$	\$	\$	\$
	94,623	349,675	7,359	8,943	695,034
<u>39,915</u>	<u>94,623</u>	<u>349,675</u>	<u>7,359</u>	<u>8,943</u>	<u>695,034</u>
39,915		224,449		2,116	450,867
	73,479	49,479	7,199	11,396	196,405
	12,617	30,303	160		10,552
		28,302			55,605
		65,804			15,546
<u>39,915</u>	<u>86,096</u>	<u>398,337</u>	<u>7,359</u>	<u>13,512</u>	<u>728,975</u>
	8,527	(48,662)		(4,569)	(33,941)
	(2,595)	(9,641)		(391)	(19,746)
	<u>(2,595)</u>	<u>(9,641)</u>		<u>(391)</u>	<u>(19,746)</u>
	5,932	(58,303)		(4,960)	(53,687)
	(5,932)	(34,163)		(14)	
<u>\$</u>	<u>\$</u>	<u>\$ (92,466)</u>	<u>\$</u>	<u>\$ (4,974)</u>	<u>\$ (53,687)</u>

(Continued)

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

	<u>Johnson O'Malley</u>	<u>Vocational Education</u>	<u>Homeless Education</u>
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements	<u>10,652</u>	<u>72,321</u>	<u>13,842</u>
Total revenues	<u>10,652</u>	<u>72,321</u>	<u>13,842</u>
Expenditures:			
Current -			
Instruction		19,450	
Support services - students and staff	9,844	45,204	13,562
Support services - administration	800	220	
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay		<u>22,161</u>	
Total expenditures	<u>10,644</u>	<u>87,035</u>	<u>13,562</u>
Excess (deficiency) of revenues over expenditures	<u>8</u>	<u>(14,714)</u>	<u>280</u>
Other financing sources (uses):			
Transfers out	<u>(308)</u>	<u>(1,908)</u>	<u>(393)</u>
Total other financing sources (uses)	<u>(308)</u>	<u>(1,908)</u>	<u>(393)</u>
Changes in fund balances	<u>(300)</u>	<u>(16,622)</u>	<u>(113)</u>
Fund balances (deficits), beginning of year		(666)	
Fund balances (deficits), end of year	<u>\$ (300)</u>	<u>\$ (17,288)</u>	<u>\$ (113)</u>

<u>E-Rate</u>	<u>State Vocational Education</u>	<u>College Credit Exam Incentives</u>	<u>Results-based Funding</u>	<u>Other State Projects</u>	<u>Food Service</u>
\$ 4,288	\$ 21,655	\$ 19,663	\$ 107,436	\$ 224,076	\$ 126,227
37,905					1,153,052
<u>42,193</u>	<u>21,655</u>	<u>19,663</u>	<u>107,436</u>	<u>224,076</u>	<u>1,279,279</u>
	12,546	15,655	5,159	50,131	
	3,620	4,500		75,159	
	5,489			8,061	
37,905					975,429
38,089			1,450	9,091	741
<u>75,994</u>	<u>21,655</u>	<u>20,155</u>	<u>6,609</u>	<u>142,442</u>	<u>976,170</u>
<u>(33,801)</u>		<u>(492)</u>	<u>100,827</u>	<u>81,634</u>	<u>303,109</u>
<u>(33,801)</u>		<u>(492)</u>	<u>100,827</u>	<u>81,634</u>	<u>303,109</u>
47,614		17,573	56,587	160,967	241,743
<u>\$ 13,813</u>	<u>\$</u>	<u>\$ 17,081</u>	<u>\$ 157,414</u>	<u>\$ 242,601</u>	<u>\$ 544,852</u>

(Continued)

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

	Civic Center	Extracurricular Activities Fees Tax Credit	Gifts and Donations
Revenues:			
Other local	\$ 190,634	\$ 304,879	\$ 122,473
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	190,634	304,879	122,473
Expenditures:			
Current -			
Instruction	42,252	135,445	42,189
Support services - students and staff	86,035	62,766	17,079
Support services - administration	77,311	2,273	11,668
Operation and maintenance of plant services	138,937	352	211
Student transportation services	5,250		
Operation of non-instructional services		151	650
Capital outlay	43,300	58,911	20,670
Total expenditures	393,085	259,898	92,467
Excess (deficiency) of revenues over expenditures	(202,451)	44,981	30,006
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	(202,451)	44,981	30,006
Fund balances (deficits), beginning of year	286,325	1,025,394	960,391
Fund balances, end of year	\$ 83,874	\$ 1,070,375	\$ 990,397

Career and Technical Education Projects	Fingerprint	Textbooks	Grants and Gifts to Teachers	Career Technical Education	Student Activities
\$	\$	\$	\$ 52	\$ 216,893	\$ 15,379
			52	216,893	15,379
				104,163	
				36,953	17,483
				2,656	221
				128,087	546
				271,859	18,250
			52	(54,966)	(2,871)
			52	(54,966)	(2,871)
29	18	31	11,158	284,344	125,355
\$ 29	\$ 18	\$ 31	\$ 11,210	\$ 229,378	\$ 122,484

(Continued)

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

	Totals
Revenues:	
Other local	\$ 990,406
State aid and grants	2,514,280
Federal aid, grants and reimbursements	2,443,406
Total revenues	5,948,092
Expenditures:	
Current -	
Instruction	2,954,331
Support services - students and staff	1,060,701
Support services - administration	162,110
Operation and maintenance of plant services	205,928
Student transportation services	60,855
Operation of non-instructional services	976,230
Capital outlay	405,406
Total expenditures	5,825,561
Excess (deficiency) of revenues over expenditures	122,531
Other financing sources (uses):	
Transfers out	(34,982)
Total other financing sources (uses)	(34,982)
Changes in fund balances	87,549
Fund balances (deficits), beginning of year	4,281,075
Fund balances, end of year	\$ 4,368,624

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

	Classroom Site		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 8,264	\$ 8,264
State aid and grants		1,938,760	1,938,760
Federal aid, grants and reimbursements			
Total revenues		<u>1,947,024</u>	<u>1,947,024</u>
Expenditures:			
Current -			
Instruction	2,411,181	1,702,871	708,310
Support services - students and staff	352,355	350,538	1,817
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>2,763,536</u>	<u>2,053,409</u>	<u>710,127</u>
Excess (deficiency) of revenues over expenditures	<u>(2,763,536)</u>	<u>(106,385)</u>	<u>2,657,151</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	<u>(2,763,536)</u>	<u>(106,385)</u>	<u>2,657,151</u>
Fund balances (deficits), beginning of year		799,577	799,577
Fund balances (deficits), end of year	<u>\$ (2,763,536)</u>	<u>\$ 693,192</u>	<u>\$ 3,456,728</u>

Instructional Improvement			County, City, and Town Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 1,277	\$ 1,277	\$	\$ 40	\$ 40
	162,775	162,775			
	<u>164,052</u>	<u>164,052</u>		<u>40</u>	<u>40</u>
300,000	106,968	193,032		155	(155)
			10,000	1,010	8,990
<u>300,000</u>	<u>106,968</u>	<u>193,032</u>	<u>10,000</u>	<u>1,165</u>	<u>8,835</u>
<u>(300,000)</u>	<u>57,084</u>	<u>357,084</u>	<u>(10,000)</u>	<u>(1,125)</u>	<u>8,875</u>
<u>(300,000)</u>	<u>57,084</u>	<u>357,084</u>	<u>(10,000)</u>	<u>(1,125)</u>	<u>8,875</u>
	295,957	295,957		8,787	8,787
<u>\$ (300,000)</u>	<u>\$ 353,041</u>	<u>\$ 653,041</u>	<u>\$ (10,000)</u>	<u>\$ 7,662</u>	<u>\$ 17,662</u>

(Continued)

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

	English Language Learner		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants		39,915	39,915
Federal aid, grants and reimbursements			
Total revenues		<u>39,915</u>	<u>39,915</u>
Expenditures:			
Current -			
Instruction	41,450	39,915	1,535
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>41,450</u>	<u>39,915</u>	<u>1,535</u>
Excess (deficiency) of revenues over expenditures	<u>(41,450)</u>		<u>41,450</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	<u>(41,450)</u>		<u>41,450</u>
Fund balances (deficits), beginning of year			
Fund balances (deficits), end of year	<u>\$ (41,450)</u>	<u>\$</u>	<u>\$ 41,450</u>

Professional Development and Technology Grants			Title IV Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	94,623	94,623		349,675	349,675
	94,623	94,623		349,675	349,675
100,154	73,479	26,675	460,178	224,449	235,729
	12,617	(12,617)		49,479	(49,479)
				30,303	(30,303)
				28,302	(28,302)
				65,804	(65,804)
100,154	86,096	14,058	460,178	398,337	61,841
(100,154)	8,527	108,681	(460,178)	(48,662)	411,516
	(2,595)	(2,595)		(9,641)	(9,641)
	(2,595)	(2,595)		(9,641)	(9,641)
(100,154)	5,932	106,086	(460,178)	(58,303)	401,875
	(5,932)	(5,932)		(34,163)	(34,163)
\$ (100,154)	\$	\$ 100,154	\$ (460,178)	\$ (92,466)	\$ 367,712

(Continued)

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

	Limited English and Immigrant Students		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		7,359	7,359
Total revenues		7,359	7,359
Expenditures:			
Current -			
Instruction			
Support services - students and staff	15,142	7,199	7,943
Support services - administration		160	(160)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	15,142	7,359	7,783
Excess (deficiency) of revenues over expenditures	(15,142)		15,142
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	(15,142)		15,142
Fund balances (deficits), beginning of year			
Fund balances (deficits), end of year	\$ (15,142)	\$	\$ 15,142

Indian Education			Special Education Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	8,943	8,943		695,034	695,034
	8,943	8,943		695,034	695,034
14,335	2,116 11,396	(2,116) 2,939	935,755	450,867 196,405 10,552 55,605	484,888 (196,405) (10,552) (55,605)
14,335	13,512	823	935,755	15,546 728,975	(15,546) 206,780
(14,335)	(4,569)	9,766	(935,755)	(33,941)	901,814
	(391)	(391)		(19,746)	(19,746)
	(391)	(391)		(19,746)	(19,746)
(14,335)	(4,960)	9,375	(935,755)	(53,687)	882,068
	(14)	(14)			
\$ (14,335)	\$ (4,974)	\$ 9,361	\$ (935,755)	\$ (53,687)	\$ 882,068

(Continued)

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

	Johnson O'Malley		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		10,652	10,652
Total revenues		10,652	10,652
Expenditures:			
Current -			
Instruction			
Support services - students and staff	24,010	9,844	14,166
Support services - administration		800	(800)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	24,010	10,644	13,366
Excess (deficiency) of revenues over expenditures	(24,010)	8	24,018
Other financing sources (uses):			
Transfers in			
Transfers out		(308)	(308)
Total other financing sources (uses)		(308)	(308)
Changes in fund balances	(24,010)	(300)	23,710
Fund balances (deficits), beginning of year			
Fund balances (deficits), end of year	\$ (24,010)	\$ (300)	\$ 23,710

Vocational Education			Homeless Education		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	72,321	72,321		13,842	13,842
	72,321	72,321		13,842	13,842
74,331	19,450	(19,450)	15,000	13,562	1,438
	45,204	29,127			
	220	(220)			
	22,161	(22,161)			
74,331	87,035	(12,704)	15,000	13,562	1,438
(74,331)	(14,714)	59,617	(15,000)	280	15,280
	(1,908)	(1,908)		(393)	(393)
	(1,908)	(1,908)		(393)	(393)
(74,331)	(16,622)	57,709	(15,000)	(113)	14,887
	(666)	(666)			
\$ (74,331)	\$ (17,288)	\$ 57,043	\$ (15,000)	\$ (113)	\$ 14,887

(Continued)

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

	Medicaid Reimbursement		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 504	\$ 504
State aid and grants			
Federal aid, grants and reimbursements		173,116	173,116
Total revenues		173,620	173,620
Expenditures:			
Current -			
Instruction		56,428	(56,428)
Support services - students and staff	226,825	246,645	(19,820)
Support services - administration		8,239	(8,239)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay		4,825	(4,825)
Total expenditures	226,825	316,137	(89,312)
Excess (deficiency) of revenues over expenditures	(226,825)	(142,517)	84,308
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	(226,825)	(142,517)	84,308
Fund balances (deficits), beginning of year		161,886	161,886
Fund balances (deficits), end of year	\$ (226,825)	\$ 19,369	\$ 246,194

National Forest Fees			E-Rate		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$ 4,288	\$ 4,288
	234,337	234,337		37,905	37,905
	<u>234,337</u>	<u>234,337</u>		<u>42,193</u>	<u>42,193</u>
	124,294	(124,294)			
	124,881	(124,881)			
	1,907	(1,907)		37,905	(37,905)
	86,136	(86,136)	51,896	38,089	13,807
	<u>337,218</u>	<u>(337,218)</u>	<u>51,896</u>	<u>75,994</u>	<u>(24,098)</u>
	(102,881)	(102,881)	(51,896)	(33,801)	18,095
	(102,881)	(102,881)	(51,896)	(33,801)	18,095
	324,656	324,656		47,614	47,614
<u>\$</u>	<u>\$ 221,775</u>	<u>\$ 221,775</u>	<u>\$ (51,896)</u>	<u>\$ 13,813</u>	<u>\$ 65,709</u>

(Continued)

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

	State Vocational Education		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants		21,655	21,655
Federal aid, grants and reimbursements			
Total revenues	24,982	21,655	3,327
Expenditures:			
Current -			
Instruction	24,982	12,546	12,436
Support services - students and staff		3,620	(3,620)
Support services - administration		5,489	(5,489)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	24,982	21,655	3,327
Excess (deficiency) of revenues over expenditures	(24,982)		24,982
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	(24,982)		24,982
Fund balances (deficits), beginning of year			
Fund balances (deficits), end of year	\$ (24,982)	\$	\$ 24,982

Gifted			College Credit Exam Incentives		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
				19,663	19,663
				19,663	19,663
2,500		2,500	37,228	15,655	21,573
				4,500	(4,500)
2,500		2,500	37,228	20,155	17,073
(2,500)		2,500	(37,228)	(492)	36,736
(2,500)		2,500	(37,228)	(492)	36,736
				17,573	17,573
\$ (2,500)	\$	\$ 2,500	\$ (37,228)	\$ 17,081	\$ 54,309

(Continued)

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

	Results-based Funding		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants		107,436	107,436
Federal aid, grants and reimbursements			
Total revenues		<u>107,436</u>	<u>107,436</u>
Expenditures:			
Current -			
Instruction	185,655	5,159	180,496
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay		1,450	(1,450)
Total expenditures	<u>185,655</u>	<u>6,609</u>	<u>179,046</u>
Excess (deficiency) of revenues over expenditures	<u>(185,655)</u>	<u>100,827</u>	<u>286,482</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	<u>(185,655)</u>	<u>100,827</u>	<u>286,482</u>
Fund balances (deficits), beginning of year		56,587	56,587
Fund balances (deficits), end of year	<u>\$ (185,655)</u>	<u>\$ 157,414</u>	<u>\$ 343,069</u>

Rural Assistance			Other State Projects		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	204	204		224,076	224,076
	<u>204</u>	<u>204</u>		<u>224,076</u>	<u>224,076</u>
				50,131	(50,131)
			408,481	75,159	333,322
				8,061	(8,061)
				9,091	(9,091)
			<u>408,481</u>	<u>142,442</u>	<u>266,039</u>
	204	204	<u>(408,481)</u>	<u>81,634</u>	<u>490,115</u>
	204	204	<u>(408,481)</u>	<u>81,634</u>	<u>490,115</u>
	44,295	44,295		160,967	160,967
<u>\$</u>	<u>\$ 44,499</u>	<u>\$ 44,499</u>	<u>\$ (408,481)</u>	<u>\$ 242,601</u>	<u>\$ 651,082</u>

(Continued)

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

	Food Service		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 126,227	\$ 126,227
State aid and grants			
Federal aid, grants and reimbursements		1,153,052	1,153,052
Total revenues		1,279,279	1,279,279
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services	1,317,000	975,429	341,571
Capital outlay		741	(741)
Total expenditures	1,317,000	976,170	340,830
Excess (deficiency) of revenues over expenditures	(1,317,000)	303,109	1,620,109
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	(1,317,000)	303,109	1,620,109
Fund balances (deficits), beginning of year		241,743	241,743
Fund balances (deficits), end of year	\$ (1,317,000)	\$ 544,852	\$ 1,861,852

Civic Center			Auxiliary Operations		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 190,634	\$ 190,634	\$	\$ 590,350	\$ 590,350
	<u>190,634</u>	<u>190,634</u>		<u>590,350</u>	<u>590,350</u>
	42,252	(42,252)	850,574	480,045	370,529
	86,035	(86,035)		179,543	(179,543)
	77,311	(77,311)		1,555	(1,555)
358,157	138,937	219,220		49,168	(49,168)
	5,250	(5,250)			
	43,300	(43,300)		19,814	(19,814)
	<u>393,085</u>	<u>(43,300)</u>	<u>850,574</u>	<u>27,498</u>	<u>(27,498)</u>
<u>358,157</u>		<u>(34,928)</u>		<u>757,623</u>	<u>92,951</u>
<u>(358,157)</u>	<u>(202,451)</u>	<u>155,706</u>	<u>(850,574)</u>	<u>(167,273)</u>	<u>683,301</u>
<u>(358,157)</u>	<u>(202,451)</u>	<u>155,706</u>	<u>(850,574)</u>	<u>(167,273)</u>	<u>683,301</u>
	286,325	286,325		428,451	428,451
<u>\$ (358,157)</u>	<u>\$ 83,874</u>	<u>\$ 442,031</u>	<u>\$ (850,574)</u>	<u>\$ 261,178</u>	<u>\$ 1,111,752</u>

(Continued)

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

	Extracurricular Activities Fees Tax Credit		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 304,879	\$ 304,879
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	1,233,815	304,879	304,879
Expenditures:			
Current -			
Instruction	1,233,815	135,445	1,098,370
Support services - students and staff		62,766	(62,766)
Support services - administration		2,273	(2,273)
Operation and maintenance of plant services		352	(352)
Student transportation services			
Operation of non-instructional services		151	(151)
Capital outlay		58,911	(58,911)
Total expenditures	1,233,815	259,898	973,917
Excess (deficiency) of revenues over expenditures	(1,233,815)	44,981	1,278,796
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	(1,233,815)	44,981	1,278,796
Fund balances (deficits), beginning of year		1,025,394	1,025,394
Fund balances (deficits), end of year	\$ (1,233,815)	\$ 1,070,375	\$ 2,304,190

Gifts and Donations			Career and Technical Education Projects		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 122,473	\$ 122,473	\$	\$	\$
	<u>122,473</u>	<u>122,473</u>			
1,021,261	42,189	979,072			
	17,079	(17,079)			
	11,668	(11,668)			
	211	(211)			
	650	(650)			
	20,670	(20,670)			
<u>1,021,261</u>	<u>92,467</u>	<u>928,794</u>			
<u>(1,021,261)</u>	<u>30,006</u>	<u>1,051,267</u>			
<u>(1,021,261)</u>	<u>30,006</u>	<u>1,051,267</u>			
	960,391	960,391		29	29
<u>\$ (1,021,261)</u>	<u>\$ 990,397</u>	<u>\$ 2,011,658</u>	<u>\$</u>	<u>\$ 29</u>	<u>\$ 29</u>

(Continued)

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

	Fingerprint		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues			
Expenditures:			
Current -			
Instruction	20		20
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	20		20
Excess (deficiency) of revenues over expenditures	(20)		20
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	(20)		20
Fund balances (deficits), beginning of year		18	18
Fund balances (deficits), end of year	\$ (20)	\$ 18	\$ 38

Textbooks			Litigation Recovery		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
40		40			
40		40			
(40)		40			
(40)		40			
	31	31		84	84
\$ (40)	\$ 31	\$ 71	\$	\$ 84	\$ 84

(Continued)

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

	Indirect Costs		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
Revenues:			
Other local	\$	\$ 410	\$ 410
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>410</u>	<u>410</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff		7,414	(7,414)
Support services - administration	123,331	105,383	17,948
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>123,331</u>	<u>112,797</u>	<u>10,534</u>
Excess (deficiency) of revenues over expenditures	<u>(123,331)</u>	<u>(112,387)</u>	<u>10,944</u>
Other financing sources (uses):			
Transfers in		62,730	62,730
Transfers out			
Total other financing sources (uses)		<u>62,730</u>	<u>62,730</u>
Changes in fund balances	<u>(123,331)</u>	<u>(49,657)</u>	<u>73,674</u>
Fund balances (deficits), beginning of year		94,760	94,760
Fund balances (deficits), end of year	<u>\$ (123,331)</u>	<u>\$ 45,103</u>	<u>\$ 168,434</u>

Grants and Gifts to Teachers			Career Technical Education		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 52	\$ 52	\$	\$ 216,893	\$ 216,893
	<u>52</u>	<u>52</u>		<u>216,893</u>	<u>216,893</u>
11,000		11,000		104,163	(104,163)
				36,953	(36,953)
				2,656	(2,656)
			<u>500,343</u>	<u>128,087</u>	<u>372,256</u>
<u>11,000</u>		<u>11,000</u>	<u>500,343</u>	<u>271,859</u>	<u>228,484</u>
<u>(11,000)</u>	<u>52</u>	<u>11,052</u>	<u>(500,343)</u>	<u>(54,966)</u>	<u>445,377</u>
<u>(11,000)</u>	<u>52</u>	<u>11,052</u>	<u>(500,343)</u>	<u>(54,966)</u>	<u>445,377</u>
	11,158	11,158		284,344	284,344
<u>\$ (11,000)</u>	<u>\$ 11,210</u>	<u>\$ 22,210</u>	<u>\$ (500,343)</u>	<u>\$ 229,378</u>	<u>\$ 729,721</u>

(Continued)

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

	Student Activities		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 15,379	\$ 15,379
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		15,379	15,379
Expenditures:			
Current -			
Instruction			
Support services - students and staff	129,810	17,483	112,327
Support services - administration			
Operation and maintenance of plant services		221	(221)
Student transportation services			
Operation of non-instructional services			
Capital outlay		546	(546)
Total expenditures	129,810	18,250	111,560
Excess (deficiency) of revenues over expenditures	(129,810)	(2,871)	126,939
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	(129,810)	(2,871)	126,939
Fund balances (deficits), beginning of year		125,355	125,355
Fund balances (deficits), end of year	\$ (129,810)	\$ 122,484	\$ 252,294

Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 1,581,670	\$ 1,581,670
	2,514,484	2,514,484
	2,850,859	2,850,859
	<u>6,947,013</u>	<u>6,947,013</u>
7,515,639	3,615,098	3,900,541
1,360,443	1,619,184	(258,741)
123,331	277,287	(153,956)
358,157	257,003	101,154
	60,855	(60,855)
1,317,000	996,044	320,956
562,239	523,865	38,374
<u>11,236,809</u>	<u>7,349,336</u>	<u>3,887,473</u>
<u>(11,236,809)</u>	<u>(402,323)</u>	<u>10,834,486</u>
	62,730	62,730
	(34,982)	(34,982)
	<u>27,748</u>	<u>27,748</u>
<u>(11,236,809)</u>	<u>(374,575)</u>	<u>10,862,234</u>
	5,335,207	5,335,207
<u>\$ (11,236,809)</u>	<u>\$ 4,960,632</u>	<u>\$ 16,197,441</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.

PRESCOTT UNIFIED SCHOOL DISTRICT NO. 1
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2021

	Debt Service		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 24,636	\$ 24,636
Property taxes		1,542,509	1,542,509
Total revenues		<u>1,567,145</u>	<u>1,567,145</u>
Expenditures:			
Debt service -			
Principal retirement	1,120,000	1,120,000	
Interest and fiscal charges	180,000	332,629	(152,629)
Total expenditures	<u>1,300,000</u>	<u>1,452,629</u>	<u>(152,629)</u>
Excess (deficiency) of revenues over expenditures	<u>(1,300,000)</u>	<u>114,516</u>	<u>1,414,516</u>
Other financing sources (uses):			
Transfers in		1,621	1,621
Total other financing sources (uses)		<u>1,621</u>	<u>1,621</u>
Changes in fund balances	<u>(1,300,000)</u>	<u>116,137</u>	<u>1,416,137</u>
Fund balances, beginning of year		117,001	117,001
Fund balances (deficits), end of year	<u>\$ (1,300,000)</u>	<u>\$ 233,138</u>	<u>\$ 1,533,138</u>

CAPITAL PROJECTS FUNDS

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

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

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.

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.

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

	Unrestricted Capital Outlay	Adjacent Ways	Bond Building
<u>ASSETS</u>			
Cash and investments	\$ 1,269,559	\$ 44,187	\$ 1,844,289
Property taxes receivable	6,313		
Due from governmental entities	31,539		
Total assets	\$ 1,307,411	\$ 44,187	\$ 1,844,289
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES</u>			
<u>AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 226,482	\$	\$
Construction contracts payable			
Total liabilities	226,482		
Deferred inflows of resources:			
Unavailable revenues - property taxes	3,444		
Unavailable revenues - intergovernmental			
Total deferred inflows of resources	3,444		
Fund balances:			
Restricted	1,077,485	44,187	1,844,289
Total fund balances	1,077,485	44,187	1,844,289
 Total liabilities, deferred inflows of resources and fund balances	 \$ 1,307,411	 \$ 44,187	 \$ 1,844,289

<u>Gifts and Donations - Capital</u>	<u>Energy and Water Savings</u>	<u>Building Renewal Grant</u>	<u>Totals</u>
\$ 251	\$ 17,172	\$ 19,941	\$ 3,195,399
			6,313
		179,021	210,560
<u>\$ 251</u>	<u>\$ 17,172</u>	<u>\$ 198,962</u>	<u>\$ 3,412,272</u>
\$	\$	\$ 119,276	\$ 345,758
		18,155	18,155
		<u>137,431</u>	<u>363,913</u>
		17,326	3,444
		<u>17,326</u>	<u>17,326</u>
			<u>20,770</u>
<u>251</u>	<u>17,172</u>	<u>44,205</u>	<u>3,027,589</u>
<u>251</u>	<u>17,172</u>	<u>44,205</u>	<u>3,027,589</u>
<u>\$ 251</u>	<u>\$ 17,172</u>	<u>\$ 198,962</u>	<u>\$ 3,412,272</u>

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

	<u>Unrestricted Capital Outlay</u>	<u>Adjacent Ways</u>	<u>Bond Building</u>
Revenues:			
Other local	\$ 7,293	\$ 332	\$ 1,621
Property taxes	393,179		
State aid and grants	123,376		
Federal aid, grants and reimbursements			
Total revenues	<u>523,848</u>	<u>332</u>	<u>1,621</u>
Expenditures:			
Capital outlay	446,381		1,877,861
Debt service -			
Principal retirement	44,001		
Interest and fiscal charges	1,765		
Total expenditures	<u>492,147</u>	<u></u>	<u>1,877,861</u>
Excess (deficiency) of revenues over expenditures	<u>31,701</u>	<u>332</u>	<u>(1,876,240)</u>
Other financing sources (uses):			
Transfers out			(1,621)
Total other financing sources (uses)			<u>(1,621)</u>
Changes in fund balances	<u>31,701</u>	<u>332</u>	<u>(1,877,861)</u>
Fund balances (deficits), beginning of year	1,045,784	43,855	3,722,150
Fund balances, end of year	<u>\$ 1,077,485</u>	<u>\$ 44,187</u>	<u>\$ 1,844,289</u>

<u>Gifts and Donations - Capital</u>	<u>Energy and Water Savings</u>	<u>Building Renewal Grant</u>	<u>Totals</u>
\$ 1	\$ 79	\$	\$ 9,326
			393,179
		1,993,379	2,116,755
	73,145		73,145
<u>1</u>	<u>73,224</u>	<u>1,993,379</u>	<u>2,592,405</u>
		1,919,108	4,243,350
			44,001
	73,145		74,910
	<u>73,145</u>	<u>1,919,108</u>	<u>4,362,261</u>
<u>1</u>	<u>79</u>	<u>74,271</u>	<u>(1,769,856)</u>
			(1,621)
			(1,621)
<u>1</u>	<u>79</u>	<u>74,271</u>	<u>(1,771,477)</u>
250	17,093	(30,066)	4,799,066
<u>\$ 251</u>	<u>\$ 17,172</u>	<u>\$ 44,205</u>	<u>\$ 3,027,589</u>

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

	School Plant		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
Revenues:			
Other local	\$	\$ 18,064	\$ 18,064
Property taxes			
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>18,064</u>	<u>18,064</u>
Expenditures:			
Current -			
Instruction			
Capital outlay	2,586,431	53,746	2,532,685
Debt service -			
Principal retirement	142,999	142,999	
Interest and fiscal charges			
Total expenditures	<u>2,729,430</u>	<u>196,745</u>	<u>2,532,685</u>
Changes in fund balances	<u>(2,729,430)</u>	<u>(178,681)</u>	<u>2,550,749</u>
Fund balances (deficits), beginning of year		2,718,543	2,718,543
Fund balances (deficits), end of year	<u>\$ (2,729,430)</u>	<u>\$ 2,539,862</u>	<u>\$ 5,269,292</u>

Insurance Proceeds			Unrestricted Capital Outlay		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 600	\$ 600	\$	\$ 7,293	\$ 7,293
				393,179	393,179
				123,376	123,376
	<u>600</u>	<u>600</u>		<u>523,848</u>	<u>523,848</u>
131,900		131,900	1,169,705	446,381	723,324
			44,001	44,001	
			1,765	1,765	
<u>131,900</u>		<u>131,900</u>	<u>1,215,471</u>	<u>492,147</u>	<u>723,324</u>
<u>(131,900)</u>	<u>600</u>	<u>132,500</u>	<u>(1,215,471)</u>	<u>31,701</u>	<u>1,247,172</u>
	131,374	131,374		1,045,784	1,045,784
<u>\$ (131,900)</u>	<u>\$ 131,974</u>	<u>\$ 263,874</u>	<u>\$ (1,215,471)</u>	<u>\$ 1,077,485</u>	<u>\$ 2,292,956</u>

(Continued)

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

	Adjacent Ways		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 332	\$ 332
Property taxes			
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		332	332
Expenditures:			
Current -			
Instruction			
Capital outlay	42,000		42,000
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	42,000		42,000
Changes in fund balances	(42,000)	332	42,332
Fund balances (deficits), beginning of year		43,855	43,855
Fund balances (deficits), end of year	\$ (42,000)	\$ 44,187	\$ 86,187

Bond Building			Gifts and Donations - Capital		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$ 1	\$ 1
				1	1
2,293,000	1,877,861	415,139			
<u>2,293,000</u>	<u>1,877,861</u>	<u>415,139</u>			
<u>(2,293,000)</u>	<u>(1,877,861)</u>	<u>415,139</u>		1	1
	3,722,150	3,722,150		250	250
<u>\$ (2,293,000)</u>	<u>\$ 1,844,289</u>	<u>\$ 4,137,289</u>	<u>\$</u>	<u>\$ 251</u>	<u>\$ 251</u>

(Continued)

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

	Energy and Water Savings		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 79	\$ 79
Property taxes			
State aid and grants			
Federal aid, grants and reimbursements		73,145	73,145
Total revenues		73,224	73,224
Expenditures:			
Current -			
Instruction			
Capital outlay			
Debt service -			
Principal retirement			
Interest and fiscal charges	17,000	73,145	(56,145)
Total expenditures	17,000	73,145	(56,145)
Changes in fund balances	(17,000)	79	17,079
Fund balances (deficits), beginning of year		17,093	17,093
Fund balances (deficits), end of year	\$ (17,000)	\$ 17,172	\$ 34,172

Building Renewal Grant			Totals		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	1,993,379	1,993,379		26,369	26,369
				393,179	393,179
				2,116,755	2,116,755
				73,145	73,145
	<u>1,993,379</u>	<u>1,993,379</u>		<u>2,609,448</u>	<u>2,609,448</u>
2,121,582	1,919,108	202,474	131,900		131,900
			8,212,718	4,297,096	3,915,622
			187,000	187,000	
			18,765	74,910	(56,145)
<u>2,121,582</u>	<u>1,919,108</u>	<u>202,474</u>	<u>8,550,383</u>	<u>4,559,006</u>	<u>3,991,377</u>
<u>(2,121,582)</u>	<u>74,271</u>	<u>2,195,853</u>	<u>(8,550,383)</u>	<u>(1,949,558)</u>	<u>6,600,825</u>
	(30,066)	(30,066)		7,648,983	7,648,983
<u>\$ (2,121,582)</u>	<u>\$ 44,205</u>	<u>\$ 2,165,787</u>	<u>\$ (8,550,383)</u>	<u>\$ 5,699,425</u>	<u>\$ 14,249,808</u>

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STATISTICAL SECTION

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

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

	Fiscal Year Ended June 30				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Net Position:					
Net investment in capital assets	\$ 29,392,750	\$ 29,273,651	\$ 28,392,696	\$ 30,008,271	\$ 32,782,059
Restricted	8,533,494	8,330,228	7,874,613	3,454,670	3,728,643
Unrestricted	(15,150,295)	(17,255,465)	(17,948,580)	(19,747,875)	(25,703,459)
Total net position	\$ 22,775,949	\$ 20,348,414	\$ 18,318,729	\$ 13,715,066	\$ 10,807,243
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Net Position:					
Net investment in capital assets	\$ 32,656,612	\$ 32,842,676	\$ 29,905,740	\$ 26,782,307	\$ 25,993,273
Restricted	3,247,451	1,486,848	2,475,361	1,984,140	2,033,704
Unrestricted	(29,540,853)	(28,944,476)	3,606,308	5,718,848	5,757,202
Total net position	\$ 6,363,210	\$ 5,385,048	\$ 35,987,409	\$ 34,485,295	\$ 33,784,179

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

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

	Fiscal Year Ended June 30				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Expenses					
Instruction	\$ 19,708,947	\$ 17,850,162	\$ 15,669,863	\$ 14,855,641	\$ 15,765,938
Support services - students and staff	5,801,055	5,591,414	4,581,036	4,449,490	4,857,722
Support services - administration	3,672,919	3,498,549	2,995,050	2,841,933	2,862,786
Operation and maintenance of plant services	4,837,233	4,415,200	4,501,794	4,299,404	3,963,028
Student transportation services	1,993,299	1,757,579	1,731,198	1,633,148	1,799,027
Operation of non-instructional services	1,186,625	1,306,040	1,376,321	1,408,955	1,514,900
Interest on long-term debt	346,366	270,532	324,698	223,462	188,184
Total expenses	<u>37,546,444</u>	<u>34,689,476</u>	<u>31,179,960</u>	<u>29,712,033</u>	<u>30,951,585</u>
Program Revenues					
Charges for services:					
Instruction	1,191,852	1,360,020	1,391,300	1,008,368	1,056,270
Operation of non-instructional services	125,146	330,213	505,786	470,475	401,439
Other activities	296,078	549,250	445,450	478,670	559,497
Operating grants and contributions	5,924,502	4,226,576	4,138,813	4,008,344	4,132,089
Capital grants and contributions	2,273,069	1,037,429	95,307	177,454	2,256,449
Total program revenues	<u>9,810,647</u>	<u>7,503,488</u>	<u>6,576,656</u>	<u>6,143,311</u>	<u>8,405,744</u>
Net (Expense)/Revenue	<u><u>\$ (27,735,797)</u></u>	<u><u>\$ (27,185,988)</u></u>	<u><u>\$ (24,603,304)</u></u>	<u><u>\$ (23,568,722)</u></u>	<u><u>\$ (22,545,841)</u></u>

(Continued)

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Expenses					
Instruction	\$ 17,022,957	\$ 18,994,389	\$ 19,363,734	\$ 19,944,459	\$ 19,918,600
Support services - students and staff	4,259,891	3,888,995	4,363,337	4,067,747	3,641,770
Support services - administration	3,770,503	4,076,584	3,661,998	3,747,332	3,214,808
Operation and maintenance of plant services	3,671,940	4,130,127	4,033,662	3,652,458	3,968,012
Student transportation services	1,723,880	2,022,254	1,982,704	1,949,359	1,971,428
Operation of non-instructional services	1,587,746	1,786,047	1,977,580	1,925,198	1,944,526
Interest on long-term debt	91,369	202,522	308,273	406,149	501,182
Total expenses	<u>32,128,286</u>	<u>35,100,918</u>	<u>35,691,288</u>	<u>35,692,702</u>	<u>35,160,326</u>
Program Revenues					
Charges for services:					
Instruction	1,561,486	936,419	1,357,046	1,556,967	1,903,349
Operation of non-instructional services	423,754	524,575	603,436	668,050	728,045
Other activities	281,505	198,652	276,440		547,236
Operating grants and contributions	4,904,950	4,089,668	4,309,960	4,570,073	3,302,241
Capital grants and contributions	42,469	158,972	1,030,302	450,870	82,127
Total program revenues	<u>7,214,164</u>	<u>5,908,286</u>	<u>7,577,184</u>	<u>7,245,960</u>	<u>6,562,998</u>
Net (Expense)/Revenue	<u>\$ (24,914,122)</u>	<u>\$ (29,192,632)</u>	<u>\$ (28,114,104)</u>	<u>\$ (28,446,742)</u>	<u>\$ (28,597,328)</u>

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

(Concluded)

PRESCOTT 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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Net (Expense)/Revenue	\$ (27,735,797)	\$ (27,185,988)	\$ (24,603,304)	\$ (23,568,722)	\$ (22,545,841)
General Revenues and Special Items:					
Taxes:					
Property taxes, levied for general purposes	19,239,980	17,767,687	18,760,645	16,772,264	17,013,614
Property taxes, levied for debt service	1,543,187	1,171,445	1,180,242	1,104,427	1,049,685
Property taxes, levied for capital outlay	386,970	752,321			345,356
Investment income	66,152	271,234	279,116	114,330	34,266
Unrestricted county aid					
Unrestricted state aid	8,519,590	8,113,003	8,034,142	7,286,663	7,627,030
Unrestricted federal aid	407,453	579,975	505,294	581,903	536,075
Special item - gain on sale of capital assets			447,528	943,286	547,489
Total general revenues and special items	<u>30,163,332</u>	<u>28,655,665</u>	<u>28,759,439</u>	<u>25,859,587</u>	<u>26,606,026</u>
Changes in Net Position	<u>\$ 2,427,535</u>	<u>\$ 1,469,677</u>	<u>\$ 4,156,135</u>	<u>\$ 2,290,865</u>	<u>\$ 4,060,185</u>

(Continued)

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Net (Expense)/Revenue	\$ (24,914,122)	\$ (29,192,632)	\$ (28,114,104)	\$ (28,446,742)	\$ (28,597,328)
General Revenues and Special Items:					
Taxes:					
Property taxes, levied for general purposes	15,621,347	17,123,727	18,423,090	18,482,716	18,247,535
Property taxes, levied for debt service	2,031,663	2,566,790	2,587,276	2,549,486	2,506,460
Property taxes, levied for capital outlay	325,984				
Investment income	24,061	44,878	83,499	47,330	113,259
Unrestricted county aid		1,683	238,660	144,174	136,095
Unrestricted state aid	7,264,744	7,330,641	7,686,432	7,111,469	6,606,106
Unrestricted federal aid	624,485	652,102	597,261	812,683	631,635
Special Item - impairment loss		(335,384)			
Total general revenues and special items	<u>25,892,284</u>	<u>27,384,437</u>	<u>29,616,218</u>	<u>29,147,858</u>	<u>28,241,090</u>
Changes in Net Position	<u>\$ 978,162</u>	<u>\$ (1,808,195)</u>	<u>\$ 1,502,114</u>	<u>\$ 701,116</u>	<u>\$ (356,238)</u>

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

(Concluded)

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

	Fiscal Year Ended June 30				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
General Fund:					
Restricted	\$ 2,539,862	\$ 2,718,543	\$ 3,894,502	\$	\$
Unassigned	8,147,079	5,974,310	5,417,166	7,123,302	3,647,397
Total General Fund	\$ 10,686,941	\$ 8,692,853	\$ 9,311,668	\$ 7,123,302	\$ 3,647,397
All Other Governmental Funds:					
Restricted	\$ 7,798,179	\$ 9,267,983	\$ 5,378,364	\$ 7,894,545	\$ 5,172,639
Unassigned	(1,033,994)	(117,077)	(41,115)		
Total all other governmental funds	\$ 6,764,185	\$ 9,150,906	\$ 5,337,249	\$ 7,894,545	\$ 5,172,639

(Continued)

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General Fund:					
Restricted	\$ 90,032	62,517			
Unassigned	\$ 1,392,994	\$ 1,511,693	\$ 3,223,523	\$ 3,230,827	\$ 2,906,719
Total General Fund	<u>\$ 1,483,026</u>	<u>\$ 1,574,210</u>	<u>\$ 3,223,523</u>	<u>\$ 3,230,827</u>	<u>\$ 2,906,719</u>
All Other Governmental Funds:					
Restricted	\$ 10,645,853	\$ 2,079,136	\$ 2,402,733	\$ 1,781,461	\$ 2,011,622
Unassigned	(293,850)	(259,409)	(19,140)		
Total all other governmental funds	<u>\$ 10,352,003</u>	<u>\$ 1,819,727</u>	<u>\$ 2,383,593</u>	<u>\$ 1,781,461</u>	<u>\$ 2,011,622</u>

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

(Concluded)

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

	Fiscal Year Ended June 30				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Federal sources:					
Federal grants	\$ 3,701,158	\$ 2,939,908	\$ 2,826,035	\$ 2,854,323	\$ 3,125,092
National School Lunch Program	1,153,052	758,673	744,226	822,918	814,376
Total federal sources	<u>4,854,210</u>	<u>3,698,581</u>	<u>3,570,261</u>	<u>3,677,241</u>	<u>3,939,468</u>
State sources:					
State equalization assistance	6,168,795	5,817,950	5,734,067	5,116,051	5,896,485
State grants	373,034	389,727	135,258	123,181	153,042
School Facilities Board	1,993,379	495,866	50,330	409,443	1,515,306
Other revenues	2,390,506	2,295,053	2,299,398	2,127,943	1,730,545
Total state sources	<u>10,925,714</u>	<u>8,998,596</u>	<u>8,219,053</u>	<u>7,776,618</u>	<u>9,295,378</u>
Local sources:					
Property taxes	21,120,306	19,674,769	19,928,458	17,858,223	18,479,199
County aid					
Food service sales	125,146	330,213	505,786	470,475	401,439
Investment income	53,664	271,234	271,271	114,879	48,383
Other revenues	1,906,516	3,144,019	2,705,364	2,336,503	2,668,517
Total local sources	<u>23,205,632</u>	<u>23,420,235</u>	<u>23,410,879</u>	<u>20,780,080</u>	<u>21,597,538</u>
Total revenues	<u><u>\$ 38,985,556</u></u>	<u><u>\$ 36,117,412</u></u>	<u><u>\$ 35,200,193</u></u>	<u><u>\$ 32,233,939</u></u>	<u><u>\$ 34,832,384</u></u>

(Continued)

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Federal sources:					
Federal grants	\$ 3,511,172	\$ 2,701,132	\$ 3,147,206	\$ 3,311,898	\$ 2,187,206
State Fiscal Stabilization (ARRA) Education Jobs					418,041
National School Lunch Program	844,444	940,326	1,111,615	1,050,374	1,052,866
Total federal sources	<u>4,355,616</u>	<u>3,641,458</u>	<u>4,258,821</u>	<u>4,362,272</u>	<u>3,658,113</u>
State sources:					
State equalization assistance	5,390,989	5,389,344	5,675,370	5,472,889	5,017,862
State grants	253,642	185,114	232,275	158,531	193,603
School Facilities Board			539,989	107,978	
Other revenues	1,974,851	1,864,619	2,011,062	1,638,580	1,588,244
Total state sources	<u>7,619,482</u>	<u>7,439,077</u>	<u>8,458,696</u>	<u>7,377,978</u>	<u>6,799,709</u>
Local sources:					
Property taxes	18,034,372	19,733,834	20,882,997	21,117,149	20,872,855
County aid		1,683	238,660	144,174	136,095
Food service sales	423,754	524,573	528,822	548,637	523,209
Investment income	24,061	44,878	45,556	47,330	8,753
Other revenues	2,880,424	2,159,475	2,727,208	2,674,653	2,819,708
Total local sources	<u>21,362,611</u>	<u>22,464,443</u>	<u>24,423,243</u>	<u>24,531,943</u>	<u>24,360,620</u>
Total revenues	<u>\$ 33,337,709</u>	<u>\$ 33,544,978</u>	<u>\$ 37,140,760</u>	<u>\$ 36,272,193</u>	<u>\$ 34,818,442</u>

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

(Concluded)

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

	Fiscal Year Ended June 30				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Expenditures:					
Current -					
Instruction	\$ 17,643,160	\$ 16,435,559	\$ 16,159,313	\$ 14,952,148	\$ 14,709,128
Support services - students and staff	5,708,524	5,578,172	5,202,412	4,950,422	5,047,636
Support services - administration	3,274,888	3,255,159	3,041,519	2,919,106	2,877,933
Operation and maintenance of plant services	3,626,472	3,408,232	3,633,394	3,619,928	3,591,937
Student transportation services	1,348,556	1,361,433	1,468,131	1,533,704	1,652,809
Operation of non-instructional services	1,093,787	1,262,065	1,334,813	1,391,292	1,482,701
Capital outlay	4,968,263	4,125,627	4,092,660	2,151,305	10,192,191
Debt service -					
Interest and fiscal charges	407,539	331,705	366,357	249,168	213,890
Principal retirement	1,307,000	1,211,127	1,147,607	1,245,227	1,235,761
Bond issuance costs		116,324		116,141	
Total expenditures	<u>\$ 39,378,189</u>	<u>\$ 37,085,403</u>	<u>\$ 36,446,206</u>	<u>\$ 33,128,441</u>	<u>\$ 41,003,986</u>
Expenditures for capitalized assets	\$ 3,349,009	\$ 3,667,942	\$ 3,083,308	\$ 1,933,127	\$ 9,711,919
Debt service as a percentage of noncapital expenditures	5%	5%	5%	5%	5%

(Continued)

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Expenditures:					
Current -					
Instruction	\$ 15,336,938	\$ 16,586,100	\$ 17,173,139	\$ 17,717,636	\$ 18,258,302
Support services - students and staff	4,296,526	3,993,099	4,286,219	3,958,103	3,619,597
Support services - administration	3,652,408	3,653,496	3,536,006	3,522,074	3,148,784
Operation and maintenance of plant services	3,531,504	3,944,651	3,957,899	3,582,369	3,923,075
Student transportation services	1,560,999	1,560,713	1,559,926	1,500,538	1,601,956
Operation of non-instructional services	1,558,412	1,734,645	1,930,073	1,876,225	1,916,783
Capital outlay	304,345	1,601,092	1,374,824	1,215,996	331,609
Debt service -					
Interest and fiscal charges	91,369	202,522	308,273	406,149	501,182
Principal retirement	2,265,710	2,954,050	2,632,269	2,531,021	2,444,793
Bond issuance costs	158,292				
Total expenditures	<u>\$ 32,756,503</u>	<u>\$ 36,230,368</u>	<u>\$ 36,758,628</u>	<u>\$ 36,310,111</u>	<u>\$ 35,746,081</u>
Expenditures for capitalized assets	\$ 215,541	\$ 240,338	\$ 499,403	\$ 612,632	\$ 116,727
Debt service as a percentage of noncapital expenditures	7%	9%	8%	8%	8%

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

(Concluded)

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

	Fiscal Year Ended June 30				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Excess (deficiency) of revenues over expenditures	\$ (392,633)	\$ (967,991)	\$ (1,246,013)	\$ (894,502)	\$ (6,171,602)
Other financing sources (uses):					
Issuance of school improvement bonds		3,365,000		3,895,000	
Premium on sale of bonds		214,650		191,441	
Capital lease agreements					2,354,570
Transfers in	64,351	93,701	115,059	77,339	120,007
Transfers out	(64,351)	(93,701)	(115,059)	(77,339)	(120,007)
Insurance recoveries		23,173		3,560	15,787
Total other financing sources (uses)		<u>3,602,823</u>		<u>4,090,001</u>	<u>2,370,357</u>
Special item:					
Proceeds from sale of capital assets			877,083	3,002,312	949,893
Changes in fund balances	<u>\$ (392,633)</u>	<u>\$ 2,634,832</u>	<u>\$ (368,930)</u>	<u>\$ 6,197,811</u>	<u>\$ (2,851,352)</u>
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Excess (deficiency) of revenues over expenditures	\$ 581,206	\$ (2,685,390)	\$ 382,132	\$ (37,918)	\$ (927,639)
Other financing sources (uses):					
Capital lease agreements		472,211		131,865	
Transfers in	287,169	95,260	583,300	100,885	55,734
Transfers out	(287,169)	(95,260)	(370,604)	(100,885)	(55,734)
Total other financing sources (uses)	<u>7,859,886</u>	<u>472,211</u>	<u>212,696</u>	<u>131,865</u>	<u></u>
Changes in fund balances	<u>\$ 8,441,092</u>	<u>\$ (2,213,179)</u>	<u>\$ 594,828</u>	<u>\$ 93,947</u>	<u>\$ (927,639)</u>

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

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

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Commercial, Industrial, Utilities and Mining	\$ 196,177,081	\$ 187,815,341	\$ 182,699,072	\$ 174,283,077	\$ 166,369,889
Agricultural and Vacant	59,241,811	58,724,267	57,886,712	57,752,545	55,810,899
Residential (Owner Occupied)	555,422,963	517,993,437	479,223,745	464,693,283	450,971,929
Residential (Rental)	200,614,944	185,558,627	172,160,316	142,218,691	117,725,519
Railroad, Private Cars and Airlines	38,423	41,107	42,543	38,644	33,392
Historical Property	2,096,501	1,908,256	1,843,349	1,706,280	1,711,082
Certain Government Property Improvement:	40,668	55,088	48,067	11,251	97,998
Total	\$ 1,013,632,391	\$ 952,096,123	\$ 893,903,804	\$ 840,703,771	\$ 792,720,708
Gross Full Cash Value	\$ 12,606,511,204	\$ 11,295,834,639	\$ 8,460,045,494	\$ 9,445,267,517	\$ 8,846,462,460
Ratio of Net Limited Assessed Value to Gross Full Cash Value	8%	8%	11%	9%	9%
Total Direct Rate	2.70	2.69	2.87	2.74	3.04

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Commercial, Industrial, Utilities and Mining	\$ 166,421,023	\$ 161,914,775	\$ 163,269,119	\$ 181,340,679	\$ 211,252,290
Agricultural and Vacant	58,984,531	60,361,345	63,609,560	69,459,419	121,194,747
Residential (Owner Occupied)	427,500,160	407,054,179	401,477,616	434,739,723	496,398,172
Residential (Rental)	106,584,914	93,090,784	74,438,280	79,909,302	61,873,033
Railroad, Private Cars and Airlines	33,591	55,435	50,292	48,225	41,481
Historical Property	1,486,261	1,348,670	1,408,763	1,563,292	1,648,577
Certain Government Property Improvement:	17,388	16,561	15,878	18,683	19,362
Total	\$ 761,027,868	\$ 723,841,749	\$ 704,269,508	\$ 767,079,323	\$ 892,427,662
Gross Full Cash Value	\$ 8,073,561,235	\$ 6,671,941,965	\$ 6,379,875,830	\$ 6,891,479,115	\$ 7,787,465,811
Ratio of Net Limited Assessed Value to Gross Full Cash Value	9%	11%	11%	11%	11%
Total Direct Rate	3.39	3.47	3.74	3.46	2.91

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

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

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

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Commercial, Industrial, Utilities and Mining	\$ 243,935,539	\$ 215,322,055	\$ 211,749,425	\$ 199,013,043	\$ 183,894,300
Agricultural and Vacant	90,358,356	84,552,310	77,077,635	79,410,529	75,610,019
Residential (Owner Occupied)	705,081,484	635,090,380	570,215,848	543,052,812	530,734,414
Residential (Rental)	267,927,375	236,098,862	215,035,807	171,018,281	139,981,990
Railroad, Private Cars and Airlines	44,792	47,722	48,481	43,342	35,075
Historical Property	3,221,114	2,721,379	2,524,321	2,315,995	2,131,756
Certain Government Property Improvements	58,014	80,463	69,667	13,246	107,039
Total	\$ 1,310,626,674	\$ 1,173,913,171	\$ 1,076,721,184	\$ 994,867,248	\$ 932,494,593
Gross Full Cash Value	\$ 12,606,511,204	\$ 11,295,834,639	\$ 8,460,045,494	\$ 9,445,267,517	\$ 8,846,462,460
Ratio of Net full Cash Assessed Value to Gross Full Cash Value	10%	10%	13%	11%	11%
Estimated Net Full Cash Value	11,496,344,567	10,299,436,891	7,745,128,527	8,642,652,256	8,130,727,916
Total Direct Rate	2.7	2.69	2.87	2.74	3.04

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Commercial, Industrial, Utilities and Mining	\$ 184,765,274	\$ 162,750,173	\$ 163,947,397	\$ 181,856,382	\$ 216,529,528
Agricultural and Vacant	71,820,448	63,461,414	64,495,157	69,819,949	126,016,148
Residential (Owner Occupied)	485,599,589	409,389,359	401,610,160	434,970,928	496,797,918
Residential (Rental)	122,460,259	93,845,197	74,478,095	80,105,136	62,526,377
Railroad, Private Cars and Airlines	34,071	55,913	50,729	49,075	45,832
Historical Property	1,741,613	1,353,837	1,688,741	1,801,121	2,077,797
Certain Government Property Improvements	20,886	16,561	15,878	18,683	20,216
Total	\$ 866,442,140	\$ 730,872,454	\$ 706,286,157	\$ 768,621,274	\$ 904,013,816
Gross Full Cash Value	\$ 8,073,561,235	\$ 6,671,941,965	\$ 6,379,875,830	\$ 6,891,479,115	\$ 7,787,465,811
Ratio of Net full Cash Assessed Value to Gross Full Cash Value	11%	11%	11%	11%	12%
Estimated Net Full Cash Value	7,387,514,573	6,192,821,143	5,921,421,342	6,414,800,031	7,413,712,504
Total Direct Rate	3.39	3.47	3.74	3.46	2.91

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.

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

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Commercial, Industrial, Utilities and Mining	18 %	18 %	18 %	18 %	18 %
Agricultural and Vacant	15	15	15	15	15
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	15	15	14	15	14

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Commercial, Industrial, Utilities and Mining	19 %	19 %	20 %	20 %	20 %
Agricultural and Vacant	16	16	16	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	15	16	15	15	15

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

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

**PRESCOTT 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-wide	Library	Flood	Community	Central	Flood	City of	Primary	Secondary	Total
	Equalization		District	Control	College	Fire	Control	Prescott			
			District	District	District	District	District				
2021	0.44	1.93	0.16	0.20	1.61	0.09	0.20	0.25	2.46	0.25	2.70
2020	0.46	2.01	0.17	0.21	1.69	0.10	0.21	0.26	2.47	0.22	2.69
2019	0.47	1.78	0.17	0.22	0.19	0.10	0.22	0.27	2.63	0.24	2.87
2018	0.49	1.84	0.18	0.23	1.98	0.10	0.23	0.28	2.49	0.25	2.74
2017	0.50	1.90	0.19	0.20	0.21	0.10	0.20	0.27	2.79	0.25	3.04
2016	0.51	1.93	0.17	0.21	2.09	0.10	0.21	0.30	3.12	0.27	3.39
2015	0.51	1.96	0.15	0.21	2.08	0.10	0.21	0.31	3.12	0.35	3.47
2014	0.51	1.93	0.15	0.22	2.05	0.10	0.22	0.34	3.38	0.37	3.74
2013	0.47	1.64	0.17	0.30	1.89	0.10	0.30	0.48	3.13	0.33	3.46
2012	0.43	1.43	0.15	0.25	1.62	0.09	0.25	0.44	2.63	0.28	2.91

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

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

Taxpayer	2021		2012	
	Net Limited Assessed Valuation	Percentage of District's Net Limited Assessed Valuation	Net Full Cash Assessed Valuation	Percentage of District's Net Full Cash Assessed Valuation
Arizona Public Service Company	\$ 17,022,592	1.30 %	\$ 17,729,392	1.96 %
Sturm Ruger & Co Inc.	7,959,600	0.61		
Unisource Energy Corporation	5,619,543	0.43	4,715,812	0.52
Touchmark at the Ranch LLC	4,656,474	0.36		
Wal-Mart Stores Inc	4,057,805	0.31	3,061,166	0.34
Findly Family Properties	2,525,833	0.19		
LFRV LLC (Las Fuentes)	2,404,163	1.80	2,511,589	0.28
Qwest Corporation/US West	2,030,050	0.15	3,385,329	0.37
SRZ Yuma LLC	2,004,313	0.15		
Lowes	1,907,346	0.15	1,879,696	0.21
Prescott Gateway Mall Realty Holdings			5,232,825	0.58
Willow Creek Corner LLC			2,581,141	0.29
Bonanza LLC - Ponderosa Plaza			2,178,397	0.24
YK Commercial Realty LLC			2,110,821	0.23
Total	<u>\$ 50,187,719</u>	<u>5.45 %</u>	<u>\$ 45,386,168</u>	<u>5.02 %</u>

Source: The source of this information is the Yavapai 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.

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

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Fiscal Years	Collected to the End of the Current Fiscal Year	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2021	\$ 21,189,901	\$ 20,902,147	98.64 %	\$	\$ 20,902,147	98.64 %
2020	19,699,626	19,373,511	98.34	24,788	19,398,299	98.47
2019	19,953,919	19,668,376	98.57	272,917	19,941,293	99.94
2018	17,895,550	17,664,936	98.71	229,584	17,894,520	99.99
2017	18,422,716	18,171,656	98.64	250,170	18,421,826	100.00
2016	18,026,520	17,753,321	98.48	271,876	18,025,197	99.99
2015	19,709,264	19,320,615	98.03	387,243	19,707,858	99.99
2014	20,874,152	20,458,413	98.01	414,690	20,873,103	99.99
2013	21,032,202	20,642,568	98.15	389,634	21,032,202	100.00
2012	20,730,219	20,076,891	96.85	652,325	20,729,216	100.00

Source: The source of this information is the Yavapai 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.

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

Fiscal Year Ended June 30	General Obligation Bonds						Total Outstanding Debt				
	General Obligation Bonds	Less: Amounts Restricted for Principal	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Capital Leases	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Percentage of Personal Income	
2021	\$ 10,015,560	\$ 233,138	\$ 9,782,422	0.08 %	\$ 165	\$ 1,570,000	\$ 11,585,560	0.09 %	\$ 190	0.12 %	
2020	11,196,733	135,295	11,061,438	0.10	253	1,757,000	12,953,733	0.11	292	0.14	
2019	8,703,256	180,123	8,523,133	0.10	201	1,943,127	10,646,383	0.13	246	0.12	
2018	9,694,915	128,878	9,566,037	0.10	166	2,140,734	11,835,649	0.13	203	0.14	
2017	6,684,180	174,644	6,509,536	0.07	157	2,335,961	9,020,141	0.10	212	0.11	
2016	7,859,886	404,059	7,455,827	0.09	192	67,152	7,927,038	0.10	193	0.10	
2015	2,020,000	211,390	1,808,610	0.03	51	312,862	2,332,862	0.03	58	0.03	
2014	4,445,000	198,523	4,246,477	0.07	111	369,701	4,814,701	0.08	120	0.08	
2013	9,010,000	163,029	8,846,971	0.13	224	671,970	9,681,970	0.14	240	0.14	
2012	11,160,000	184,241	10,975,759	0.14	279	836,126	11,996,126	0.15	300	0.19	

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

PRESCOTT UNIFIED SCHOOL DISTRICT NO. 1
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2021

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Overlapping:			
Yavapai County Community College District	\$ 7,870,000	34.39 %	\$ 2,706,717
Central Yavapai Fire District	7,874,405	100.00	7,874,405
Chino Valley Fire District	4,205,000	100.00	4,205,000
Subtotal, Overlapping Debt			<u>14,786,122</u>
Direct:			
Prescott Unified School District No. 1		100.00	<u>11,585,560</u>
Total Direct and Overlapping Governmental Activities Debt			<u><u>\$ 26,371,682</u></u>

DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation		1.22 %
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 404	
As a Percentage of Net Limited Assessed Valuation		2.42 %
As a Percentage of Gross Full Cash Value		0.19 %

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

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

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

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

Net full cash assessed valuation	\$ 1,310,626,674
Debt limit (20% of assessed value)	262,125,335
Debt applicable to limit	<u>9,965,752</u>
Legal debt margin	<u>\$ 252,159,583</u>

Total Legal Debt Margin Calculation for Fiscal Year 2021:

Net full cash assessed valuation	\$ 1,310,626,674
Debt limit 30% of assessed value)	393,188,002
Debt applicable to limit	<u>9,965,752</u>
Legal debt margin	<u>\$ 383,222,250</u>

Fiscal Year Ended June 30

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Debt Limit	\$ 393,188,002	\$ 341,050,054	\$ 323,016,355	\$ 298,460,174	\$ 279,748,378
Total net debt applicable to limit	<u>9,965,752</u>	<u>11,123,897</u>	<u>8,430,416</u>	<u>9,694,915</u>	<u>6,350,000</u>
Legal debt margin	<u>\$ 383,222,250</u>	<u>\$ 329,926,157</u>	<u>\$ 314,585,939</u>	<u>\$ 288,765,259</u>	<u>\$ 273,398,378</u>
Total net debt applicable to the limit as a percentage of debt limit	3%	3%	3%	3%	2%
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Debt Limit	\$ 252,432,642	\$ 219,261,736	\$ 211,885,847	\$ 230,586,382	\$ 271,204,145
Total net debt applicable to limit	<u>7,500,000</u>	<u>2,020,000</u>	<u>4,445,000</u>	<u>9,010,000</u>	<u>11,160,000</u>
Legal debt margin	<u>\$ 244,932,642</u>	<u>\$ 217,241,736</u>	<u>\$ 207,440,847</u>	<u>\$ 221,576,382</u>	<u>\$ 260,044,145</u>
Total net debt applicable to the limit as a percentage of debt limit	3%	1%	2%	4%	4%

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

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

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

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands)</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>	<u>Estimated District Population</u>
2020	236,209	\$ 9,731,391	\$ 41,393	7.5 %	60,847
2019	232,386	9,352,066	40,312	4.4	44,299
2018	228,970	8,532,977	37,398	4.5	43,314
2017	224,363	8,287,072	36,936	4.8	58,293
2016	220,189	7,900,001	35,545	4.9	42,513
2015	217,778	7,740,919	35,545	5.9	40,989
2014	218,844	7,172,392	32,774	6.3	40,000
2013	215,133	5,665,528	26,335	8.6	40,000
2012	212,637	6,722,907	31,617	8.7	40,308
2011	211,247	6,448,529	30,543	10.0	39,984

Sources: The source of the "Personal Income" and "Per Capita" information is the Bureau of Economic Analysis. The source of the "Population" and "Unemployment Rate" information is the Arizona Office of Employment and Population Statistics and Bureau of Labor Statistics respectively.

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

<u>Employer</u>	<u>2021</u>		<u>2012</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Yavapai Regional Medical Center	2,048	2.04 %	1,346	1.60 %
County of Yavapai	1,786	1.78	1,378	1.64
Yavapai College	1,290	1.29	445	0.53
Veteran's Admin Medical Center	1,300	1.30	820	0.98
Prescott Unified School District No. 1	447	0.45	770	0.92
Wal-Mart	600	0.60		
Embry-Riddle Aeronautical University	639	0.64	385	0.46
City of Prescott	507	0.51	493	0.59
Sturm Ruger & Co	400	0.40	300	0.36
West Yavapai Guidance Clinic	307	0.31		
Fann Contracting			280	0.33
Yavapai Gaming Agency			312	0.37
Total	<u>9,324</u>	<u>9.32 %</u>	<u>6,529</u>	<u>7.78 %</u>
Total employment	<u>100,366</u>		<u>83,900</u>	

Source: The source of this information is the City of Prescott, the Bureau of Labor Statistics, and Hoover's Inc.

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

	Full-time Equivalent Employees as of June 30				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Supervisory					
Superintendent	1	1	1	1	1
Assistant superintendents	1	1	1	1	1
Consultants/supervisors of instruction	9	9	9	9	9
Principals	6	6	6	6	6
Assistant principals	5	5	5	5	5
Total supervisory	<u>22</u>	<u>22</u>	<u>22</u>	<u>22</u>	<u>22</u>
Instruction					
Teachers	197	194	199	199	202
Total instruction	<u>197</u>	<u>194</u>	<u>199</u>	<u>199</u>	<u>202</u>
Student Services					
Nurses	6	6	5	5	5
Counselors/Advisors	7	7	6	6	6
Librarians				1	1
Technicians	4	4	3	3	1
Total student services	<u>17</u>	<u>17</u>	<u>14</u>	<u>15</u>	<u>13</u>
Total	<u><u>236</u></u>	<u><u>233</u></u>	<u><u>235</u></u>	<u><u>236</u></u>	<u><u>237</u></u>

(Continued)

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Supervisory					
Superintendent	1	1	1	1	1
Assistant superintendents	1	1	1	1	1
Consultants/supervisors of instruction	9	9	9	10	10
Principals	6	8	8	8	8
Assistant principals	5	5	5	4	4
Total supervisory	<u>22</u>	<u>24</u>	<u>24</u>	<u>24</u>	<u>24</u>
Instruction					
Teachers	220	241	283	233	248
Total instruction	<u>220</u>	<u>241</u>	<u>283</u>	<u>233</u>	<u>248</u>
Student Services					
Nurses	5	5	5	6	7
Counselors/Advisors	6	6	6	6	7
Librarians	1	1	1	1	1
Technicians	1	1	1	1	4
Total student services	<u>13</u>	<u>13</u>	<u>13</u>	<u>14</u>	<u>19</u>
Total	<u><u>255</u></u>	<u><u>278</u></u>	<u><u>320</u></u>	<u><u>271</u></u>	<u><u>291</u></u>

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

(Concluded)

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

Fiscal Year Ended June 30	Average Daily Membership	Operating Expenditures	Cost per Pupil	Percentage Change	Expenses	Cost per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Free/Reduced Students
2021	3,509	\$ 32,695,387	\$ 9,318	10.09 %	\$ 37,546,444	\$ 10,701	14.07 %	197	17.8	34.4 %
2020	3,698	31,300,620	8,464	(1.44)	34,689,476	9,381	8.04	194	19.1	33.7
2019	3,591	30,839,582	8,588	11.36	31,179,960	8,683	11.28	199	18.0	35.2
2018	3,808	29,366,600	7,712	0.28	29,712,033	7,803	(3.75)	199	19.1	35.6
2017	3,818	29,362,144	7,690	0.01	30,951,585	8,107	(1.77)	202	18.9	33.1
2016	3,893	29,936,787	7,690	4.38	32,128,286	8,253	0.44	220	17.7	41.3
2015	4,272	31,472,704	7,367	6.66	35,100,918	8,217	8.13	241	17.7	43.5
2014	4,697	32,443,262	6,907	4.13	35,691,288	7,599	3.21	283	16.6	35.4
2013	4,848	32,156,945	6,633	0.86	35,692,702	7,362	3.38	233	20.8	38.5
2012	4,937	32,468,497	6,577	(2.56)	35,160,326	7,122	(2.32)	248	19.9	38.8

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

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

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

	<u>Fiscal Year Ended June 30</u>									
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>Schools</u>										
Elementary										
Buildings	22	22	22	22	22	17	20	20	20	20
Square feet	252,631	252,631	252,631	252,631	252,631	188,593	226,333	226,333	226,333	226,333
Capacity	2,783	2,783	2,783	2,783	2,783	1,950	2,339	2,339	2,339	2,339
Enrollment	1,723	1,723	1,618	1,723	1,663	1,651	1,640	1,865	1,973	2,104
Middle										
Buildings	7	7	7	7	7	11	11	11	11	11
Square feet	109,901	109,901	109,901	109,901	109,901	203,417	203,417	203,417	203,417	203,417
Capacity	989	989	989	989	989	1,430	1,430	1,430	1,430	1,430
Enrollment	618	618	569	618	634	677	1,052	1,285	1,302	1,280
High										
Buildings	13	13	13	13	13	12	12	12	12	12
Square feet	264,860	264,860	264,860	264,860	264,860	290,051	290,051	290,051	290,051	290,051
Capacity	1,895	1,895	1,895	1,895	1,895	2,095	2,095	2,095	2,095	2,095
Enrollment	1,520	1,520	1,365	1,520	1,512	1,510	1,497	1,600	1,631	1,622
Other										
Buildings	2	2	2	2	2	2	2	2	2	2
Square feet	28,635	28,635	28,635	28,635	28,635	28,635	28,635	28,635	28,635	28,635
Capacity	150	150	150	150	150	150	150	150	150	150
Enrollment	152	152	150	152	120	91	91	97	97	124
<u>Administrative</u>										
Buildings	9	9	9	9	9	9	9	9	9	9
Square feet	54,966	54,966	54,966	54,966	54,966	54,966	54,966	54,966	54,966	54,966
<u>Transportation</u>										
Garages	1	1	1	1	1	1	1	1	1	1
Buses	44	40	40	40	44	44	44	44	44	44
<u>Athletics</u>										
Football fields	3	3	3	3	3	3	3	3	3	3
Soccer fields	1	1	1	1	1	1	1	1	1	1
Running tracks	3	3	3	3	3	3	3	3	3	3
Baseball/softball	3	3	3	3	3	3	3	3	3	3
Playgrounds	6	6	6	6	6	6	6	6	6	6

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

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