



Regular Board Meeting Agenda

Tuesday, October 13, 2020 | 6:00 PM | District Office Board Room, 8176 N. Westover, Joseph City, AZ 86032

Items on the regular meeting agenda may be discussed in executive session related to employment matters, for the purpose of obtaining legal advice thereon or other matters pursuant to A.R.S. 38-431.03(A). The Governing Board may change the order of agenda items, pursuant to Governing Board Policy BEDB.

1. OPENING ITEMS

2



PUBLIC NOTICE OF MEETING of the JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2 GOVERNING BOARD

Pursuant to A.R.S. 38.431.02, notice is hereby given to the members of the Joseph City School District No. 2 Governing Board and to the general public that the Joseph City Schools, District No. 2 Governing Board will conduct a **Regular Board Meeting**.

Date: Tuesday, October 13, 2020

Time: 6:00 PM

Place: District Office Board Room, 8176 N. Westover, Joseph City, AZ 86032

Pursuant to A.R.S. 38.431.02(E) this meeting may be recessed and resumed with less than twenty-four hour notice provided that an announcement is made prior to recessing as to the time and place of the meeting resumption.

Executive Session: During Regular and Special Board Meetings, the Governing Board may vote to meet in Executive Session, which will not be open to the public, to discuss matters which are marked by an asterisk (*) pursuant to A.R.S. 38-431.03, subsection A, Paragraph: 1) Employment Matters; 2) Confidential Records; 3) Legal Advice; 4) Contract Negotiations / Litigation / Settlement; 5) Instruction to Representatives Regarding Negotiations with Employee Organizations; 6) International/Interstate Negotiations; 7) Purchase, Sale or Lease of Land; and/or Student Hearing conducted in executive session pursuant to A.R.S. 15-843.

All meetings, with the exception of executive sessions, are open to the public and conducted in accordance with the State Open Meeting Law and Education Laws.

Board meeting agendas are available on the District's website at jcusd.org/board. The agenda for the meeting will also be available 24 hours prior to the meeting and will be posted at the front entrance of the District Administration Office, 8176 N. Westover, Joseph City, AZ.

Live-streamed meetings may be viewed online by clicking the link on the school website at jcusd.org/board.

- A. Call to Order
- B. Roll Call
- C. Pledge of Allegiance
- D. Invocation
- E. Adoption of Agenda
- F. Approve Meeting Minutes
 - (i) Minutes of Regular Meeting - September 8, 2020
 - (ii) Minutes of Special Meeting - September 15, 2020
- G. Reports
 - (i) Superintendent

October 13, 2020 Governing Board Meeting

JCUSD Current Events and Updates

B. Fields, Superintendent

- Our hybrid model of distance learning and in-person classes appear to be going well. Most students are attending in person. The principals are expecting more distance learning students to return to in-person classes at the end of the quarter unless we are impacted with cases of COVID.
- The first round of assessments have been administered to the students and the principals and teachers are analyzing the data.
- We have changed a bus stop in Winslow to the police station. They've granted us permission to do this.
- The District has been looking at purchasing a used bus from another district in an effort to save money and to have a backup bus available if one of our current buses need to be worked on for an extended length of time. The District is also in the process of purchasing some used bleachers. The additional bleachers will allow for better crowd management and the spacing of spectators during the COVID pandemic. Purchasing these used will be a significant savings.
- My congratulations to the teachers who applied for and received the APS Supply My Class awards. They are \$500 each. So far the awards have gone to Ruth Hansen, Darrel Mosier, and Julie Mills.
- The installation of the electric vehicle stations in the Elementary parking lot are now completed. They are currently locked and we have keys to open them in the District Office.
- The Halloween Carnival and Veterans Day event are being canceled due to concerns with COVID. Homecoming activities are being modified this year as well.
- I have been notified that 'Close Pod Vaccinations' may be coming to our District soon. This is set up to provide vaccinations through organizations who are large employers in a community. The vaccinations would be made available to employees and families within the organization. The District has already provided the annual flu shots to employees for this year.
- As of the time of the writing this report, we have had no confirmed positive COVID cases. At one point we had suspected cases and I sent out a letter to all parents to be on the safe side. The people who were tested had negative results. I commend the principals for their efforts in daily screenings and in keeping sick employees and students away from campus.
- We are applying to a program that will provide smart thermometers to every student and staff member. If this is awarded to us, I will let you know. This program could possibly help us screen out sicknesses more efficiently. We've also received free masks and face shields from organizations like the Department of Health and Arizona School for the Deaf and Blind.
- The state has randomly selected 20% of school districts for the purpose of reviewing their Distance Learning Plans. We were selected and I will be getting them all of the needed documents and evidence that they request.
- The District is making preparations for the minimum wage increase that starts on January 1st.
- We have plans to remove the dying tree in front of the District Office. At this point, we are not planning on replacing it because of concerns with blocking the view of the marquee, and its proximity to the building.

- The District has received the final report for the 2019 fiscal year audit conducted by Dobridge & Company PC. This will be on the agenda for the Governing Board to accept.
- We have purchased new radios to use with the buses and for emergency situations. These new radios have been reportedly working very well and have considerably increased the distance that we are able to communicate.
- As part of your backup information you have a petition of pool patrons who are requesting to keep the pool open longer than is currently scheduled for. The plan is to turn the heat off at the end of October. I can explain the situation in more detail at the Board Meeting and answer any questions that you may have.
- The county Superintendent has notified me that we have 3 candidates for the 3 Governing Board positions that are open for terms starting on January 1, 2021. Because of this, they are canceling the election and appointing the 3 candidates. I believe that this is done as an effort to save money by the county.

- (ii) Jr/Sr High School
- (iii) Elementary School

7

October 5, 2020

To: Mr. Fields

From: Daniel Hutchens

Re: October Board Report

- Our in-person school is off to a good start. Student attendance has been pretty good. Staff attendance has been good as well.
- We have completed all of our pre-assessments and we are working on analyzing the data to determine the areas in which students need assistance. As expected, there was some learning loss during the extended time of off campus learning, but we will get them caught up.
- We have had three field trips so far this year. The students had a wonderful time and we appreciate this opportunity for the students to enhance their learning.
 - 3rd grade to the woods and a hike
 - 1st and 2nd grade to the pumpkin patch
- Our morning routine with temperature checks is going well.
- We are excited about parent/teacher conferences that are coming up next week. Information has been sent out to parents.
- It appears as of today that we have at least half of the distance learning students that are planning on returning to in-person learning. We have another quarter that are still deciding and a quarter that are remaining in the distance learning model.



Summary of Financial Operations (Unaudited)
September 30, 2020

Fund		Budget	YTD Expenses	Balance	Encumbrances	Budget Balance
001	Maintenance & Operation	\$ 4,958,876	\$ 989,807	\$ 3,969,069	\$ 2,361,086	\$ 1,607,983
010-013	Classroom Site Funds	\$ 467,768	\$ 14,316	\$ 453,452	\$ 66,482	\$ 386,971
100-130	Title I	\$ 235,000	\$ 19,669	\$ 215,331	\$ 77,836	\$ 137,495
140-150	Title II - Professional Development	\$ 40,000	\$ 3,867	\$ 36,133	\$ 2,986	\$ 33,147
200-209	Title VII - Indian Education	\$ 15,000	\$ -	\$ 15,000	\$ 9,193	\$ 5,807
220-229	IDEA/Special Education Grants	\$ 140,000	\$ 13,210	\$ 139,718	\$ 51,971	\$ 87,747
230	Johnson-O'Malley (JOM)	\$ 4,500	\$ 282	\$ 4,218	\$ 420	\$ 3,798
260-270	Career & Technical Ed (CTE) - Federal	\$ 12,000	\$ 1,319	\$ 10,681	\$ 5,120	\$ 5,561
290-291	Medicare Reimbursement	\$ 30,000	\$ 24	\$ 29,976	\$ 12,276	\$ 17,699
326-327	CARES	\$ 140,000	\$ 44,845	\$ 95,155	\$ 20,907	\$ 74,248
374	E-Rate	\$ 1,500	\$ -	\$ 1,500	\$ -	\$ 1,500
390-396	REAP (Federal Rural Assistance)	\$ 65,000	\$ 20,036	\$ 44,964	\$ 4,617	\$ 40,346
400	Career & Technical Ed (CTE) - State	\$ 10,000	\$ 553	\$ 9,447	\$ 2,561	\$ 6,886
466	Healthy Drug-Free Community	\$ 185,000	\$ 1,825	\$ 183,175	\$ 16,769	\$ 166,406
506	School Plant (Sale)	\$ 8,500	\$ -	\$ 8,500	\$ -	\$ 8,500
510	Food Service	\$ 300,000	\$ 15,784	\$ 284,216	\$ 172,543	\$ 111,673
515	Civic Center	\$ 10,000	\$ 586	\$ 9,414	\$ -	\$ 9,414
520	Preschool Tuition	\$ 12,000	\$ 1,016	\$ 10,984	\$ 4,725	\$ 6,259
525	Auxiliary Operations	\$ 140,000	\$ 3,836	\$ 136,164	\$ 1,483	\$ 134,681
526	Extracurricular Activities Tax Credit	\$ 20,000	\$ 979	\$ 19,021	\$ 122	\$ 18,899
530	Gifts & Donations	\$ 50,000	\$ 3,000	\$ 47,000	\$ -	\$ 47,000
535-539	CTE & Vocational Education Projects	\$ 5,000	\$ -	\$ 5,000	\$ -	\$ 5,000
565	Litigation Recovery	\$ 10,000	\$ -	\$ 10,000	\$ -	\$ 10,000
570	Indirect Costs	\$ 30,000	\$ 7,798	\$ 22,202	\$ 8,098	\$ 14,104
596	NAVIT	\$ 45,000	\$ 4,922	\$ 40,078	\$ 22,291	\$ 17,786
610	Capital Outlay	\$ 284,027	\$ 134,321	\$ 149,706	\$ 18,931	\$ 130,775
620	Adjacent Ways	\$ 75,000	\$ 38,086	\$ 36,914	\$ 8,152	\$ 28,762
665	Energy and Water Savings	\$ 65,000	\$ -	\$ 65,000	\$ -	\$ 65,000
686	SFB Emergency Deficiency Correction	\$ 350,000	\$ 118,408	\$ 231,592	\$ -	\$ 231,592
691	SFB Building Renewal Grant	\$ 900,000	\$ 145,828	\$ 754,172	\$ 158,534	\$ 595,638
850	Student Activities	\$ 50,000	\$ 5,901	\$ 44,099	\$ 2,068	\$ 42,031

(v) Technology

(vi) Maintenance

H. Appoint Board Clerk

Board action to appoint a Clerk of the JCUSD Governing Board

2. CALL TO THE PUBLIC

Individuals who wish to address the Board are requested to complete the appropriate form prior to the meeting and give the form to the Board Secretary. Members of the Board may not discuss items that are not specifically identified on the agenda. Therefore, pursuant to A.R.S. § 38-431.01(H), action taken as a result of public comment will be limited to directing staff to study the matter or scheduling the matter for a future agenda. The Board requests that all comments be limited to five minutes or less, that speakers refrain from the use of speech or language that is offensive or inappropriate, pursuant to Board policy KFA and that speakers refrain from voicing complaints against school personnel or any person connected with the District, as it may impact due process rights. Policies KE, KEB, and KED are provided by the Board for disposition of legitimate complaints, including those involving individuals. Forms required for use of these policies can be obtained from the Joseph City Schools website. The President will limit discussion whenever he deems such action appropriate to the proper conduct of the meeting.

3. EXECUTIVE SESSION (*)

For any agenda item indicated with an asterisk (*), the Board may vote to convene in Executive Session pursuant to A.R.S. 38-431.03 (A) (1) for personnel matters when notified; (2) discussion or consideration of records exempt by law from public inspection; (3) for consultation with attorney; (4) for consultation with attorney when in pending or contemplated litigation. Discussion or consideration of personnel matters may include employment, assignment, appointment, promotion, demotion, dismissal, salaries, disciplining or resignation of a public officer, appointee or employee.

4. CONSENT AGENDA

All items listed will be considered as a group and will be approved with one motion unless a Board Member requests an item be removed from the consent agenda and considered as a separate item.

A. Vouchers

Action to ratify district vouchers for period September 4, 2020 through October 8, 2020.

General and Special Funds: #0006 \$119,927.66; #0007 \$124,424.59; #0008 \$132,011.48; #1007 \$1,658.79; #1008 \$30,007.66; #1009 \$119,210.89; #1010 \$1,646.32; #1011 \$118,468.28; #1012 \$237,151.88; #1013 \$1,815.60; #1014 \$40,712.24

Auxiliary Operations Funds: #1004 \$3,797.20; #1005 \$1,107.86; #1008 \$478.90

Student Activities Fund: #1006 \$492.04; #1009 \$1,519.83

B. Student Activities Fund Report

Revenues, expenditures and charges in the Student Activities Fund Report; period of September 1, 2020 through September 30, 2020.

11

Joseph City Unified Auxiliary Fund

Expenditure Budget Balance Report

 Summary Only

From Date: 9/1/2020

To Date: 9/30/2020

Fiscal Year: 2020-2021

Budget Balance

Account Number / Description	Budget	Range To Date	YTD	Balance	Encumbrance	% Remaining Bud
Fund: 850 STUDENT ACTIVITIES						
850.000.0000.6810.500.300 DIST UNDESIGNATED Dues and Fees	\$0.00	\$0.00	\$48.45	(\$48.45)	\$0.00	(\$48.45) 0.00%
850.100.2100.6810.203.610 Undesignated	\$0.00	\$0.00	\$13.69	(\$13.69)	\$0.00	(\$13.69) 0.00%
850.100.2100.6810.203.633 CLASS OF 2020 Dues and Fees	\$0.00	\$0.00	\$586.31	(\$586.31)	\$0.00	(\$586.31) 0.00%
850.100.2510.6810.500.000 Undesignated	\$0.00	(\$35.00)	(\$35.00)	\$35.00	\$0.00	\$35.00 0.00%
850.620.1000.6610.203.602 HS BASEBALL Instructional Supply	\$0.00	\$0.00	\$479.60	(\$479.60)	\$0.00	(\$479.60) 0.00%
850.620.1000.6610.203.619 HS VOLLEYBALL Instructional Supply	\$0.00	\$398.04	\$398.04	(\$398.04)	\$0.00	(\$398.04) 0.00%
850.620.1000.6610.203.628 HS CROSS COUNTRY Instructional Supply	\$0.00	\$0.00	\$0.00	\$0.00	\$858.53	(\$858.53) 0.00%
850.620.1000.6610.203.629 HS TRACK Instructional Supply	\$0.00	\$0.00	\$0.00	\$0.00	\$1,209.54	(\$1,209.54) 0.00%
850.620.1000.6810.203.619 HS VOLLEYBALL Instructional Dues and Fees	\$0.00	\$0.00	\$4,410.00	(\$4,410.00)	\$0.00	(\$4,410.00) 0.00%
Fund 850 Total:	\$0.00	\$363.04	\$5,901.09	(\$5,901.09)	\$2,068.07	(\$7,969.16) 0.00%
Grand Total:	\$0.00	\$363.04	\$5,901.09	(\$5,901.09)	\$2,068.07	(\$7,969.16) 0.00%

End of Report

Joseph City Unified Auxiliary Fund

Revenue Report

 Summary Only

From Date: 9/1/2020

To Date: 9/30/2020

Fiscal Year: 2020-2021

Account Number / Description

Budget

Range To Date

YTD

Uncollected Balance

% Remaining

Account Number / Description	Budget	Range To Date	YTD	Uncollected Balance	% Remaining
Fund: 850 STUDENT ACTIVITIES					
850.000.0000.1760.102.610 JH STUDENT COUNCIL Student Club Revenue	\$0.00	\$0.00	\$20.00	(\$20.00)	0.00%
850.000.0000.1760.203.619 HS VOLLEYBALL Student Club Revenue	\$0.00	\$0.00	\$219.00	(\$219.00)	0.00%
850.000.0000.1760.203.628 HS CROSS COUNTRY Student Club Revenue	\$0.00	\$2,120.00	\$2,120.00	(\$2,120.00)	0.00%
Fund 850 Total:	\$0.00	\$2,120.00	\$2,359.00	(\$2,359.00)	0.00%
Grand Total:	\$0.00	\$2,120.00	\$2,359.00	(\$2,359.00)	0.00%

End of Report

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
JOSEPH CITY, ARIZONA**

**ANNUAL FINANCIAL REPORT
AND
REPORT ON INTERNAL CONTROL AND COMPLIANCE**

FISCAL YEAR ENDED JUNE 30, 2019

This page is intentionally left blank.

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
TABLE OF CONTENTS
JUNE 30, 2019**

	Page
<u>FINANCIAL SECTION</u>	
INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)	5
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Position.....	18
Statement of Activities.....	19
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet - Governmental Funds.....	22
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position.....	25
Statement of Revenues, Expenditures, and Changes In Fund Balances - Governmental Funds	26
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities.....	28
Fiduciary Funds:	
Statement of Fiduciary Assets and Liabilities.....	29
Notes to the Financial Statements	30
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule - General Fund.....	55
Budgetary Comparison Schedule - Classroom Site Fund.....	57
Schedule of the District's Proportionate Share of the Net Pension Liability.....	58
Schedule of District Pension Contributions.....	60
Note to Required Supplementary Information.....	62

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
TABLE OF CONTENTS
JUNE 30, 2019**

	Page
<u>REPORT ON INTERNAL CONTROL AND ON COMPLIANCE</u>	
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with <i>Government Auditing Standards</i>	65
Schedule of Findings and Responses.....	67
Summary Schedule of Prior Audit Findings.....	69



Independent Auditors' Report

Governing Board of
Joseph City Unified School District No. 2
Joseph City, Arizona

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Joseph City Unified School District No. 2, (the District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of year ended June 30, 2019, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

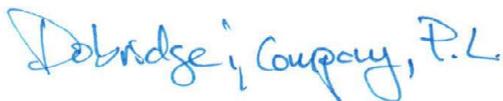
Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis beginning on page 5, the budgetary comparison information beginning on page 55, the pension information beginning on page 58, and the related note to required supplementary information on page 62 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated September 28, 2020, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Certified Public Accountants
Mesa, Arizona

September 28, 2020

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

This page intentionally left blank.

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2019**

As management of the Joseph City Unified School District No. 2 (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with the audited financial statements included in this report.

FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year June 30, 2019, were as follows:

- As of June 30, 2019, the District's total net position was \$4.3 million. This is a decrease of \$331,277, or 7.2 percent, from fiscal year 2017-18.
- General revenues of \$4.6 million accounted for 78.1 percent of all fiscal year 2018-19 revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions of \$1.3 million accounted for 21.9 percent of total fiscal year 2018-19 revenues.
- The District had \$6.3 million in expenses related to governmental activities; of which \$1.3 million of these expenses were offset by program specific charges for services, operating grants and contributions, and capital grants and contributions. General revenues of \$4.6 million provided resources for most of the remaining \$5.0 million of District costs. The deficiency between the general revenues and remaining District costs resulted in net position decreasing \$331,277.
- The General Fund reported \$4.5 million in revenues and \$4.8 million in expenditures. The revenues consisted primarily of \$4.2 million in property taxes. As a result of annual activity, the General Fund's fund balance decreased \$324,946.
- The District's net capital assets decreased \$467,029 as a result of activity throughout the year. For additional information regarding the capital assets, see financial statement note 6.
- On July 1, 2018, the District made the final \$640,000 principal payment on the outstanding bond.
- During the fiscal year, the District entered into a \$139,750 capital lease for the purchase of a new bus. Additionally, the District made \$53,206 of principal payments on outstanding capital leases, reducing the principal balance to \$124,752 as of June 30, 2019. For further information regarding leases, see financial statement note 10.

OVERVIEW OF FINANCIAL STATEMENTS

The District's basic financial statements are comprised of the government-wide financial statements, the fund financial statements and the notes to the financial statements. These sections provide a comprehensive overview of the District's finances.

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.

JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2019

OVERVIEW OF FINANCIAL STATEMENTS

The *Statement of Net Position* presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between them 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 of the District include the Governmental activities. Most of the District's basic services are included here, such as instruction, extra-curricular activities, curriculum and staff development, and general administration. Property taxes, intergovernmental revenues and grants finance most of these activities.

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 presented in the following categories: governmental funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows of expendable resources, as well as on balances of expendable 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. 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 all major funds. Data from the other non-major governmental funds are combined into a single, aggregated presentation.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs.

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2019**

OVERVIEW OF FINANCIAL STATEMENTS

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

Required supplementary information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget process. The District adopts an annual expenditure budget for all governmental funds. A budgetary comparison schedule is provided for the General Fund and any major special revenue funds. Additionally, pension schedules detailing the District's proportionate share of net pension liability and pension contributions are presented as required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

	As of <u>June 30, 2019</u>	As of <u>June 30, 2018</u>	<u>Change</u>	<u>Percent Change</u>
ASSETS				
Current assets	\$ 481,937	\$ 1,295,633	\$ (813,696)	(62.8)%
Capital assets	8,932,826	9,399,855	(467,029)	(5.0)%
Total assets	<u>9,414,763</u>	<u>10,695,488</u>	<u>(1,280,725)</u>	<u>(12.0)%</u>
DEFERRED OUTFLOWS OF RESOURCES				
	<u>508,921</u>	<u>516,137</u>	<u>(7,216)</u>	<u>(1.4)%</u>
LIABILITIES				
Current liabilities	144,494	198,980	(54,486)	(27.4)%
Noncurrent liabilities	5,056,900	6,143,199	(1,086,299)	(17.7)%
Total liabilities	<u>5,201,394</u>	<u>6,342,179</u>	<u>(1,140,785)</u>	<u>(18.0)%</u>
DEFERRED INFLOWS OF RESOURCES				
	<u>454,659</u>	<u>270,538</u>	<u>184,121</u>	<u>68.1 %</u>
NET POSITION				
Net investment in capital assets	7,612,460	7,447,265	165,195	2.2 %
Restricted	257,688	209,602	48,086	22.9 %
Unrestricted	(3,602,517)	(3,057,959)	(544,558)	(17.8)%
Total net position	<u>\$ 4,267,631</u>	<u>\$ 4,598,908</u>	<u>\$ (331,277)</u>	<u>(7.2)%</u>

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2019**

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 of resources exceeded liabilities and deferred inflows of resources by \$4.3 million as of June 30, 2019. The following represents significant information regarding changes and balances:

- The District's current assets decreased \$813,696 due to a decrease in cash held by paying agent and due from other governments.
- The District had \$275,543 in additions to capital assets that were offset by depreciation expense of \$742,572, resulting in an overall net decrease in capital assets of \$467,029.
- Current liabilities decreased \$54,486 primarily due to a decrease in advances from grantors.
- Noncurrent liabilities decreased \$1.1 million, deferred outflows of resources decreased \$7,216, and deferred inflows of resources increased \$184,121 primarily due to the results of investment activity and participant activity when compared to Arizona State Retirement System's estimates.
- By far, the largest portion of the District's net position, \$7.6 million, reflects its net investment in capital assets. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Additionally, \$257,688 of the District's net position represents resources that are subject to external restrictions. The remaining deficit balance of net position, \$3.6 million, is considered unrestricted. For additional information regarding net position, see financial statement note 1.P.

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2019**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table presents a comparison of the changes in net position for the fiscal years ended June 30, 2019 and 2018.

	Fiscal Year Ended <u>June 30, 2019</u>	Fiscal Year Ended <u>June 30, 2018</u>	<u>Change</u>	<u>Percent Change</u>
Revenues:				
Program revenues:				
Charges for services	\$ 337,597	\$ 268,417	\$ 69,180	25.8 %
Operating grants and contributions	855,191	914,819	(59,628)	(6.5)%
Capital grants and contributions	108,010	239,280	(131,270)	(54.9)%
General revenues:				
Taxes	4,541,637	4,923,499	(381,862)	(7.8)%
State aid	82,270	72,356	9,914	13.7 %
Payments in lieu of taxes	6,747	7,198	(451)	(6.3)%
Investment income	7,416	7,081	335	4.7 %
Miscellaneous	-	4,397	(4,397)	(100.0)%
Total revenues	<u>5,938,868</u>	<u>6,437,047</u>	<u>(498,179)</u>	<u>(7.7)%</u>
Expenses:				
Instruction	2,706,023	2,545,070	160,953	6.3 %
Support services - students and staff	677,010	669,947	7,063	1.1 %
Support services - administration	741,023	621,553	119,470	19.2 %
Operation and maintenance of plant	1,352,848	1,452,819	(99,971)	(6.9)%
Student transportation services	414,999	395,376	19,623	5.0 %
Operation of non-instructional services	331,875	376,291	(44,416)	(11.8)%
Interest on long-term debt	46,367	82,464	(36,097)	(43.8)%
Total expenses	<u>6,270,145</u>	<u>6,143,520</u>	<u>126,625</u>	<u>2.1 %</u>
Change in net position	(331,277)	293,527	(624,804)	(212.9)%
Beginning net position	<u>4,598,908</u>	<u>4,305,381</u>	<u>293,527</u>	<u>6.8 %</u>
Ending net position	<u>\$ 4,267,631</u>	<u>\$ 4,598,908</u>	<u>\$ (331,277)</u>	<u>(7.2)%</u>

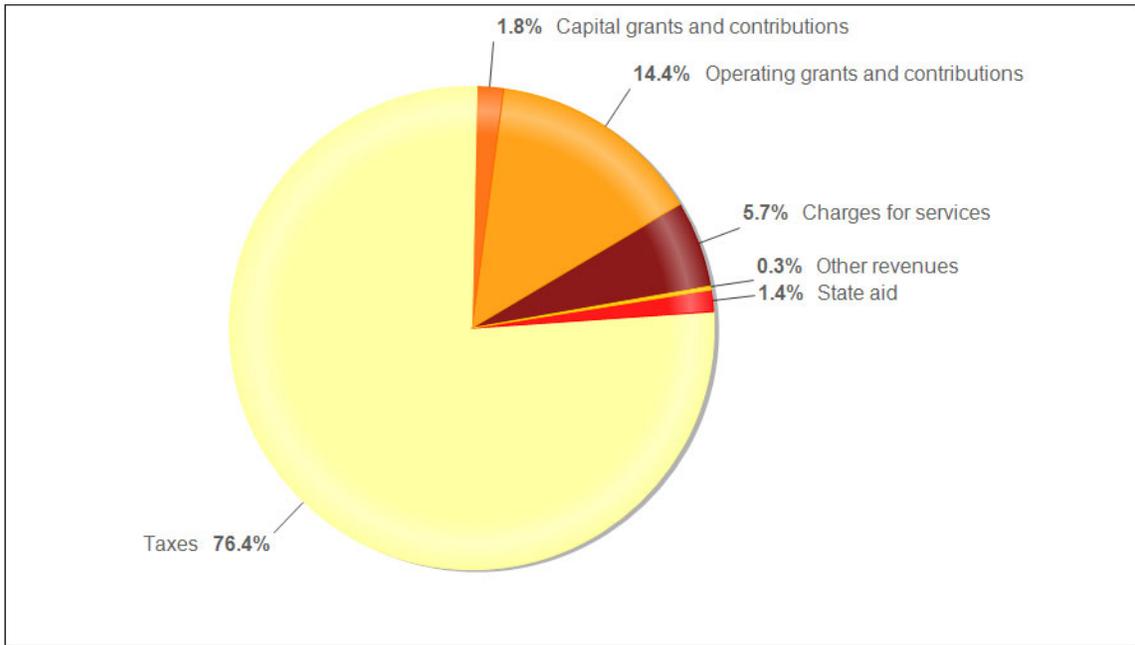
Net position decreased \$331,277; the following represents significant information regarding changes:

- Revenues decreased \$498,179 primarily due to a decrease in property taxes.
- Expenses increased \$126,625 primarily due to increases in instruction and support services - administration expenses.

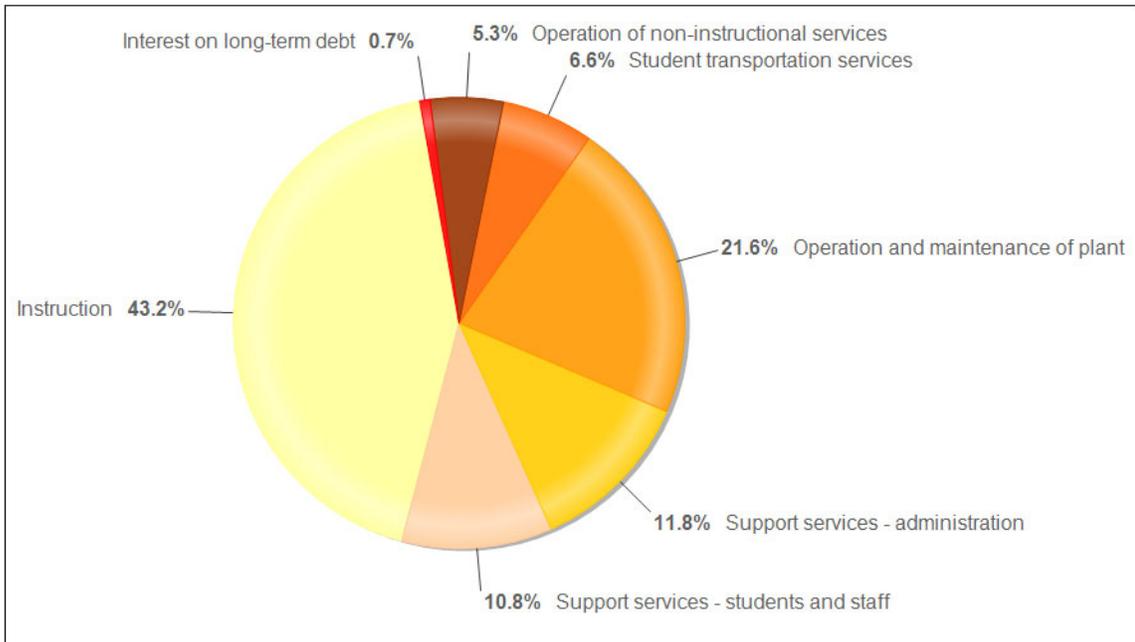
**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2019**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

District-Wide Revenues
FY 2018-19



District-Wide Expenses
FY 2018-19

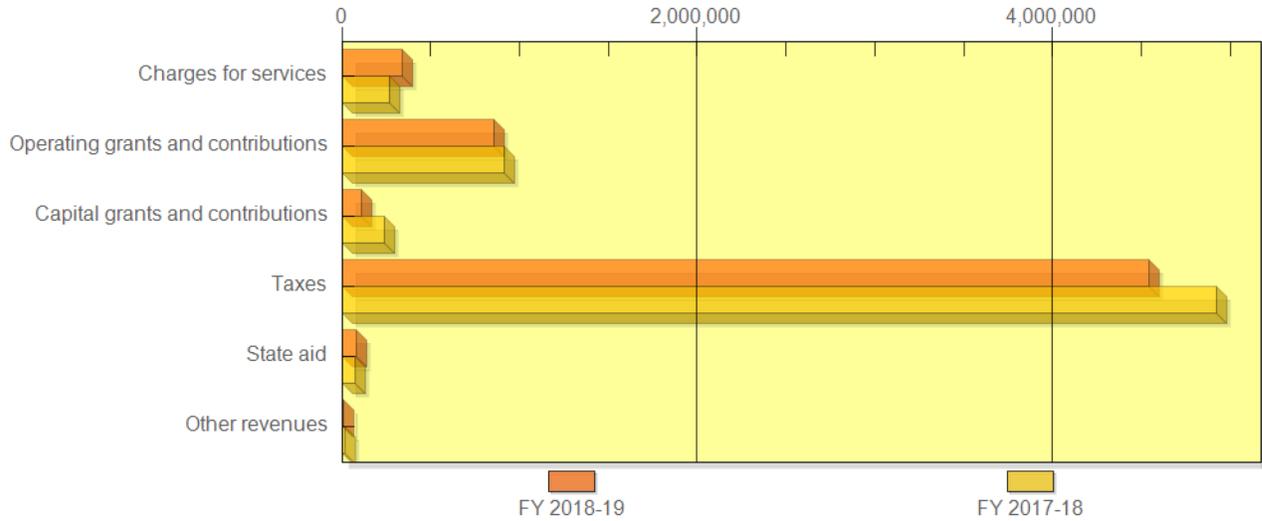


**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2019**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

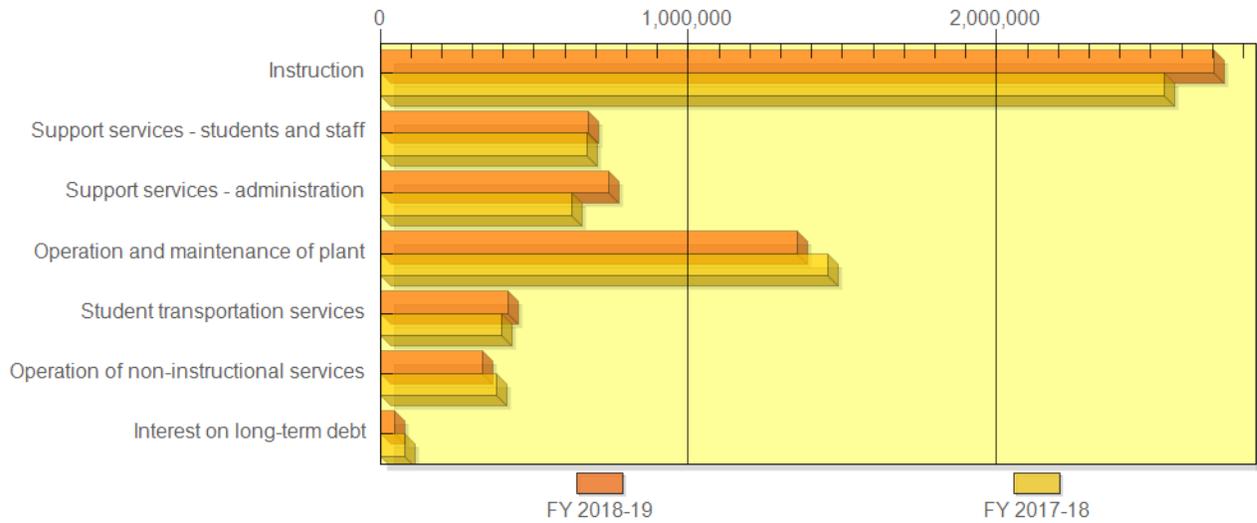
District-Wide Revenues

2 Year Comparison



District-Wide Expenses

2 Year Comparison



**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2019**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table displays information from the *Statement of Activities* governmental activities and compares the net cost of services for the two years ended June 30, 2019 and 2018.

<u>Expense Function</u>	Net (Expense)	Net (Expense)	<u>Change</u>	Percent
	Revenue	Revenue		Change
	<u>June 30, 2019</u>	<u>June 30, 2018</u>		<u>Change</u>
Instruction	\$ (2,080,981)	\$ (1,954,712)	\$ (126,269)	(6.5)%
Support services - students and staff	(577,453)	(597,786)	20,333	3.4 %
Support services - administration	(680,867)	(546,175)	(134,692)	(24.7)%
Operation and maintenance of plant	(1,295,265)	(1,191,708)	(103,557)	(8.7)%
Student transportation services	(410,351)	(391,597)	(18,754)	(4.8)%
Operation of non-instructional services	121,937	43,438	78,499	180.7 %
Interest on long-term debt	(46,367)	(82,464)	36,097	43.8 %
Total	<u>\$ (4,969,347)</u>	<u>\$ (4,721,004)</u>	<u>\$ (248,343)</u>	<u>(5.3)%</u>

The net cost of services increased \$248,343, or 5.3 percent, due to overall expenses increasing \$126,625 while program revenues decreased \$121,718. The following represents significant information regarding changes and balances:

- Program revenues of \$1.3 million subsidized the government-wide expenses.
- The remaining net costs of governmental activities of \$5.0 million were primarily financed through general revenues.

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2019**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable 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 following table provides analysis of the District's major and other governmental funds' fund balances and the total change in fund balances for the two years ended June 30, 2019 and 2018.

Fund	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>Change</u>	<u>Percent Change</u>
General Fund	\$ 103,785	\$ 428,731	\$ (324,946)	(75.8)%
Classroom Site Fund	128,177	86,946	41,231	47.4 %
Adjacent Ways Fund	58,221	50,729	7,492	14.8 %
Building Renewal Fund	(57,716)	7,605	(65,321)	(858.9)%
Other Governmental Funds	73,538	(151,225)	224,763	148.6 %
Total	<u>\$ 306,005</u>	<u>\$ 422,786</u>	<u>\$ (116,781)</u>	<u>(27.6)%</u>

The total governmental fund balances were \$306,005 at June 30, 2019. It is not expected that the nature of the restrictions, commitments or other limitations on fund balances will significantly affect future operations. Specifically, overall governmental fund balance decreased \$116,781 and the following represents significant information regarding changes:

- The General Fund's fund balance decreased \$324,946, or 75.8 percent, primarily due to an increase in instruction expenditures. Of the General Fund's fund balance, \$8,136 is unassigned which may serve as a useful measure of net resources available for spending at June 30, 2019.
- The Classroom Site Fund's fund balance increased \$41,231, or 47.4 percent, due to revenues exceeding expenditures in the current year.
- The Adjacent Ways Fund's fund balance increased \$7,492, or 14.8 percent, due to revenues exceeding expenditures in the current year.
- The Building Renewal Fund's fund balance decreased \$65,321, or 858.9 percent, primarily due to a decrease in state aid and grants revenue.
- The Other Governmental Funds' fund balance increased \$224,763, or 148.6 percent, due to revenues exceeding revenues in the current year.

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2019**

GENERAL FUND BUDGETARY HIGHLIGHTS

The District's budget is prepared annually according to Arizona law. The General Fund Budgetary Comparison Schedule presents the budgeted amounts, as well as the variances between the final budget and the actual expenditures incurred.

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.

The General Fund's adopted budget for the fiscal year ending June 30, 2019, was \$4.4 million. Over the course of the year, the District revised the General Fund annual expenditure budget to \$4.5 million to reflect increased projected instruction expenditures.

The actual amounts expended in the General Fund were \$4.4 million, which was \$3,429, or 0.1 percent, less than the final budget. This difference was primarily due to instruction expenditures being less than initially projected.

CAPITAL ASSETS

As of June 30, 2019, the District had invested \$8.9 million in capital assets (net of accumulated depreciation) including school buildings, athletic facilities, buses, computers, and other equipment.

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

<u>Governmental activities:</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>Change</u>	<u>Percent Change</u>
Land	\$ 22,800	\$ 22,800	\$ -	- %
Construction in progress	35,068	175,078	(140,010)	(80.0)%
Land improvements	1,864,697	1,864,697	-	- %
Buildings and improvements	20,407,829	20,163,559	244,270	1.2 %
Vehicles, furniture, and equipment	<u>3,726,876</u>	<u>3,555,593</u>	<u>171,283</u>	<u>4.8 %</u>
Total	<u>26,057,270</u>	<u>25,781,727</u>	<u>275,543</u>	<u>1.1 %</u>
Less: accumulated depreciation	<u>(17,124,444)</u>	<u>(16,381,872)</u>	<u>(742,572)</u>	<u>(4.5)%</u>
Capital assets, net	<u>\$ 8,932,826</u>	<u>\$ 9,399,855</u>	<u>\$ (467,029)</u>	<u>(5.0)%</u>

A more in-depth analysis of material activity within capital assets is presented within the analysis of the *Statement of Net Position* earlier in the Management's Discussion and Analysis. Detailed information on the District's capital assets can be found in financial statement note 6.

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2019**

LONG-TERM DEBT

The following schedule presents a comparison of long-term debt for the years ended June 30, 2019 and 2018.

	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>Change</u>	<u>Percent Change</u>
Bonds payable	\$ -	\$ 640,000	\$ (640,000)	(100.0)%
Net pension liability	3,658,162	4,115,721	(457,559)	(11.1)%
Capital lease	124,752	38,208	86,544	226.5 %
Guaranteed energy savings contract	1,195,614	1,274,382	(78,768)	(6.2)%
Compensated absences	78,372	74,888	3,484	4.7 %
Total	<u>\$ 5,056,900</u>	<u>\$ 6,143,199</u>	<u>\$ (1,086,299)</u>	<u>(17.7)%</u>

Overall long-term debt balance decreased \$1.1 million. The following represents significant information regarding changes:

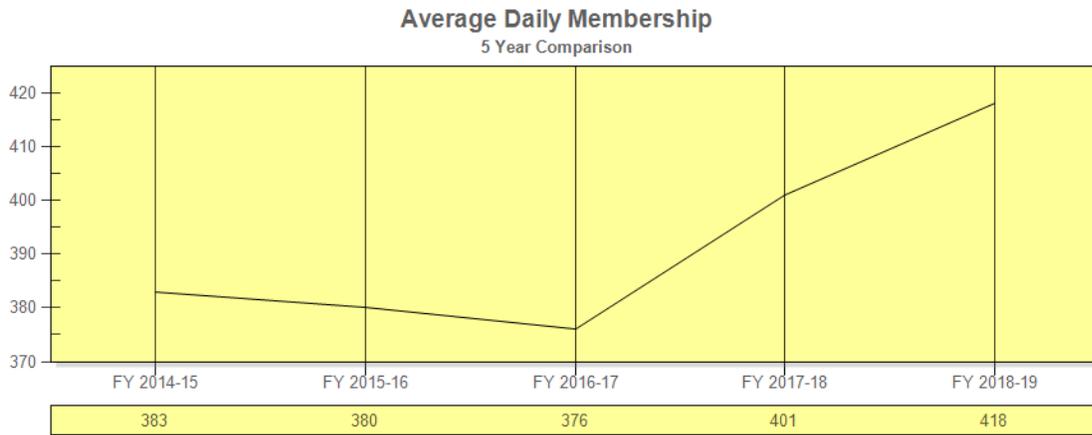
- Bonds payable decreased \$640,000, or 100.0 percent, due to the final payment of principal in accordance with the terms of the debt agreement.
- Net pension liability decreased \$457,559, or 11.1 percent, due to the results of investment activity and participant activity when compared to anticipated results as determined by the Arizona State Retirement System's actuaries.
- The capital lease increased \$86,544, or 226.5 percent, due to the District entering into a new capital lease offset by the final payment of principal as required by the previous capital lease agreement.
- Compensated absences increased \$3,484, or 4.7 percent, due to the accrual and use of available leave balances by employees.

For additional information regarding long-term debt, see financial statement note 8.

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2019**

ECONOMIC FACTORS AND NEXT YEAR'S GENERAL FUND BUDGET AND RATES

Many factors were considered by the District's administration during the process of developing the General Fund's budget for the next fiscal year (fiscal year 2019-20). The primary factors considered in developing fiscal year 2019-20's budget were the District's student population and related employee salaries. This chart provides the District's average daily membership over the past five years.



100 Day Count

Also considered in the development of the budget is the local economy and inflation of the surrounding area. Amounts available in the General Fund's fiscal year 2019-20 budget are \$4.5 million, an increase of 1.9 percent, which reflects the following:

- Available budget balance carryforward is \$3,429.
- Current year average daily membership is 418 and is expected to increase in the fiscal year 2019-20 school year.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Business and Finance Department, Joseph City Unified School District No. 2, 8176 North Westover, Joseph City, Arizona 86032.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
STATEMENT OF NET POSITION
JUNE 30, 2019

	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 192,348
Accounts receivable	9,485
Property taxes receivable	35,114
Due from other governments	147,093
Inventories	97,897
Capital assets:	
Capital assets not being depreciated	57,868
Capital assets being depreciated, net	<u>8,874,958</u>
Total assets	<u>9,414,763</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows - pensions	<u>508,921</u>
LIABILITIES	
Accounts payable	104,087
Due to other governments	7,571
Accrued payroll and benefits	25,986
Advances from grantors	6,850
Noncurrent liabilities:	
Due within one year	121,112
Due in more than one year	<u>4,935,788</u>
Total liabilities	<u>5,201,394</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows - pensions	<u>454,659</u>
NET POSITION	
Net investment in capital assets	7,612,460
Restricted for:	
Debt service	376
Capital outlay	71,620
Food service	7,234
Extracurricular activities	24,818
Voter approved initiatives	142,397
Other purposes	11,243
Unrestricted	<u>(3,602,517)</u>
Total net position	<u>\$ 4,267,631</u>

JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net</u>
		<u>Charges For Services</u>	<u>Operating Grants And Contributions</u>	<u>Capital Grants And Contributions</u>	<u>(Expense) Revenue and Change in Net Position</u>
Governmental activities:					<u>Governmental Activities</u>
Instruction	\$ 2,706,023	\$ 36,090	\$ 538,525	\$ 50,427	\$ (2,080,981)
Support services - students and staff	677,010	-	99,557	-	(577,453)
Support services - administration	741,023	-	60,156	-	(680,867)
Operation and maintenance of plant	1,352,848	-	-	57,583	(1,295,265)
Student transportation services	414,999	-	4,648	-	(410,351)
Operation of non-instructional services	331,875	301,507	152,305	-	121,937
Interest on long-term debt	46,367	-	-	-	(46,367)
Total governmental activities	<u>\$ 6,270,145</u>	<u>\$ 337,597</u>	<u>\$ 855,191</u>	<u>\$ 108,010</u>	<u>(4,969,347)</u>

General revenues:

Taxes:

Property taxes, general purposes 4,149,195

Property taxes, capital outlay 392,442

State aid:

General purposes 33,520

Capital outlay 30,842

Instructional improvement 17,908

Payments in lieu of taxes 6,747

Investment income 7,416

Total general revenues 4,638,070

Change in net position (331,277)

Net position, July 1, 2018 4,598,908

Net position, June 30, 2019 \$ 4,267,631

This page intentionally left blank.

FUND FINANCIAL STATEMENTS

JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2019

	General Fund	Classroom Site Fund	Adjacent Ways Fund
ASSETS			
Cash and investments	\$ 67,146	\$ 87,883	\$ 13,385
Accounts receivable	-	-	-
Property taxes receivable	26,394	-	315
Due from other governments	15,120	40,294	-
Due from other funds	-	-	44,801
Inventories	95,649	-	-
Total assets	\$ 204,309	\$ 128,177	\$ 58,501
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)			
Liabilities:			
Accounts payable	\$ 53,323	\$ -	\$ -
Due to other governments	-	-	-
Accrued payroll and benefits	23,415	-	-
Advances from grantors	-	-	-
Due to other funds	-	-	-
Total liabilities	76,738	-	-
Deferred inflows of resources:			
Unavailable revenue - property tax	23,786	-	280
Total liabilities and deferred inflows of resources	100,524	-	280
Fund balances (deficits):			
Nonspendable:			
Inventories	95,649	-	-
Restricted:			
Debt service	-	-	-
Capital outlay	-	-	58,221
Food service	-	-	-
Extracurricular activities	-	-	-
Voter approved initiatives	-	128,177	-
Other purposes	-	-	-
Unassigned	8,136	-	-
Total fund balances (deficits)	103,785	128,177	58,221
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 204,309	\$ 128,177	\$ 58,501

The accompanying notes are an integral part of these statements.

Building Renewal Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 23,934	\$ 192,348
-	9,485	9,485
-	8,405	35,114
31,084	60,595	147,093
-	18,798	63,599
-	2,248	97,897
<u>\$ 31,084</u>	<u>\$ 123,465</u>	<u>\$ 545,536</u>

\$ 25,201	\$ 25,563	\$ 104,087
-	7,571	7,571
-	2,571	25,986
-	6,850	6,850
63,599	-	63,599
<u>88,800</u>	<u>42,555</u>	<u>208,093</u>

-	7,372	31,438
<u>88,800</u>	<u>49,927</u>	<u>239,531</u>

-	2,248	97,897
-	376	376
-	13,399	71,620
-	7,234	7,234
-	24,818	24,818
-	14,220	142,397
-	11,243	11,243
(57,716)	-	(49,580)
<u>(57,716)</u>	<u>73,538</u>	<u>306,005</u>

<u>\$ 31,084</u>	<u>\$ 123,465</u>	<u>\$ 545,536</u>
------------------	-------------------	-------------------

This page intentionally left blank.

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2019**

Fund balances - total governmental funds	\$ 306,005
<p>Amounts reported for governmental activities in the <i>Statement of Net Position</i> are different because:</p>	
<p>Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental fund statements.</p>	8,932,826
<p>Revenues reported in the <i>Statement of Activities</i> that will be collected beyond the 60 day recognition period do not provide current financial resources and are deferred in the governmental fund statements.</p>	
Property taxes	31,438
<p>Deferred outflows and inflows of resources are applicable to future reporting periods and, therefore, are not reported in the governmental fund statements.</p>	
Deferred outflows of resources related to pensions	508,921
Deferred inflows of resources related to pensions	(454,659)
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental fund statements.</p>	
Net pension liability	(3,658,162)
Capital lease	(124,752)
Guaranteed energy savings contract	(1,195,614)
Compensated absences	(78,372)
	(5,056,900)
Net position of governmental activities	<u>\$ 4,267,631</u>

JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

	<u>General Fund</u>	<u>Classroom Site Fund</u>	<u>Adjacent Ways Fund</u>
Revenues:			
Property taxes	\$ 4,152,564	\$ -	\$ 49,677
State aid and grants	33,520	241,762	-
Federal aid and grants	39,803	-	-
Other local revenue	<u>293,871</u>	<u>2,248</u>	<u>1,369</u>
Total revenues	<u>4,519,758</u>	<u>244,010</u>	<u>51,046</u>
Expenditures:			
Current:			
Instruction	2,078,273	202,779	-
Support services - students and staff	644,684	-	-
Support services - administration	680,554	-	-
Operation and maintenance of plant	854,466	-	43,554
Student transportation services	370,211	-	-
Operation of non-instructional services	172,004	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>4,800,192</u>	<u>202,779</u>	<u>43,554</u>
Excess (deficiency) of revenues over expenditures	(280,434)	41,231	7,492
Other financing sources (uses):			
Proceeds from capital lease	-	-	-
Transfers in	45,028	-	-
Transfers out	<u>(61,259)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(16,231)</u>	<u>-</u>	<u>-</u>
Net change in fund balances (deficits)	(296,665)	41,231	7,492
Fund balances (deficits), July 1, 2018	428,731	86,946	50,729
Change in inventories	(6,499)	-	-
Change in prepaid items	<u>(21,782)</u>	<u>-</u>	<u>-</u>
Fund balances (deficits), June 30, 2019	<u>\$ 103,785</u>	<u>\$ 128,177</u>	<u>\$ 58,221</u>

<u>Building Renewal Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 341,825	\$ 4,544,066
57,583	56,488	389,353
-	513,218	553,021
-	157,369	454,857
<u>57,583</u>	<u>1,068,900</u>	<u>5,941,297</u>

-	332,447	2,613,499
-	67,129	711,813
-	59,020	739,574
439	77,305	975,764
-	4,648	374,859
-	117,849	289,853
122,544	152,999	275,543
-	131,974	131,974
-	46,367	46,367
<u>122,983</u>	<u>989,738</u>	<u>6,159,246</u>

(65,400)	79,162	(217,949)
----------	--------	-----------

-	139,750	139,750
79	86,679	131,786
-	(70,527)	(131,786)
<u>79</u>	<u>155,902</u>	<u>139,750</u>

(65,321)	235,064	(78,199)
7,605	(151,225)	422,786
-	(10,301)	(16,800)
-	-	(21,782)
<u>\$ (57,716)</u>	<u>\$ 73,538</u>	<u>\$ 306,005</u>

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019**

Net change in fund balances - total governmental funds	\$ (78,199)
 Amounts reported for the governmental activities in the <i>Statement of Activities</i> are different because:	
Governmental funds report capital outlays as expenditures. However, in the <i>Statement of Activities</i> , the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay	275,543
Depreciation	(742,572)
 Property taxes and other receipts in the <i>Statement of Activities</i> that do not provide current financial resources are not reported as revenues in the governmental funds.	
Prior year unavailable property tax	(33,867)
Current year unavailable property tax	31,438
 District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the <i>Statement of Net Position</i> because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the <i>Statement of Activities</i> .	
Pension contribution	307,356
Pension expense	(41,134)
 Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the <i>Statement of Net Position</i> . Repayments of long-term debt principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the <i>Statement of Net Position</i> .	
Capital lease proceeds	(139,750)
Capital lease principal retirement	53,206
Guaranteed energy savings contract	78,768
 Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available resources. In the <i>Statement of Activities</i> , however, which is presented on the accrual basis of accounting, expenses are reported regardless of when the financial resources are available.	
Compensated absences	(3,484)
 Some cash outlays are reported as expenditures in the governmental funds when purchased. In the <i>Statement of Activities</i> , however, they are reported as expenses when consumed.	
Change in inventories using purchases method	(16,800)
Change in prepaid items using purchases method	(21,782)
Change in net position of governmental activities	<u>\$ (331,277)</u>

JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2019

	Agency Funds		
	Student Activities	Employee Withholding	Total
ASSETS			
Cash in bank	\$ 41,178	\$ 1,714	\$ 42,892
Total assets	\$ 41,178	\$ 1,714	\$ 42,892
LIABILITIES			
Due to student groups	\$ 41,178	\$ -	\$ 41,178
Deposits held for others	-	1,714	1,714
Total liabilities	\$ 41,178	\$ 1,714	\$ 42,892

JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Joseph City Unified School District No. 2 (District) has prepared the financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental 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 District is a special-purpose government that a separately elected governing body governs. It is legally separate from and fiscally independent of other state and local governments. Furthermore, there are no component units combined with the District for financial statement presentation purposes, and it is not included in any other governmental reporting entity. Consequently, the District's financial statements present only the activities of those organizational entities for which its elected governing board is financially accountable.

B. Basis of Presentation

The basic financial statements include both government-wide financial statements and fund financial statements. The government-wide financial statements focus on the District as a whole, while the fund financial statements focus on fund reporting. Each presentation provides valuable information that can be analyzed and compared between years and between governments to enhance the usefulness of the information.

JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Government-Wide Financial Statements - Provide information about the primary government (the District). The statements include a *Statement of Net Position* and a *Statement of Activities*. These statements report the overall government's financial activities, except for fiduciary activities. They also distinguish between the District's governmental and any business-type activities. Governmental activities generally are financed through taxes and intergovernmental revenues. Business-type activities are financed in whole or in part by fees charged to external parties. The District does not have any business type activities.

A *Statement of Activities* presents a comparison between direct expenses and program revenues for each function of the District's governmental activities and segments of any business-type activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The District does not allocate indirect expenses to programs or functions. Program revenues include:

- charges to customers for goods, services, or privileges provided
- operating grants and contributions
- capital grants and contributions

Revenues that are not classified as program revenues, including internally dedicated resources and all taxes, are reported as general revenues.

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements to minimize the double-counting of internal activities. However, charges for interfund services provided and used are not eliminated if the prices approximate their external exchange values.

Fiduciary funds report assets held in a trustee or agency capacity for others and, therefore, cannot be used to support the District's own programs. As such, these funds are omitted from the government-wide statements.

Fund Financial Statements - Provide information about the District's funds, including fiduciary funds. Separate statements are presented for the governmental and fiduciary fund categories. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as other governmental funds. Any fiduciary funds are aggregated and reported by fund type. Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, a reconciliation is presented with each of the governmental fund financial statements.

JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The District's accounts are organized into major governmental funds, other governmental funds, and fiduciary fund as follows:

Major Governmental Funds:

General Fund - to account for all resources used to finance District operations except those required to be accounted for in other funds. The General Fund as presented includes the District's Maintenance and Operation Fund and other special revenue funds that do not have a substantial restriction on expenditures.

Classroom Site Fund - to account for the portion of state sales tax collections and permanent state school fund earnings districts receive as approved by the voters in 2000 as part of Proposition 301.

Adjacent Ways Fund - to account for monies received to finance improvements of property adjacent to the school, such as public streets or alleys, or improvements of school property that provide safe access for buses and fire equipment.

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

Other Governmental Funds:

Special Revenue Funds - to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Capital Project Funds - to account for the acquisition and construction of all major governmental general capital assets.

Fiduciary Funds:

Agency Funds - to account for assets of others for which the District acts as an agent. The District maintains two agency funds to account for student club activities and employee withholdings. The Student Activities Fund accounts for monies raised by students to finance student clubs and the Employee Insurance Program Withholdings Fund accounts for unremitted payroll deductions temporarily held by the District.

JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. Basis of Accounting

Government-wide Financial Statements - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Agency funds are custodial in nature and do not have a measurement focus but utilize the accrual basis of accounting for reporting its assets and liabilities. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Property taxes are recognized as revenues in the year for which they are levied. Grants and donations are recognized as revenue as soon as all eligibility requirements the provider imposed have been met.

Under the terms of grant agreements, the District funds certain programs by a combination of grants and general revenues. Therefore, when program expenses are incurred, there are both restricted and unrestricted resources available to finance the program. The District applies grant resources to such programs before using general revenues.

Governmental Fund Financial Statements - Governmental funds in the fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they become both measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year-end. Major revenue sources that are susceptible to accrual are property taxes, tuition, intergovernmental grants and aids, and investment earnings. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments, and compensated absences, which are recognized as expenditures to the extent they are due and payable. As permitted by generally accepted accounting principles it is the District's policy to apply the "early recognition" option for debt service payments. Therefore, the expenditures and related liabilities have been recognized in the current period. General capital asset acquisitions are reported as expenditures in governmental funds. Issuances of general long-term debt and acquisitions under capital lease agreements are reported as other financing sources.

JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. Cash and Investments

For the *Statement of Cash Flows*, the District's cash and cash equivalents are considered to be cash on hand, demand deposits, cash and investments held by the County Treasurer, investments in the State Treasurer's local government investment pool, and only those highly liquid investments with a maturity of 3 months or less when purchased.

Arizona Revised Statutes 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 in the bond building and debt service funds, which may be invested separately.

Statute authorizes the District to separately invest monies of the bond building and debt service funds in the State Treasurer's investment pool, obligations issued or 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. The District may also invest these monies. In addition, statute authorizes the District to maintain various bank accounts such as clearing accounts to temporarily deposit receipts before they are transmitted to the County Treasurer, revolving accounts to pay minor disbursements, and withholdings accounts for taxes and employee insurance programs. Some of these bank accounts may be interest bearing.

Statute does not include any requirements for credit risk, concentration of credit risk, interest rate risk, or foreign currency risk.

E. Property Taxes

The Navajo 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.

A lien assessed against real and personal property attaches on the first day of January preceding assessment and levy.

The District does not report a reserve for uncollectible property taxes as they are considered 100 percent collectible due to the County attaching a lien against all amounts past due as noted above.

F. Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are 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."

JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

G. Inventories

Inventories in the government-wide and financial statements are recorded as assets when purchased and expensed when consumed. These inventories are stated at cost using the first-in/first-out (FIFO) method. The costs of inventories are accounted for using the consumption method (expensed when consumed).

H. Capital Assets

Capital assets are reported in the government-wide financial statements. Such assets are recorded at historical cost, or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at acquisition value. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. The capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts) are \$5,000 for all assets.

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

Land improvements	5 - 50 years
Buildings and improvements	2 - 50 years
Vehicles, furniture, and equipment	5 - 20 years

I. Deferred Outflows and Inflows of Resources

The *Statement of Net Position and Balance Sheet* include separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods that will be recognized as an expense or expenditure in future periods. Deferred inflows of resources represent an acquisition of net position or fund balance that applies to future periods and will be recognized as a revenue in future periods. Delinquent property taxes that will not be collected within the 60 day availability period are reported as deferred inflows of resources in the governmental fund financial statements.

J. Postemployment Benefits

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

K. Advances from Grantors

Advances from grantors arise when assets are received before revenue recognition criteria have been satisfied. Advances from grantors generally comprise of federal and state entitlement revenues received before eligibility requirements are met.

JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

L. Compensated Absences

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

M. Federal Revenue Sources

The District receives federal awards for the enhancement of various educational programs. Federal awards are generally received based on applications submitted to, and approved by, various granting agencies. For federal awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred.

N. Investment Income

Investment earnings is composed of interest, dividends, and net changes in the fair value of applicable investments. Investment income is included in other local revenue in the fund financial statements. Interest earned from investments purchased with pooled monies is allocated to each of the District's funds based on their average balances.

O. Interfund Activity

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

P. Net Position

In the government-wide financial statements, net position is reported in three components:

Net investment in capital assets - Net investment in capital assets consists of capital assets, net of accumulated depreciation reduced by any outstanding debt used to acquire, construct, or improve these assets.

Restricted - Restricted net position is reported when constraints placed on the net position use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or by state legislation.

Unrestricted - Unrestricted net position is used to account for the net position balance that does not meet the definition of either of the first two categories of net position.

JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Q. Fund Balance Classifications

In the fund financial statements, governmental funds report fund balance in classifications that disclose constraints for which amounts in those funds can be spent. These classifications are as follows:

Nonspendable fund balance - Amounts which cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. This would include items not expected to be converted to cash including inventories and prepaid items.

Restricted fund balance - Amounts with constraints placed on the use of resources that are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or state legislation.

Committed fund balance - Amounts that can only be used for specific purposes pursuant to constraints imposed by the formal action of the Governing Board. These amounts cannot be used for any other purposes unless the Governing Board removes or changes the specific purpose by taking the same kind of formal action previously used to commit these amounts. Adoption of the annual budget does not constitute a commitment as appropriations lapse at year end without Governing Board action. This also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance - Amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The intent should be expressed by the Governing Board or body or official to which the Governing Board has delegated the authority to assign amounts to be used for specific purposes. Assigned fund balance in governmental funds, other than the General Fund, includes all spendable amounts that are not restricted or committed, if that amount is positive. In the General Fund, assigned amounts represent intended uses established by the Governing Board or a management official delegated that authority by the formal Governing Board action. The District does not have a formal policy or procedures for the utilization of assigned fund balance, accordingly, no assigned fund balance amounts are reported.

Unassigned fund balance - Spendable amounts in the General Fund that are not restricted, committed or assigned. The General Fund is the only fund that may report a positive unassigned fund balance amount. For governmental funds other than the General Fund, negative fund balances are reported here if restricted, committed, or assigned amounts exceed total spendable fund balance.

Hierarchy for use of fund balances - When an expenditure is incurred that can be paid from either restricted or unrestricted fund balances, the District uses restricted fund balance first. For the disbursement of unrestricted fund balances, the District uses committed amounts first, followed by assigned amounts, and, lastly, unassigned amounts.

Minimum fund balance policy - The District has not adopted a policy regarding maintenance of minimum fund balances.

JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

R. 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 - CASH AND INVESTMENTS

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's cash deposits may not be returned. The District does not have an adopted policy for custodial credit risk. As of June 30, 2019, the carrying amount (reported) cash balance was \$123,063 (\$80,171 reported within the governmental funds and \$42,892 reported in the fiduciary funds), while the total bank balance was \$125,216 which was fully insured by the Federal Deposit Insurance Corporation (FDIC) and the collateral described below. The FDIC protects deposits in each bank the District uses against loss for the first \$250,000 of demand deposits and \$250,000 of time deposits. Any deposits of cash deposits in excess of \$250,000 are covered by collateral held by the pledging financial institution's trust department in the District's name.

Arizona statute requires eligible depositories that accept public monies to participate in the pooled collateral program for public deposits. The Statewide Collateral Pool Administrator (Administrator) is responsible for ensuring that eligible depositories have posted 102% collateral for each public depositor in excess of any federally insured deposits. The purpose of the pooled collateral program is to ensure that governmental entities' public deposits placed in participating depositories are secured against loss. 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.

External Investment Pool. A.R.S. §15-996, authorizes the Navajo County Treasurer to receive and hold all District monies and pool the monies with other school districts for investment purposes. As of June 30, 2019, the District reported \$112,177 on deposit with the Navajo County Treasurer's Investment Pool (NCTIP). The NCTIP is an external investment pool with no regulatory oversight. The NCTIP is not required to register (and is not registered) with the Securities and Exchange Commission. As of June 30, 2019, the NCTIP did not receive a credit quality rating from a national rating agency. The Navajo County Treasurer invests the cash in a pool under policy guidelines established by the County. The Navajo County Treasurer accounts for the investment pool in their Fiduciary Investment Trust Fund. Interest rate risk, credit risk, custodial credit risk and concentration of credit risk regarding the NCTIP are included in the Comprehensive Annual Financial Report of Navajo County. The fair value of each participant's position in the NCTIP approximates the value of the participant's shares in the pool and the District's 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.

JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2 - CASH AND INVESTMENTS

Interest Rate Risk. Interest rate risk is the risk that changes in interest rate will adversely affect the fair value of an investment. The District does not have an adopted investment policy that limits investment maturities to one year or less as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. Credit risk is the risk that an insurer or other counterparty to an investment in a debt security will not fulfill its obligations. The District has no investment policy that would further limit its investment choices than what is allowable per A.R.S.

NOTE 3 - LINE OF CREDIT WITH COUNTY TREASURER

The District had a \$1,300,000 revolving line of credit to cover temporary cash shortages primarily due to delays in state aid, federal grant funding and property tax receivable. During the 2018-19 fiscal year, the District borrowed and spent \$1,300,000 between July 2018 and October 2018, and repaid the full amount in November 2018. The District then borrowed and spent \$1,300,000 between December 2018 and April 2019, and repaid the full amount in May 2019. As of June 30, 2019, the District had \$0 outstanding on the line of credit. The District paid \$24,537 in interest on the line of credit during the fiscal year.

NOTE 4 - DUE FROM OTHER GOVERNMENTS

Receivable balances have been disaggregated by type and presented separately in the financial statements with the exception of the amounts due from other governments. The District's due from other governments as of June 30, 2019, are as follows:

	General Fund	Classroom Site Fund	Building Renewal Fund	Other Governmental Funds	Totals
Due from state government:					
Classroom site	\$ -	\$ 40,294	\$ -	\$ -	\$ 40,294
Instructional improvement	-	-	-	7,967	7,967
SFB construction commitments	-	-	31,084	-	31,084
Due from federal government:					
Federal grants	<u>15,120</u>	<u>-</u>	<u>-</u>	<u>52,628</u>	<u>67,748</u>
Total due from other governments	<u><u>\$ 15,120</u></u>	<u><u>\$ 40,294</u></u>	<u><u>\$ 31,084</u></u>	<u><u>\$ 60,595</u></u>	<u><u>\$ 147,093</u></u>

JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 5 - ADVANCES FROM GRANTORS

Governmental funds report advances from grantors for assets that are transferred to the District prior to the District fulfilling all program requirements that would entitle them to recognize the revenue. As of June 30, 2019, the advances from grantors reported in the governmental funds were as follows:

Other Governmental Funds:

Advances from state grants	\$	300
Advances from federal grants		<u>6,550</u>
Total Other Governmental Funds:		<u>6,850</u>
Total advances from grantors	\$	<u>6,850</u>

NOTE 6 - CAPITAL ASSETS

Capital asset governmental activity for the year ended June 30, 2019, was as follows:

<u>Governmental activities:</u>	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
Non-depreciable capital assets:				
Land	\$ 22,800	\$ -	\$ -	\$ 22,800
Construction in progress	<u>175,078</u>	<u>108,726</u>	<u>(248,736)</u>	<u>35,068</u>
Total non-depreciable capital assets	<u>197,878</u>	<u>108,726</u>	<u>(248,736)</u>	<u>57,868</u>
Depreciable capital assets:				
Land improvements	1,864,697	-	-	1,864,697
Buildings and improvements	20,163,559	244,270	-	20,407,829
Vehicles, furniture, and equipment	<u>3,555,593</u>	<u>171,283</u>	<u>-</u>	<u>3,726,876</u>
Total depreciable capital assets	<u>25,583,849</u>	<u>415,553</u>	<u>-</u>	<u>25,999,402</u>
Less accumulated depreciation for:				
Land improvements	(1,668,366)	(53,802)	-	(1,722,168)
Buildings and improvements	(12,606,689)	(502,707)	-	(13,109,396)
Vehicles, furniture, and equipment	<u>(2,106,817)</u>	<u>(186,063)</u>	<u>-</u>	<u>(2,292,880)</u>
Total accumulated depreciation	<u>(16,381,872)</u>	<u>(742,572)</u>	<u>-</u>	<u>(17,124,444)</u>
Total depreciable capital assets, net	<u>9,201,977</u>	<u>(327,019)</u>	<u>-</u>	<u>8,874,958</u>
Total capital assets, net	<u>\$ 9,399,855</u>	<u>\$ (218,293)</u>	<u>\$ (248,736)</u>	<u>\$ 8,932,826</u>

JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 6 - CAPITAL ASSETS

Depreciation was charged to governmental functions as follows:

Instruction	\$ 246,478
Support services - students and staff	1,760
Support services - administration	9,907
Operation and maintenance of plant	395,224
Student transportation services	56,515
Operations of non-instructional services	<u>32,688</u>
Total depreciation expense	<u><u>\$ 742,572</u></u>

NOTE 7 - INTERFUND RECEIVABLES AND PAYABLES

The following is a summary of interfund receivables and payables reported as of June 30, 2019:

Funds	Interfund	
	Due From	Due To
Adjacent Ways Fund	\$ 44,801	\$ -
Building Renewal Fund	-	63,599
Other Governmental Funds	<u>18,798</u>	<u>-</u>
Total	<u><u>\$ 63,599</u></u>	<u><u>\$ 63,599</u></u>

These interfund amounts primarily represent loans to cover temporary cash deficits in pooled accounts due to delayed revenues and grant expenditures that were incurred prior to reimbursements from outside parties. These amounts are expected to be repaid within one year.

NOTE 8 - LONG-TERM DEBT

The following is a summary of changes in long-term debt of the District for the year ended June 30, 2019:

	Balance June 30, 2018	Additions	Reductions	Balance June 30, 2019	Due Within One Year
Bonds payable	\$ 640,000	\$ -	\$ (640,000)	\$ -	\$ -
Net pension liability	4,115,721	513,539	(971,098)	3,658,162	-
Capital lease	38,208	139,750	(53,206)	124,752	29,212
Guaranteed energy savings contract	1,274,382	-	(78,768)	1,195,614	83,900
Compensated absences	<u>74,888</u>	<u>51,856</u>	<u>(48,372)</u>	<u>78,372</u>	<u>8,000</u>
Total	<u><u>\$ 6,143,199</u></u>	<u><u>\$ 705,145</u></u>	<u><u>\$ (1,791,444)</u></u>	<u><u>\$ 5,056,900</u></u>	<u><u>\$ 121,112</u></u>

JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 9 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Plan description - District employees participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiple-employer defined benefit pension plan, a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan, and a cost-sharing multiple-employer defined benefit long-term disability (OPEB) plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. The 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 its website at www.azasrs.gov.

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

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 ages equals 80 10 years, age 62 5 years, age 50* Any years, age 65	30 years after age 55 25 years, age 60 10 years, age 62 5 years, age 50* Any years, age 65
Final average salary is based on	Highest 36 consecutive months of last 120 months	Highest 60 consecutive months of last 120 months
Benefit 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 earning. 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 retirement benefit option chosen determines the survivor benefit. 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.

Health insurance premium benefits are available to retired or disabled members with 5 years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. For members with 10 or more years of service, benefits range from \$100 per month to \$260 per month depending on the age of the member and dependents. For members with 5 to 9 years of service, the benefits are the same dollar amounts as above multiplied by a vesting fraction based on completed years of service.

JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 9 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

Contributions - In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2019, statute required active ASRS members to contribute at the actuarially determined rate of 11.80 percent (11.64 percent for retirement and 0.16 percent for long-term disability) of the members' annual covered payroll, and statute required the District to contribute at the actuarially determined rate of 11.80 percent (11.18 percent for retirement, 0.46 percent for health insurance premium benefit, and 0.16 percent for long-term disability) of the active members' annual covered payroll. In addition, the District is required by statute to contribute at the actuarially determined rate of 10.53 percent (10.41 percent for retirement, 0.06 for health insurance premium benefit, and 0.06 percent for long-term disability) of annual covered payroll of retired members who may have worked for the District in positions an employee who contributes to the ASRS would typically fill. The District's contributions to the pension, health insurance premium benefit, and long-term disability plans for the year ended June 30, 2019, and for the two preceding years, all of which were equal to the required contributions, were as follows:

<u>Year ended June 30</u>	<u>Retirement Fund</u>	<u>Health Insurance Premium Benefit</u>	<u>Long-Term Disability Fund</u>	<u>Total Contributions</u>
2019	\$ 307,356	\$ 11,761	\$ 4,391	\$ 323,508
2018	283,915	10,958	4,146	299,019
2017	278,564	13,510	3,378	295,452

During fiscal year ending June 30, 2019, the District paid for pension and OPEB contributions as follows:

<u>Fund:</u>	<u>Pension and OPEB Contribution</u>	<u>Percentage by Fund</u>
General Fund	\$ 286,928	88.69 %
Classroom Site Fund	16,760	5.18 %
Adjacent Ways Fund	1,277	0.40 %
Other Governmental Funds	18,543	5.73 %
Total	<u>\$ 323,508</u>	<u>100.00 %</u>

The District's OPEB balance and related activity for the fiscal year ending June 30, 2019, was immaterial, therefore, related disclosures have been omitted.

Liability - At June 30, 2019, the District reported a pension liability of \$3.7 million for its proportionate share of the ASRS' net pension liability.

JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 9 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

The net liability was measured as of June 30, 2018. 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, 2017, to the measurement date of June 30, 2018. The total pension liability as of June 30, 2018, reflects changes in actuarial assumptions based on the results of an actuarial experience study for the 5-year period ended June 30, 2016, including decreasing the discount rate from 8 percent to 7.5 percent, changing the projected salary increases from 3–6.75 percent to 2.7–7.2 percent, decreasing the inflation rate from 3 percent to 2.3 percent, and changing the mortality rates.

The District's proportion of the net liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2018, and the change from its proportions measured as of June 30, 2017, were:

	Proportion <u>June 30, 2018</u>	Increase (Decrease) From <u>June 30, 2017</u>
Pension	0.0262 %	(0.0002)%

Expense - For the year ended June 30, 2019, the District recognized \$41,134 of pension expense.

Deferred outflows/inflows of resources - At June 30, 2019, the District reported deferred outflows and deferred inflows of resources related to the pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 100,779	\$ 20,167
Changes in assumptions or other inputs	96,802	324,346
Net difference between projected and actual earnings on pension plan investments	-	87,970
Changes in proportion and differences between District contributions and proportionate share of contributions	3,984	22,176
District contributions subsequent to the measurement date	<u>307,356</u>	<u>-</u>
Total	<u>\$ 508,921</u>	<u>\$ 454,659</u>

JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 9 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

The amounts reported as deferred outflows of resources related to ASRS pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net liability in the year ending June 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to ASRS pensions will be recognized in expenses as follows:

Year ending June 30	Deferred Outflows (Inflows)
2020	\$ 21,202
2021	(101,401)
2022	(133,444)
2023	(39,451)
2024	-
Thereafter	-
Total	\$ (253,094)

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

Actuarial valuation date	June 30, 2017
Actuarial roll forward date	June 30, 2018
Actuarial cost method	Entry age normal
Investment rate of return	7.5%
Projected salary increase	2.7 - 7.2%
Inflation	2.3%
Permanent benefit increase	Included
Mortality rates	2017 SRA Scale U-MP
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2017, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2016.

JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 9 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	50.00 %	5.50 %
Fixed income	30.00 %	3.83 %
Real estate	20.00 %	5.85 %
Total	100.00 %	

Discount rate - At June 30, 2018, the discount rate used to measure the ASRS total pension liability was 7.5 percent, which was a decrease of 0.5 from the discount rate used as of June 30, 2017. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's proportionate share of the ASRS net pension liability to changes in the discount rate - The following table presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.5 percent) or 1 percentage point higher (8.5 percent) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
District's proportionate share of the: Net pension liability	\$ 5,214,794	\$ 3,658,162	\$ 2,357,621

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

Contributions payable - The District's accrued payroll and employee benefits included \$2,121 of outstanding pension and OPEB contribution amounts payable to ASRS for the year ended June 30, 2019.

JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 10 - CAPITAL LEASE

The District acquired a school bus under the provisions of a long-term lease agreement classified as a capital lease. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at present value of the future minimum lease payments as of the inception date. Revenues from the Unrestricted Capital Outlay Fund, a non-major capital project fund, are used for payment of the capital lease obligation.

The asset capitalized and acquired through a capital lease is as follows:

Asset	Governmental Activities
Bus	\$ 139,750
Total assets	139,750
Less accumulated depreciation	(12,810)
Total assets, net	\$ 126,940

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2019, were as follows:

Year Ending June 30:	Governmental Activities
2020	\$ 34,676
2021	34,676
2022	34,676
2023	34,676
Total minimum lease payments	138,704
Less: amount representing interest	(13,952)
Present value of minimum lease payments	\$ 124,752

JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 11 - GUARANTEED ENERGY SAVINGS CONTRACT

The District entered into a \$1,513,615 guaranteed energy savings contract lease-purchase agreement on April 30, 2014, for energy system improvements. As part of the agreement, the total principal and interest payments of \$2,015,734 are to be offset by energy cost savings over a 15 year period. In the event that the energy savings for a year is less than the guaranteed amount, Ameresco Southwest Inc., the energy equipment providers, will reimburse the District for the shortfall.

The lease will be paid with the savings transferred from the Maintenance and Operations Fund, grouped within the General Fund, to the Energy and Water Savings Fund, a non-major capital projects fund, as well as with energy rebates received from APS throughout the year.

The asset capitalized and acquired through the energy savings contract is as follows:

Asset	Governmental Activities
Energy savings equipment	\$ 1,513,615
Less accumulated depreciation	(386,812)
Total assets, net	\$ 1,126,803

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2019, were as follows:

Year Ending June 30:	Governmental Activities
2020	\$ 126,204
2021	128,547
2022	130,985
2023	133,521
2024	136,158
2025-2029	724,151
2030	76,311
Total minimum lease payments	1,455,877
Less: amount representing interest	(260,263)
Present value of minimum lease payments	\$ 1,195,614

JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 12 - DEFICIT FUND BALANCES

The District reported a deficit fund balance in the following fund:

	<u>Deficit</u>
Building Renewal Fund	\$ 57,716

The deficit is due to the difference of the District being allowed to expend up to approved award amounts and the timing of related revenue to be received by the District. Future receipts are expected to eliminate the deficit fund balance.

NOTE 13 - INTERFUND TRANSFERS

The following is a summary of interfund transfers reported as of June 30, 2019:

<u>Funds</u>	<u>Interfund</u>	
	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 45,028	\$ 61,259
Building Renewal Fund	79	-
Other Governmental Funds	86,679	70,527
Total	\$ 131,786	\$ 131,786

The transfers were made to (1) move indirect costs from federal grant funds to the Indirect Costs Fund, which is grouped within the General Fund; (2) move funds from the Career and Technical Education Projects fund to the Performing Arts Donations Fund, which is grouped within the General Fund; and (3) to transfer funds to clear out inactive funds.

JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 14 - 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 is a member of the Arizona School Risk Retention Trust, Inc (ASRRT), together with other school districts in the state. ASRRT is a public entity risk pool currently operating as a common risk management and insurance program for member school districts. 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.

For employee health insurance, the District is a member of the Arizona School Boards Association Insurance Trust (ASBAIT), together with other school districts. ASBAIT was established in 1981 by the Arizona School Board Association. Its formation was in response to Arizona school administrators desire to obtain comprehensive health benefits at reasonable costs. ASBAIT operates by an "Agreement and Declaration of Trust" in accordance with the laws of the State of Arizona, including, without limitation, §15-382 A.R.S. The agreement provides that ASBAIT will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of specified amounts.

The District is a member of the Arizona School Alliance for Workers' Compensation, Inc. (the Alliance). The Alliance was established in 1996 and is structured as a self-insurance pool that is owned and governed by its members. The agreement provides that the Alliance will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of specified amounts.

For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior fiscal years.

NOTE 15 - COMMITMENTS AND CONTINGENCIES

Federal grants - In the normal course of operations, the District receives grant funds from various federal agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to insure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of audits of grant funds is not believed by District officials to be material.

Litigation - Each year the District receives notices of claims for damages occurring generally from negligence, bodily injury, breach of contract, and other legal matters. The filing of such claims commences a statutory period for initiating a lawsuit against the District arising therefrom. The District has comprehensive general liability insurance with the ASRRT. The District is not aware of any litigation that might result in a materially adverse outcome.

JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 16 - SUBSEQUENT EVENTS

COVID-19 School Closing - In response to the events surrounding the global pandemic of COVID-19, on March 30, 2020, the Governor of the State of Arizona along with the Superintendent of Public Instruction announced the closing of all Arizona school districts for the remainder of the fiscal year ending June 30, 2020. The District's essential operations will continue to ensure staff payroll and other obligations are paid as required. In addition, the District is ready to resume instruction when Districts are allowed to reopen.

CARES Act Funding - On March 27, 2020, the U.S. Government passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act in response of the COVID-19 pandemic. In part, the Education Stabilization Fund (ESF) provides \$30.74 billion in dedicated funds to support education relief and recovery efforts. Arizona is projected to receive \$626 million in ESF, and \$227 million goes to the Elementary and Secondary Schools Emergency Relief (ESSER) Fund. The ESSER Fund is designated to support K-12 schools to respond to the COVID-19 pandemic and the declaration of statewide school closures. The Arizona Department of Education will administer this fund. The District is awarded \$142,995 from the ESSER Fund based on the projected final eligible LEA cohort.

Volkswagen Mitigation Trust Fund Monies - In fiscal year 2018-19, the District was awarded up to \$110,000 for one new school bus from the Volkswagen Mitigation Trust Fund. The monies were received on March 20, 2020, and the purchase of the bus was completed on March 25, 2020.

Cholla Power Plant Closure - One of three generators at the Cholla power plant will be closed by the end of 2020. This closure represents a valuation reduction to the District's property tax base. As a result, property tax allocations for the District are projected to decrease in future years. Currently, the District is a non-state aid District due to high property tax valuation. The decrease in valuation is estimated to make the District a state aid district, resulting in an increase in state equalization assistance.

Arizona Parents Commission on Drug Education and Prevention Grant - On July 1, 2019, the District was awarded a grant of \$170,407 by the State of Arizona Governor's Office of Youth, Faith and Family to be used for establishing a Parents Commission on Drug Education and Prevention.

Budget Override - During the fiscal year ending June 30, 2020, the voters of the District approved a 15% Maintenance and Operation Budget Override beginning with the fiscal year ending June 30, 2021 and for the six subsequent years. The override allows the District to exceed the revenue control limit by fifteen percent of the revenue control limit. In fiscal years ending June 30, 2021 through June 30, 2025, the amount of the proposed increase will be fifteen percent of the District's revenue control limit in each of such years, as provided in Section 15-481(P) of the Arizona Revised Statutes. In fiscal year ending June 30, 2026 the amount of the proposed increase will be two-thirds of the initial increase and In fiscal year ending June 30, 2027 one-third of the initial increase, as provided in Section 15-481(P)(2) of the Arizona Revised Statutes. The amount of the budgetary override for fiscal year 2021 is estimated to be \$643,693.

This page is intentionally left blank.

REQUIRED SUPPLEMENTARY INFORMATION

This page is intentionally left blank.

JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>		(Non-GAAP)	<u>Variance</u>
	<u>Adopted</u>	<u>Final</u>	Actual Amounts	
Revenues:				
Property taxes	\$ 4,359,493	\$ 4,451,966	\$ 4,152,564	\$ (299,402)
State aid and grants	35,190	35,937	33,520	(2,417)
Other local revenue	7,876	8,043	7,502	(541)
Total revenues	<u>4,402,559</u>	<u>4,495,946</u>	<u>4,193,586</u>	<u>(302,360)</u>
Expenditures:				
Regular education:				
Instruction	1,390,117	1,482,579	1,348,955	133,624
Support services - students and staff	437,692	437,692	380,902	56,790
Support services - administration	515,547	515,547	651,994	(136,447)
Operation and maintenance of plant	902,731	902,731	834,899	67,832
Operation of non-instructional services	72,329	72,329	145,342	(73,013)
School-sponsored cocurricular activities	31,311	31,311	34,899	(3,588)
School-sponsored athletics	152,377	152,377	133,568	18,809
Other programs	21,050	21,050	19,992	1,058
Total regular education	<u>3,523,154</u>	<u>3,615,616</u>	<u>3,550,551</u>	<u>65,065</u>
Special education:				
Instruction	284,883	284,883	255,475	29,408
Support services - students and staff	215,554	215,554	254,446	(38,892)
Support services - administration	-	-	300	(300)
Total special education	<u>500,437</u>	<u>500,437</u>	<u>510,221</u>	<u>(9,784)</u>
Student transportation services:				
Student transportation services	324,570	324,570	370,211	(45,641)
K-3 reading program:				
Instruction	10,808	10,808	17,019	(6,211)
Total expenditures	<u>4,358,969</u>	<u>4,451,431</u>	<u>4,448,002</u>	<u>3,429</u>
Excess (deficiency) of revenues over expenditures	<u>43,590</u>	<u>44,515</u>	<u>(254,416)</u>	<u>(298,931)</u>
Other financing uses:				
Transfers out	-	-	(60,273)	(60,273)
Net changes in fund balances	43,590	44,515	(314,689)	(359,204)
Fund balance, July 1, 2018	<u>350,131</u>	<u>350,131</u>	<u>350,131</u>	<u>-</u>
Change in inventories	-	-	(6,499)	(6,499)
Change in prepaid items	-	-	(21,782)	(21,782)
Fund balance (non-GAAP), June 30, 2019	<u>\$ 393,721</u>	<u>\$ 394,646</u>	<u>\$ 7,161</u>	<u>\$ (387,485)</u>

This page is intentionally left blank.

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
BUDGETARY COMPARISON SCHEDULE - CLASSROOM SITE FUND
YEAR ENDED JUNE 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Adopted</u>	<u>Final</u>		
Revenues:				
State aid and grants	\$ 433,019	\$ 445,562	\$ 241,762	\$ (203,800)
Other local revenue	4,026	4,143	2,248	(1,895)
Total revenues	<u>437,045</u>	<u>449,705</u>	<u>244,010</u>	<u>(205,695)</u>
Expenditures:				
Instruction	254,422	272,802	202,779	70,023
Support services - students and staff	178,296	172,450	-	172,450
Total expenditures	<u>432,718</u>	<u>445,252</u>	<u>202,779</u>	<u>242,473</u>
Net change in fund balances	<u>4,327</u>	<u>4,453</u>	<u>41,231</u>	<u>36,778</u>
Fund balance, July 1, 2018	<u>86,946</u>	<u>86,946</u>	<u>86,946</u>	<u>-</u>
Fund balance, June 30, 2019	<u>\$ 91,273</u>	<u>\$ 91,399</u>	<u>\$ 128,177</u>	<u>\$ 36,778</u>

JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
JUNE 30, 2019

ASRS - Pension	Reporting Fiscal Year (Measurement Date)			
	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
District's proportion of the net pension liability	0.03 %	0.03 %	0.03 %	0.03 %
District's proportionate share of the net pension liability	\$ 3,658,162	\$ 4,115,721	\$ 4,269,296	\$ 4,059,595
District's covered payroll	\$ 2,777,201	\$ 2,760,379	\$ 2,683,100	\$ 2,608,341
District's proportionate share of the net pension liability as a percentage of its covered payroll	131.72 %	149.10 %	159.12 %	155.64 %
Plan fiduciary net position as a percentage of the total pension liability	73.40 %	69.92 %	67.06 %	68.35 %

Reporting Fiscal Year
(Measurement Date)

	2014
2015 (2014)	through 2010

Information is
0.03 % not available.
Additional
information
\$ 4,146,115 will be
presented as
\$ 2,820,520 it becomes
available.

147.00 %

69.49 %

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
JUNE 30, 2019**

ASRS - Pension	Reporting Fiscal Year			
	2019	2018	2017	2016
Statutorily required contribution	\$ 307,356	\$ 283,915	\$ 278,564	\$ 269,015
District's contributions in relation to the statutorily required contribution	<u>307,356</u>	<u>283,915</u>	<u>278,564</u>	<u>269,015</u>
District's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 2,837,486	\$ 2,777,201	\$ 2,760,379	\$ 2,683,100
District's contributions as a percentage of covered payroll	10.83 %	10.22 %	10.09 %	10.03 %

Reporting Fiscal Year		2013 through 2010
2015	2014	
\$ 263,770	\$ 272,898	Information is not available. Additional information will be presented as it becomes available.
<u>263,770</u>	<u>272,898</u>	
<u>\$ -</u>	<u>\$ -</u>	
\$ 2,608,341	\$ 2,820,520	
10.11 %	9.68 %	

JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2019

NOTE 1 - BUDGETARY COMPLIANCE AND ACCOUNTABILITY

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

- A. The General Fund, as reported in the budgetary comparison schedule, includes the District's Maintenance and Operation Fund (M&O) in addition to several other District funds consistent with accounting principles generally accepted in the United States of America. In accordance with Arizona Revised Statutes, the District is required to budget expenditures at the individual fund level.
- B. Expenditures that are allowable for budget reporting but not allowable as expenditures within the scope of generally accepted accounting standards are detailed and reconciled at the bottom of the following table.

The following schedule presents financial statement details of the District's M&O Fund, the main budgetary fund for the District per Arizona Revised Statutes, separately for analysis.

	General Fund					
	Revenues	Expenditures	Other Financing Sources (uses)	Beginning Fund Balance	Change In Prepays And Inventories	Ending Fund Balance
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds - General Fund - GAAP	\$ 4,519,758	\$ 4,800,192	\$ (16,231)	\$ 428,731	\$ (28,281)	\$ 103,785
Less: budgeted special revenue funds reported within the General Fund	326,172	361,317	44,042	78,600	-	87,497
Maintenance and Operation - GAAP	<u>\$ 4,193,586</u>	<u>\$ 4,438,875</u>	<u>\$ (60,273)</u>	<u>\$ 350,131</u>	<u>\$ (28,281)</u>	<u>\$ 16,288</u>
Add: current year encumbrance prepaid items		9,127				(9,127)
Maintenance and Operation - Non-GAAP	<u>\$ 4,193,586</u>	<u>\$ 4,448,002</u>	<u>\$ (60,273)</u>	<u>\$ 350,131</u>	<u>\$ (28,281)</u>	<u>\$ 7,161</u>

**REPORT ON INTERNAL CONTROL
AND ON COMPLIANCE**

This page intentionally left blank.



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Governing Board of
Joseph City Unified School District No. 2

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Joseph City Unified School District No. 2 (District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated September 28, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist and that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2019-001 and 2019-002, that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Audit Standards* and which are described in the accompanying schedule of findings and responses as items 2019-001 and 2019-002.

We noted certain other matters that we reported to management of the District in a separate document entitled Uniform System of Financial Records (USFR) Compliance Questionnaire dated September 28, 2020.

The District's Response to Findings

The District's response to the findings identified in our audit are described in the accompanying schedule of findings and responses. The District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



*Certified Public Accountants
Mesa, Arizona*

September 28, 2020

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2019**

FINANCIAL REPORTING AND COMPLIANCE FINDING:

**2019-001 Maintenance and Operations Fund Budget Correction
Finding Type: Significant Deficiency**

CONDITION

The District closed out multiple funds with negative cash balances using monies from the Maintenance and Operation Fund (M&O Fund). The monies were transferred as corrections of prior year errors using fund balances. The amount of \$60,273 was moved from the M&O Fund to multiple funds as follows:

Fund	Amount
Cash Controlled Funds	\$ 45,636
Federal Grant Funds	14,637
Total	<u>\$ 60,273</u>

CRITERIA

Arizona Department of Education: "Guidelines for Requesting Prior Year Corrections to State Aid or Budget Capacity (A.R.S. § 15-915)"

CAUSE

The District's correction of prior year errors by moving money from the M&O Fund to close out funds with negative cash balances did not include revising the District's M&O Fund budget.

EFFECT

Prior year errors of posting M&O expenditures to incorrect funds was corrected by moving monies using fund balance as the offset to cash. This had the effect of the expenditures not being properly applied against the M&O budget.

RECOMMENDATION

It is recommended that the District request from Arizona Department of Education (ADE) a prior year correction to budget capacity as provided for in ADE's "Guidelines for Requesting Prior Year Corrections to State Aid or Budget Capacity (A.R.S. § 15-915)".

DISTRICT RESPONSE

The District will work with ADE to determine if the General Budget Limit will need to be adjusted through a 915 request as needed to account for the monies moved from the M&O Fund to clear the negative cash balance accumulated over the prior years and closed out.

DISTRICT CONTACT

Steven Mills, Business Manager

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2019**

FINANCIAL REPORTING AND COMPLIANCE FINDING:

2019-002 Cash Reconciliations

Finding Type: Significant Deficiency

CONDITION

Due to adjustments to cash balances from the County School Superintendent (CSS), the District did not reconcile its records of cash balances by fund monthly with the CSS. As a result, the District's reconciliation of the July 2018 through April 2019 cash to the CSS cash reports were not completed until June 6, 2019. Additionally, the May 2019 reconciliation was completed June 26, 2019 and the June 2019 reconciliation was completed September 27, 2019.

CRITERIA

Uniform System of Financial Records for Arizona School Districts (Section VI.B. Reconciliations)

"Districts should reconcile their records of cash balances by fund monthly, and their records of revenues, expenditures, and cash balances by fund, program, function, and object code at least at fiscal year-end, to the county school superintendent's records. In addition, the county school superintendent's office should reconcile the district's accounting records to those of the county treasurer. These procedures are necessary for accurate recordkeeping."

CAUSE

The District received delayed cash reports from the CSS, resulting in untimely reconciliations of cash balances by fund.

EFFECT

The District's internal controls over County cash accounts were not adequate to ensure that if an error or inappropriate transaction were posted, it would be detected and corrected in a timely manner.

RECOMMENDATION

It is recommended that the District request the CSS's cash reports on a monthly basis to agree each fund's cash balance to the CSS's cash balance report. In addition, it is recommended that the District check the reconciliations against the CSS's reconciliation to the Treasurer once completed.

DISTRICT RESPONSE

The District is working with the County School Superintendent's Office to receive timely cash reports so the District can reconcile cash balances by fund to the County School Superintendent's cash report on a monthly basis. The District is also working with a third party consultant on the timely reconciliation of the cash balances.

DISTRICT CONTACT

Steven Mills, Business Manager

This page is intentionally left blank.

D. Accept GENYOUTH Grant

This grant was awarded to the District to help with food costs during the pandemic: \$1,500

E. Arizona School Facility Board Project Bid Awards

Approve FY19-20 SFB project bid awards:

Classic Roofing (Jr/Sr High School roof replacement): \$369,970

SD Crane - Gordian (Elementary School roof replacement): \$329,947

F. Donations from APS

Accept \$500 donations from APS to the following classroom teachers: Darrel Mosier, Julie Mills, and Ruth Hansen.

89

Standards for School Grants and Donations Made Directly to Employees

Joseph City Schools supports and encourages teachers and other staff to apply for grants and donations that support the mission of our school district. The following standards apply to grants and donations whose purpose is to support schools and that are paid directly to the employee by cash or check or paid in the form of gift cards, goods or services. These standards help us to be transparent and accountable to our donors and patrons.

- Report all grants and donations to the Superintendent when notified of the award. They must be accepted by the Joseph City School District Governing Board by action taken in a public board meeting.
- All goods and services procured with grant and donated funds are the property of the school district and not the personal property of the employee.
- Submit photocopies of checks, gift cards, bills of lading or other evidence of the grant or donation to your principal or supervisor who will forward it to the Business Manager.
- Submit receipts to your principal or supervisor for goods and services purchased that equal or exceed the amount of the donated funds. These should be forwarded to the Business Manager.
- Individuals may not set up “GoFundMe” or similar types of fundraising accounts in the name of, or for the purpose of raising funds for Joseph City Schools or school-affiliated groups. Any such accounts must be set up by the District in a way that is legal and transparent to donors.

5. PERSONNEL REQUESTS (*)

Discussion and possible action to approve employee assignments, approve volunteers and accept employee resignations.

A. Employee Assignments, Employee Renewals, Volunteers, Employee Resignations and Termination

Discussion and possible action to approve employee assignments and renewals, approve volunteers and accept employee resignations.

RETURN-TO-WORK RETIREE:

Darrel Mosier - Retirement and immediate return to work as a contracted employee through Educational Services, Inc.

EMPLOYEE ASSIGNMENTS:

Darolyn Dewitt - Tutor (After School)
Julie Fields - Title IX Coordinator
Andy Foree - After School Program Instructor (Grant Funded)
Ruth Hansen - Tutor (After School)
Theresa Holmes - Tutor (After School)
Darrel Mosier - S.T.E.M. / Science Fair Coordinator

RENEWALS:

Roland Hancock - Strengthening the Family Instructors (Grant Funded)
Natalie Hancock - Strengthening the Family Instructors (Grant Funded)
Jeff Strong - Strengthening the Family Instructors (Grant Funded)
Julie Strong - Strengthening the Family Instructors (Grant Funded)

VOLUNTEERS:

Nichole Neat
Caleb Layden (Football)

RESIGNATIONS:

Taura Dobbs - Instructional Aide / Maintenance Tech

TERMINATIONS:

Albert Browning- Bus Driver

B. Personnel Appointments

92

Discussion and possible action to approve the appointment of new personnel and changes to positions of current personnel.

SUBSTITUTES:

Greg Case - Substitute Teacher
Brian Colligon - Substitute Bus Driver
Brian Colligon - Substitute Custodian
Megan Hangen - Substitute Teacher
Reva Haydukovich - Substitute Teacher
Zach Miller - Substitute Teacher
Pat Morris - Substitute Bus Driver
April Neill - Substitute Teacher
Ben Spurlock - Substitute Teacher

SUPPORT STAFF:

Hayden Fischer - Event Workert
Talaina Kor - After School Program Instructor (Grant Funded)
Theresa McKinzie - After School Program Instructor (Grant Funded)
Andrea Miller - Strengthening the Family Instructors (Grant Funded)
Tyson Miller - Strengthening the Family Instructors (Grant Funded)
Adam Neat - Strengthening the Family Instructors (Grant Funded)
Nichole Neat - Strengthening the Family Instructors (Grant Funded)
Nichole Neat - Tutor (After School)
Ben Spurlock - Event Worker

EXTRA DUTY:
Caleb Layden - JV Girls Basketball Coach

Title IX Coordinator

Title IX is in reference to federal law on equality between the sexes. Schools are required to have a coordinator now and it is not allowed to be the superintendent. I am recommending that the GB approve Julie Fields in this position because she has received the training and serves in this capacity for a neighboring district. There is no additional pay associated with this position.

6. ACTION ITEMS

A. Policy and Regulation Adoption - Second Reading

Advisory 677 abd 678: ACA(ACA-R) Sexual Harassment, and ACAA(ACAA-R)Title IX Sexual Harassment

94

POLICY SERVICES

ADVISORY

Volume 32, Number 3

August 2020

Policy Advisory No. 677Policy ACA — Sexual Harassment Regulation ACA-R

Policy Advisory No. 678 NEW..... Policy ACAA — Title IX Sexual Harassment Regulation ACAA-R

CLARIFICATIONS

Policy Alert – Policy BEC – Executive Sessions / Open Meetings

SB 1012, which was cited in the Policy Alert for Policy BEC in July 2020 with Policy Advisories 672-676, had an emergency clause to go into effect immediately. SB 1042 goes into effect August 25, 2020 and replaces the language added to A.R.S. 38-431.03 by SB 1012. The language in SB 1042 is as follows:

Discussions or consultations with designated representatives of the public body in order to discuss security plans, procedures, assessments, measures or systems relating to, or having an impact on, the security or safety of buildings, facilities, operations, critical infrastructure information and information technology maintained by the public body. Records, documentation, notes, or other materials made by, or provided to, the representatives pursuant to this paragraph are confidential and exempt from public disclosure under this chapter and 6 title 39, chapter 1.

There is no change to policy language. Governing Boards should be aware of the addition to A.R.S. 38-431.03, identifying the purposes for which a public body may hold an executive session.

Policy Advisory No. 672 Regulation GBGB-R — Staff Personal Security and Safety

Policy Advisory No. 674 NEW..... Regulation JICA-RB — Student Dress

Policy Advisory No. 676 NEW..... Regulation KI-RB — Visitors to Schools

There have been inquiries regarding the discrepancy between Executive Order 2020-51 and the recommended directives added in the regulations regarding face coverings. The Executive Order requires “face coverings, such as face masks or face shields, for all staff and students over the age of five.” Policy Services includes language calling for cloth face coverings to be worn by all persons age 2 and older. This language was decided upon after careful consideration of the guidelines provided by the Centers for Disease Control and Prevention and in direct consultation with the Arizona Department of Health Services.

Note: This material is written for informational purposes only, and not as legal advice. You may wish to consult an attorney for further explanation.

Breaks from wearing cloth face coverings may be granted when physical distancing of six (6) feet or more can be maintained.

Policy Advisory No. 673 Policy IHA — Basic Instructional Program

The new legal reference under Policy IHA regarding the Sandra Day O'Connor Civics Celebration Day was erroneously listed as 1-139 rather than 1-319. This typo was corrected in the version of the document released via PolicyBridge.

POLICY MANUAL UPDATES

Add cross reference “ACAA — Title IX Sexual Harassment” to Policy AC – Nondiscrimination/Equal Opportunity and Policy JB – Equal Educational Opportunities.

POLICY ADVISORY DISCUSSION

The following policy advisories are the result of the final rule amending Title IX regulations 34 C.F.R. Part 106, released by the United States Department of Education, Office of Civil Rights, on May 6, 2020.

The effective date of the final rule is August 14, 2020. ASBA recommends that boards consider adopting the Policy Advisories at a single meeting as provided in Policy BGB and that superintendents approve the changes in regulations to accompany the policies. Additionally, it is important that districts implement the following as soon as possible:

1. Designate and train a Title IX Coordinator;
2. Train all employees as to the reporting requirement of Title IX Sexual Harassment;
3. Train all personnel involved in ordinary disciplinary processes as to the prohibition of any disciplinary sanction relative to Title IX Sexual Harassment without a “determination of responsibility” following the Title IX Grievance Process.

Policy Advisory No. 677

Policy ACA — Sexual Harassment Regulation — ACA-R

Changes are made in the existing policy and regulation on Sexual Harassment to clarify that sexual harassment in the workplace is being addressed for the purpose of an employee complaint to the Equal Employment Opportunity Commission. Districts should note that the definition and standard of sexual harassment is different under this circumstance than under Title IX.

NEW Policy Advisory No. 678

Policy ACAA — Title IX Sexual Harassment Regulation — ACAA-R

Title IX is a federal civil rights law that was passed as part of the Education Amendments of 1972. It mandates that no person in the United States shall, on the basis of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any education program or activity receiving Federal financial assistance.

Note: This material is written for informational purposes only, and not as legal advice. You may wish to consult an attorney for further explanation.

Prior to the May 6, 2020 rule, Title IX did not refer to sexual harassment. However, the final rule regulations now define sexual harassment and establish detailed procedures for how school districts, subject to Title IX, must respond to allegations of sexual harassment. The conditions of the final rule are narrow in focus, and ASBA Policy Services recommends that member districts retain current policy documents that are related to nondiscrimination and harassment and add the new policy and regulation, ACAA and ACAA-R (Title IX Sexual Harassment), that are specific to the conditions of the final rule regulations.

The new policy documents are intended to guide districts in the appropriate actions to take per the Title IX regulations in response to any notice of sexual harassment or allegations of sexual harassment and in response to a formal complaint being filed. They also inform districts of documentation requirements included in the Title IX regulations, the need for confidentiality, and the prohibition on retaliation. Districts should review the procedures and specify “reasonably prompt timeframes” where necessary.

As directed in the final rule, each district must publish a notice of nondiscrimination on the district website and in any handbooks provided to students, parents, legal guardians, staff, classroom teacher associations, or other organizations associated with the district. Each district must prominently display the contact information for the Title IX Coordinator in a similar manner, as well as its grievance procedures, including how to report or file a complaint of sex discrimination, how to report or file a formal complaint of sexual harassment, and how the district will respond.

Title IX training is necessary and should be mandatory for all staff members, especially those who are involved in the response and documentation processes. Specific training components were not provided in the final rule but rather left to districts to implement training in response to the conditions prescribed therein.

Finally, the new rule amending Title IX was challenged in court almost immediately upon its release in May, and legal arguments are still taking place. The Department of Education is in receipt of requests to further clarify the rule and to delay the implementation date. Policy Services will update member districts about any clarifications.

=====

If you have any questions, call Policy Services at (602) 254-1100. Ask for Chris Thomas, General Counsel/Associate Executive Director; Dr. Terry Rowles, Assistant Director; Steve Highlen, Senior Policy Consultant; or David DeCabooter, Policy Consultant/Staff Attorney. Our e-mail addresses are, respectively, [cthomas@azsba.org], [trowles@azsba.org], [shighlen@azsba.org] and [ddecabooter@azsba.org]. You may also fax information to (602) 254-1177.

Note: This material is written for informational purposes only, and not as legal advice. You may wish to review the policy references and consult an attorney for further explanation.

Note: This material is written for informational purposes only, and not as legal advice. You may wish to consult an attorney for further explanation.

ACA ©

SEXUAL HARASSMENT

All individuals associated with this District, including, but not necessarily limited to, the Governing Board, the administration, the staff, and students, are expected to conduct themselves at all times so as to provide an atmosphere free from sexual harassment.

Sexual harassment is a form of sex discrimination that violates Title VII of the Civil Rights Act of 1964.

The Equal Employment Opportunity Commission defines “sexual harassment” as ~~Sexual harassment includes~~ unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when ~~made by a member of the school staff to a student or to another staff member, or when made by a student to another student~~ where:

- A. Submission to such conduct is either explicitly or implicitly made a term or condition of an individual's employment ~~or education~~; or
- B. Submission to or rejection of such conduct is used as a basis for employment ~~or education~~ decisions affecting such individual; or
- C. Such conduct has the purpose or effect of substantially interfering with an individual's ~~educational or~~ work performance, or creating an intimidating, hostile, or offensive work ~~employment or education~~ environment.

Sexual harassment may include, but is not limited to:

- A. Suggestive or obscene letters, notes, invitations, derogatory comments, slurs, jokes, epithets, assault, touching, impeding or blocking movement, leering, gestures, or display of sexually suggestive objects, pictures, or cartoons.
- B. Continuing to express sexual interest after being informed that the interest is unwelcome. (Reciprocal attraction between peers is not considered sexual harassment.)

C. Implying or withholding support for an appointment, promotion, or change of assignment; suggesting that a poor performance report will be prepared; suggesting that probation will be failed; ~~implying or actually withholding grades earned or deserved; or suggesting that a scholarship recommendation or college application will be denied.~~

D. Coercive sexual behavior used to control, influence, or affect the career, salary, and/or work environment of another employee; ~~or engaging in coercive sexual behavior to control, influence, or affect the educational opportunities, grades, and/or learning environment of a student.~~

E. Offering or granting favors or ~~educational or~~ employment benefits, such as ~~grades or~~ promotions, favorable performance evaluations, favorable assignments, favorable duties or shifts, recommendations, reclassifications, et cetera, in exchange for sexual favors.

Anyone who is subject to sexual harassment, or who knows of the occurrence of such conduct, should inform the compliance officer, as provided in ACA-R.

A substantiated charge against a staff member in the District shall subject such staff member to disciplinary action.

~~A substantiated charge against a student in the District shall subject that student to disciplinary action, which may include suspension or expulsion.~~

All matters involving sexual harassment complaints will remain confidential to the extent possible.

Adopted: date of Manual adoption

LEGAL REF.:

A.R.S.

41-1461 *et seq.*

20 U.S.C. 1681, Education Amendments of 1972, Title IX

20 U.S.C. 1703, Equal Employment Opportunity Act of 1972

42 U.S.C. 2000, Civil Rights Act of 1964 as amended, Title VII

CROSS REF.:

AC - Nondiscrimination/Equal Opportunity

GBA - Equal Employment Opportunity

GCQF - Discipline, Suspension, and Dismissal of Professional Staff Members

GDQD - Discipline, Suspension, and Dismissal of Support Staff Members

~~IHBA - Special Instructional Programs and Accommodations for
----- Disabled Students~~

~~JB - Equal Educational Opportunities~~

~~JII - Student Concerns, Complaints and Grievances~~

~~JK - Student Discipline~~

~~JKD - Student Suspension~~

KED - Public Concerns/Complaints about Facilities or Services

KFA - Public Conduct on School Property

ACA-R ©

REGULATION

SEXUAL HARASSMENT

Compliance Officer

The Superintendent shall be the compliance officer. Any person who feels unlawfully discriminated against or who has been the victim of unlawful discrimination by an agent or employee of the District or who knows of such discrimination against another person should file a complaint with the Superintendent. If the Superintendent is the one alleged to have unlawfully discriminated, the complaint shall be filed with the President of the Board.

Complaint Procedure

The District is committed to investigating each complaint and to taking appropriate action on all confirmed violations of policy. The Superintendent shall investigate, and document complaints filed pursuant to this regulation as soon as reasonable, within the established timelines. In investigating the complaint, the Superintendent will maintain confidentiality to the extent reasonably possible. The Superintendent shall also investigate incidents of policy violation that are raised by the Governing Board, even though no complaint has been made.

If after the initial investigation the Superintendent has reason to believe that a violation of policy has occurred, the Superintendent shall determine whether or not to hold an administrative hearing and/or to recommend bringing the matter before the Board.

If the person alleged to have violated policy is a teacher or an administrator, the due process provisions of the District's Policy GCQF shall apply, except that the supervising administrator may be assigned to conduct the hearing. In cases of serious misconduct, dismissal or suspension proceedings in accordance with A.R.S. 15-539 *et seq.*, may be initiated.

If the person alleged to have violated policy is a support staff employee, the Superintendent may follow due process and impose discipline under Policy GDQD if the evidence so warrants. The Superintendent also may recommend a suspension without pay, recommend dismissal, or impose other appropriate discipline.

~~If the person alleged to have violated policy is a student, the Superintendent may impose discipline in accordance with Policies JK, JKD and JKE.~~

If the Superintendent's investigation reveals no reasonable cause to believe policy has been violated, the Superintendent shall so inform the complaining party in writing.

Timelines

The complaint must be filed within thirty (30) calendar days after the complaining party knew or should have known that there were grounds for a complaint/grievance.

Once the written complaint has been filed using the forms provided by the District, the Superintendent shall require the immediate supervisor or site administrator to investigate and respond in writing to the complaining party within five (5) working days.

If the immediate supervisor or site administrator does not respond, the Superintendent will have ten (10) additional working days to respond in writing to the complaining party.

If the Superintendent does not respond within the established time, then the complaining party may request in writing that the issue be brought before the Board. The Board will then review the record of the investigation and have thirty (30) days to respond to the complaining party in writing.

ACAA ©

TITLE IX SEXUAL HARASSMENT

Title IX of the Federal Education Amendments Act protects people from discrimination based on sex in education programs or activities that receive Federal financial assistance. The District does not discriminate on the basis of sex and is required by Title IX not to discriminate in such a manner. The District adheres to all conditions established by Title IX by recognizing the right of every student who attends school in the District and every employee who works in the District to do so without the fear of sexual harassment.

The District accepts and shall employ the definition of sexual harassment as established by the Title IX regulations. Sexual harassment means conduct on the basis of sex that satisfies one or more of the following:

- A. An employee of the District conditioning the provision of an aid, benefit, or service of the District on an individual's participation in unwelcome sexual conduct;
- B. Unwelcome conduct determined by a reasonable person to be so severe, pervasive, and objectively offensive that it effectively denies a person equal access to the District's education program or activity; or
- C. "Sexual assault" as defined in 20 U.S.C. 1092(f)(6)(A)(v), "dating violence" as defined in 34 U.S.C. 12291(a)(10), "domestic violence" as defined in 34 U.S.C. 12291(a)(8), or "stalking" as defined in 34 U.S.C. 12291(a)(30).

The District also accepts and shall employ the definition of a complainant as an individual who is alleged to be the victim of conduct that could constitute sexual harassment, and a respondent as an individual who has been reported to be the perpetrator of conduct that could constitute sexual harassment.

The District shall designate and authorize an employee as the "Title IX Coordinator" to comply with its responsibilities pertaining to sexual harassment under Title IX. Inquiries about the application of Title IX may be referred to the District's Title IX Coordinator.

Any person may report sex discrimination, including sexual harassment, regardless of whether the person reporting is the person alleged to be the victim of the reported conduct or not. A report may be made in person, by mail, by telephone, or by electronic mail, using the contact information listed for the Title IX Coordinator, or by any other means that results in the Title IX Coordinator receiving the person's verbal or written report. Such a report may be made at any time (including during non-business hours) by using the telephone number or electronic mail address, or by mail to the office address, listed for the Title IX Coordinator. The District shall notify students, parents or legal guardians of students, employees, applicants for employment, and all unions or professional organizations holding collective bargaining or professional agreements with the District, of the name or title, office address, electronic mail address, and telephone number of the Title IX Coordinator.

The District will respond promptly when any school employee has notice of sexual harassment. Upon receipt of notice of sexual harassment, the District shall notify students, parents or legal guardians of students, employees, applicants for employment, and all unions or professional organizations holding collective bargaining or professional agreements with the District, of the District's grievance procedures and grievance process, including how to report or file a complaint of sex discrimination, how to report or file a formal complaint of sexual harassment, and how the District shall respond. The District is committed to investigating each formal complaint submitted and to taking appropriate action on all confirmed violations of policy. The District shall follow grievance procedures that provide for the prompt and equitable resolution of complaints from students and employees alleging sexual harassment.

The District shall, to the extent reasonably feasible, keep confidential the identity of any individual who has made a report or filed a formal complaint of sexual harassment, any complainant, any individual who has been reported to be the perpetrator of sex discrimination, any respondent, and any witness, except as is necessary to carry out the grievance process and as may otherwise be permitted by law.

Title IX sexual harassment complaints may include violations covered by Arizona's mandatory reporting statute, A.R.S. §13-3620. Any abuses classified by statute as "reportable offenses" must be reported as such to the authorities because not reporting a reportable offense is classified as a Class 6 Felony.

Retaliation Prohibited

Neither the District nor any person may intimidate, threaten, coerce, or discriminate against any individual for the purpose of interfering with any right or privilege secured by Title IX, or because the individual has in good faith made a report or complaint, testified, assisted, or participated or refused to participate in any manner in an investigation, proceeding, or hearing. Intimidation, threats, coercion, or discrimination, including charges against an individual for violations that do not involve sex discrimination or sexual harassment, but arise out of the same facts or circumstances as a report or complaint of sex discrimination or a report or formal complaint of sexual harassment, for the purpose of interfering with any right or privilege secured by Title IX, constitutes retaliation.

Adopted:

LEGAL REF.:

A.R.S.

§13-3620

20 U.S.C. 1092

20 U.S.C. 1681, Education Amendments of 1972, Title IX

34 U.S.C. 12291

CROSS REF.:

AC – Nondiscrimination / Equal Opportunity

JB – Equal Educational Opportunities

ACAA-R ©

REGULATION

TITLE IX SEXUAL HARASSMENT

Title IX Coordinator

The Superintendent shall appoint an employee as the “Title IX Coordinator.” If the Title IX Coordinator is the respondent, the complaint shall be filed with the Superintendent.

Title IX Coordinator:

<u>Name/Title:</u>
<u>Address:</u>
<u>E-mail:</u>
<u>Telephone:</u>

Response to Sexual Harassment

When the District has actual knowledge of sexual harassment in an education program or activity of the District against a person in the United States, it shall respond promptly in a manner that is not deliberately indifferent.

- A. “Actual knowledge” means notice of sexual harassment or allegations of sexual harassment to a District’s Title IX Coordinator or to any employee.
- B. An “education program or activity” includes locations, events, or circumstances over which the District exercised substantial control over both the respondent and the context in which the sexual harassment occurs, and also includes any building owned or controlled by a student organization that is officially recognized by the District.
- C. A District is “deliberately indifferent” only if its response to sexual harassment is clearly unreasonable in light of the known circumstances.

The District’s initial response to any report of sexual harassment must treat complainants and respondents equally by offering supportive measures to both and must follow the established grievance process before disciplining a respondent.

Note: This material is written for informational purposes only, and not as legal advice. You may wish to consult an attorney for further explanation.

Even if no formal complaint has been filed, the Title IX Coordinator shall promptly:

- A. Contact the complainant to discuss the availability of supportive measures;
- B. Consider the complainant's wishes with respect to supportive measures;
- C. Inform the complainant of the availability of supportive measures with or without the filing of a formal complaint; and
- D. Explain to the complainant the process for filing a formal complaint.

Supportive measures are non-disciplinary, non-punitive individualized services offered as appropriate, as reasonably available, and without fee or charge to the complainant or the respondent before or after the filing of a formal complaint or where no formal complaint has been filed. Such measures are designed to restore or preserve equal access to the District's education program or activity without unreasonably burdening the other party, including measures designed to protect the safety of all parties or the District's educational environment, or deter sexual harassment. Supportive measures may include counseling, extensions of deadlines or other course-related adjustments, modifications of work or class schedules, and other similar measures. The District shall maintain as confidential any supportive measures provided to the complainant or respondent, to the extent that maintaining such confidentiality would not impair the ability of the District to provide the supportive measures. The Title IX Coordinator is responsible for coordinating the effective implementation of supportive measures.

The District may remove a respondent from the District's education program or activity on an emergency basis, provided that the District undertakes an individualized safety and risk analysis, determines that an immediate threat to the physical health or safety of any student or other individual arising from the allegations of sexual harassment justifies removal, and provides the respondent with notice and an opportunity to challenge the decision immediately following the removal. This provision may not be construed to modify any rights under the Individuals with Disabilities Education Act, Section 504 of the Rehabilitation Act of 1973, or the Americans with Disabilities Act.

Response to a Formal Complaint

“Formal complaint” means a document filed by a complainant or signed by the Title IX Coordinator alleging sexual harassment against a respondent and requesting that the District investigate the allegation of sexual harassment. At the time of filing a formal complaint, a complainant must be participating in or attempting to participate in the education program or activity of the District with which the formal complaint is filed. A formal complaint may be filed with the Title IX Coordinator in person, by mail, or by electronic mail, by using the contact information listed above, and by any additional method designated by the District that results in the Title IX Coordinator receiving the complaint.

The District may place a non-student employee respondent on administrative leave during the pendency of a grievance process in response to a formal complaint. This provision may not be construed to modify any rights under Section 504 of the Rehabilitation Act of 1973 or the Americans with Disabilities Act.

For the purpose of addressing formal complaints of sexual harassment, this grievance process shall comply with the following basic elements:

- A. Provide written notice to all parties upon receipt of complaint, which must include:
 1. Notice of the District’s formal grievance process, including any informal resolution process;
 2. Notice of the allegations, including sufficient details to allow respondent to prepare a response (such as the identities of the parties involved in the incident, if known, the conduct allegedly constituting sexual harassment, and the date and location of the alleged incident);
 3. A statement that the respondent is presumed not responsible for the alleged conduct and that a determination regarding responsibility is made at the conclusion of the grievance process;

4. Notice that the parties may have an advisor of their choice, who may be, but is not required to be, an attorney, and may inspect and review evidence; and
 5. Notice of any provision in the District's code of conduct that prohibits knowingly making false statements or providing false information in the grievance process.
- B. Treat complainants and respondents equitably;
 - C. Require an objective evaluation of all relevant evidence;
 - D. Require that the Title IX Coordinator, investigator, decision-maker, or any person designated by the District to facilitate an informal resolution process, be properly trained and not have a conflict of interest against complainants and respondents generally or against the particular complainant and respondent;
 - E. Include a presumption that the respondent is not responsible for the alleged conduct until a determination has been made at the conclusion of the grievance process;
 - F. Include reasonably prompt timeframes for the conclusion of the grievance process;
 - G. Describe or list the possible disciplinary sanctions and remedies that may be implemented following a determination of responsibility;
 - H. State that the District uses a preponderance of evidence standard to determine responsibility;
 - I. Include the procedures and permissible reasons for appeal by a respondent or a complainant;
 - J. Describe the range of supportive measures available to complainants and respondents; and
 - K. Not require, allow, or use evidence or questions that constitute or seek legally privileged information, unless the privilege is waived.

If the conduct alleged in a formal complaint does not meet the Title IX definition of sexual harassment as established in Governing Board policy, did not occur in the District's education program or activity, or did not occur against a person in the United States, then the District shall dismiss the allegations for purposes of Title IX but may still address the allegations in any manner the District deems appropriate under other District policies.

The District may dismiss a formal complaint or any allegations therein, if at any time:

- A. The complainant notifies the Title IX Coordinator in writing that the complainant would like to withdraw the formal complaint or any allegations therein;
- B. The respondent is no longer enrolled or employed by the District; or
- C. Specific circumstances prevent the District from gathering evidence sufficient to reach a determination as to the formal complaint or allegations therein.

Upon dismissal of a formal complaint or any allegations therein, the District shall promptly send written notice of the dismissal, including the reasons for the dismissal, simultaneously to the parties.

When investigating a formal complaint and throughout the grievance process, the District shall:

- A. Ensure that the burden of proof and the burden of gathering evidence rests on the District and not on the parties, except that certain treatment records cannot be obtained without voluntary, written consent of a party;
- B. Provide an equal opportunity for the parties to present witnesses and evidence;
- C. Not restrict the ability of either party to discuss the allegations or to gather and present evidence;
- D. Provide the parties with the same opportunities to have others present during any meeting or grievance proceeding;

- E. Provide, to a party whose participation is invited or expected, written notice of the date, time, location, participants, and purpose of any meeting or grievance proceeding, with sufficient time for the party to prepare to participate;
- F. Provide both parties an equal opportunity to inspect and review any evidence so that each party can meaningfully respond to the evidence prior to the conclusion of the investigation (prior to completion of the investigative report, the investigator will send to each party and the party's advisor, if any, a copy of all evidence gathered during the investigation and will allow the parties at least ten (10) days to submit a written response to any of the evidence); and
- G. Create an investigative report that fairly summarizes relevant evidence and, at least ten (10) days prior to a determination of responsibility, send to each party and the party's advisor, if any, the investigative report in an electronic format or hard copy, for their review and written response.

After the District has sent the investigative report to the parties and before reaching a determination regarding responsibility, the decision-maker(s) shall afford each party the opportunity to submit written, relevant questions that a party wants asked of any party or witness, provide each party with the answers, and allow for additional, limited follow-up questions from each party. Questions and evidence about the complainant's sexual predisposition or prior sexual behavior are not relevant, unless such questions and evidence are offered to prove that someone other than the respondent committed the conduct alleged by the complainant, or if the questions and evidence are offered to prove consent.

The decision-maker(s), who cannot be the same person(s) as the Title IX Coordinator or the investigator(s), shall apply the District's established standard of evidence and shall issue a written determination regarding responsibility that includes:

- A. Identification of the allegations potentially constituting sexual harassment;

- B. A description of the procedural steps taken from the receipt of the formal complaint through the determination, including any notifications to the parties, interviews with parties and witnesses, site visits, methods used to gather other evidence, and hearings held;
- C. Findings of fact supporting the determination;
- D. Conclusions regarding the application of the District's code of conduct to the facts;
- E. A statement of and rationale for the result as to each allegation, including a determination regarding responsibility, any disciplinary sanctions the District imposes on the respondent, and whether remedies designed to restore or preserve equal access to the District's education program or activity shall be provided by the District to the complainant; and
- F. The District's procedures and permissible bases for the complainant and respondent to appeal.

The District shall provide the written determination to the parties simultaneously. The Title IX Coordinator is responsible for effective implementation of any remedies.

The District shall offer both parties the right to appeal from a determination regarding responsibility and from a dismissal of a formal complaint or any allegations therein, on the following bases:

- A. Procedural irregularity that affected the outcome of the matter;
- B. New evidence that was not reasonably available at the time the determination regarding responsibility or dismissal was made, that could affect the outcome of the matter; and
- C. The Title IX Coordinator, investigator(s), or decision-makers(s) had a conflict of interest or bias for or against complainants or respondents generally or the individual complainant or respondent that affect the outcome of the matter.

As to all appeals, the District shall:

- A. Notify the other party in writing when an appeal is filed and implement appeal procedures equally for both parties;
- B. Ensure that the decision-maker(s) for the appeal is not the same person as the decision-maker(s) that reached the determination regarding responsibility or dismissal, the investigator(s), or the Title IX Coordinator;
- C. Ensure that the decision-maker(s) for the appeal does not have a conflict of interest or bias for or against complainants or respondents generally or an individual complainant or respondent;
- D. Give both parties a reasonable, equal opportunity to submit a written statement in support of, or challenging, the outcome;
- E. Issue a written decision describing the result of the appeal and the rational for the result; and
- F. Provide the written decision simultaneously to both parties.

The District may not require as a condition of enrollment or continuing enrollment, or employment or continuing employment, or enjoyment of any other right, waiver of the right to an investigation and adjudication of formal complaints of sexual harassment. Similarly, the District may not require the parties to participate in an informal resolution process and may not offer an informal resolution process unless a formal complaint is filed. However, at any time prior to reaching a determination regarding responsibility during a formal complaint process, the District may facilitate an informal resolution process, such as mediation, that does not involve a full investigation and adjudication, provided that the District:

- A. Provides to the parties a written notice disclosing:
 - 1. The allegations;
 - 2. The requirements of the informal resolution process, including the circumstances under which it precludes the parties from resuming a formal complaint arising from the same allegations, provided, however, that at any time prior to agreeing to a resolution, any party has the right to withdraw from the informal resolution process and resume the grievance process with respect to the formal complaint; and

3. Any consequences resulting from participating in the informal resolution process, including the records that shall be maintained or could be shared;
- B. Obtains the parties' voluntary, written consent to the informal resolution process; and
- C. Does not offer or facilitate an informal resolution process to resolve allegations that an employee sexually harassed a student.

The District shall maintain for a period of seven (7) years records of:

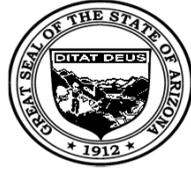
- A. Each sexual harassment investigation including:
 1. Any determination regarding responsibility;
 2. Any disciplinary sanctions imposed on the respondent; and
 3. Any remedies provided to the complainant designed to restore or preserve equal access to the District's education program or activity.
- B. Any appeal and the result therefrom;
- C. Any informal resolution and the result therefrom; and
- D. All materials used to train Title IX Coordinators, investigators, decision-makers, and any person who facilitates an informal resolution process. The District shall make these training materials publicly available on its website, or if the District does not maintain a website the District shall make these materials available upon request for inspection by members of the public.

The District shall create and maintain for a period of seven (7) years, records of any actions, including supportive measures taken in response to a report or formal complaint of sexual harassment. In each instance, the District shall document the basis for its conclusion that its response was not deliberately indifferent, and document that it has taken measures designed to restore or preserve equal access to the District's education program or activity. If a District does not provide a complainant with supportive measures, then the District shall document the reasons why such a response was not clearly unreasonable in light of the known circumstances. The documentation of certain bases or measures does not limit the District in the future from providing additional explanations or detailing additional measures taken.

B. Approve Annual Financial Report

Approve the 2019-20 Annual Financial Report of Joseph City Unified School District

115



ANNUAL FINANCIAL REPORT

We, the Governing Board of the District, hereby certify the Annual Financial Report per A.R.S. §15-904 for the Fiscal Year **2020**

SIGNATURE/DATE

SIGNATURE/DATE

The Annual Financial Report file(s) for FY 2020 uploaded to the Arizona Department of Education's website on October 14, 2020 contain(s) the data for the AFR described above.
Date

Superintendent Signature

Bryan Fields
Superintendent (Typed Name)

Steven Mills
District Contact Employee

Business Manager Signature

Steven Mills
Business Manager (Typed Name)

928-288-3307
Telephone Number

StevenM@jcusd.org
Email

TOTAL EXPENDITURES BY FUND

1. Maintenance & Operation (from page 2, line 32)	\$ <u>4,168,956</u>
2. Classroom Site Funds (from page 3, line 55)	\$ <u>195,294</u>
3. Unrestricted Capital Outlay (from page 4, UCO Fund line 10)	\$ <u>225,068</u>

FUNDS AVAILABLE

Beginning Fund Balance (1)

REVENUES

1000 Local

- 1110 Property Taxes
1140 Penalties and Interest on Taxes
1280 Revenue in Lieu of Taxes
1311 Tuition from Individuals Excluding Summer School
1312 Tuition from Individuals for Summer School
1320 Tuition from Other Arizona Districts
1330 Tuition from Out-of-State Districts
1340 Tuition from Other Private Sources (Other than Individuals)
1350 Tuition from Other Government Sources Within Arizona
1360 Tuition from Other Government Sources Outside Arizona
1410 Transportation Fees from Individuals
1420 Transportation Fees from Other Arizona Districts
1430 Transportation Fees from Out-of-State Districts
1440 Transportation Fees from Other Private Sources (Other than Individuals)
1450 Transportation Fees from Other Government Sources Within Arizona
1460 Transportation Fees from Other Government Sources Outside Arizona
1500 Investment Income
Other (Specify) (2) Refund of Prior Year Expense

Subtotal (lines 2-19)

2000 County

- 2110 County School Fund
2120 County Equalization Assistance
2210 Special County School Reserve Fund
Other (Specify)

Subtotal (lines 21-24)

3000 State

- 3100 Unrestricted
3110 State Equalization Assistance
3120 Additional State Aid
Other (Specify)

Subtotal (lines 26-29)

4000 Federal

- 4100 Unrestricted Revenue Received Directly from the Federal Government
4200 Unrestricted Revenue Received from the Federal Government through the State
4700 Revenue Received from the Federal Government through Other Intermediate Agencies
4800 Revenue in Lieu of Taxes
4900 Revenue for/on Behalf of the District
Other (Specify)

Subtotal (lines 31-36)

Total Fund Revenue (lines 20, 25, 30, and 37)

- 5100 Issuance of Bonds
5200 Fund Transfers-In
Other (Specify)

TOTAL FUNDS AVAILABLE (lines 1 and 38 through 41)

Total Expenditures

- 6900 Other Financing Uses and Other Items Including Transfers-Out

TOTAL EXPENDITURES AND OTHER USES (lines 43 plus 44)

ENDING FUND BALANCE (line 42 minus line 45) (3)

Table with 5 columns: MAINTENANCE AND OPERATION FUND 001, UNRESTRICTED CAPITAL OUTLAY FUND 610, ADJACENT WAYS FUND 620, BOND BUILDING FUND 630, DEBT SERVICE FUND 700 (4). Rows 1-46 showing actual values for each fund category.

- (1) The Maintenance and Operation Fund beginning fund balance includes the revolving account cash balance of \$0 at 7/1/19.
(2) The Government Property Lease Excise Tax revenue included on line 19 is \$0.
(3) The Maintenance and Operation Fund ending fund balance includes the revolving account cash balance of \$0 at 6/30/20.
(4) Debt Service Fund, interest expenditures amount: \$0.

MAINTENANCE AND OPERATION FUND (001)—EXPENDITURES

Expenditures		Salaries 6100	Employee Benefits 6200	Purchased Services 6300, 6400, 6500	Supplies 6600	Other 6800	Totals			% Increase/ Decrease in Actual
							Budget	Actual	Prior Year Actual	
100 Regular Education										
1000 Instruction	1.	996,317	342,678	48,538	19,155	7,051	1,401,601	1,413,739	1,348,956	4.8%
2000 Support Services										
2100 Students	2.	142,161	29,581	1,293	3,127	1,573	205,483	177,735	214,825	-17.3%
2200 Instructional Staff	3.	96,595	38,923	4,941	1,547	1,599	163,652	143,604	166,078	-13.5%
2300 General Administration	4.	92,981	40,048	16,000	91	10,330	177,536	159,449	177,347	-10.1%
2400 School Administration	5.	86,059	27,689	0	9,601	1,539	106,049	124,887	106,293	17.5%
2500 Central Services	6.	182,191	54,451	26,565	3,608	25,496	326,668	292,311	368,354	-20.6%
2600 Operation & Maintenance of Plant	7.	270,997	83,908	245,086	259,513	0	905,533	859,504	834,901	2.9%
2900 Other	8.	0	0	0	0	0	0	0	0	0.0%
3000 Operation of Noninstructional Services	9.	6,794	1,342	71,752	426	0	15,731	80,314	145,342	-44.7%
610 School-Sponsored Cocurricular Activities	10.	18,531	3,354	299	0	422	0	22,606	34,898	-35.2%
620 School-Sponsored Athletics	11.	81,783	14,194	18,611	1,152	9,715	169,179	125,456	133,568	-6.1%
630 Other Instructional Programs	12.	0	0	0	0	0	0	0	0	0.0%
700, 800, 900 Other Programs	13.	2,806	154	0	909	38	0	3,907	19,990	-80.5%
Regular Education Subsection Subtotal (lines 1-13)	14.	1,977,214	636,322	433,085	299,129	57,764	3,471,432	3,403,512	3,550,552	-4.1%
200 and 300 Special Education										
1000 Instruction	15.	205,970	57,794	0	1,664	16	252,402	265,444	255,473	3.9%
2000 Support Services										
2100 Students	16.	53,297	26,752	88,110	437	614	249,896	169,210	246,112	-31.2%
2200 Instructional Staff	17.	53,379	10,834	7	0	323	8,268	64,543	8,335	674.4%
2300 General Administration	18.	0	0	0	0	0	0	0	0	0.0%
2400 School Administration	19.	0	0	0	0	0	0	0	0	0.0%
2500 Central Services	20.	0	0	0	0	0	649	0	300	-100.0%
2600 Operation & Maintenance of Plant	21.	0	0	0	0	0	0	0	0	0.0%
2900 Other	22.	0	0	0	0	0	0	0	0	0.0%
3000 Operation of Noninstructional Services	23.	0	0	0	0	0	0	0	0	0.0%
Subtotal (lines 15-23)	24.	312,647	95,380	88,118	2,101	952	511,215	499,198	510,220	-2.2%
400 Pupil Transportation	25.	105,434	33,678	53,003	51,036	919	391,072	244,071	370,211	-34.1%
510 Desegregation (from Districtwide Desegregation Expenditures, page 2, line 44)	26.	0	0	0	0	0	0	0	0	0.0%
530 Dropout Prevention Programs										
1000 Instruction	27.	0	0	0	0	0		0	0	0.0%
2000-3000 Support Serv. & Oper. of Noninstructional Serv.	28.	0	0	0	0	0		0	0	0.0%
Subtotal (lines 27 and 28)	29.	0	0	0	0	0	0	0	0	0.0%
540 Joint Career and Technical Education and Vocational Education Center	30.	0	0	0	0	0	0	0	0	0.0%
550 K-3 Reading Program	31.	18,516	3,659	0	0	0	19,300	22,174	17,019	30.3%
Total Expenditures (lines 14, 24-26, 29-31)	32.	2,413,811	769,038	574,205	352,266	59,635	4,393,019	4,168,956	4,448,002	-6.3%

CLASSROOM SITE FUNDS (011, 012, AND 013)—REVENUES, EXPENDITURES, AND FUND BALANCES

	Beginning Fund Balance	Actual Revenues	Salaries 6100	Employee Benefits 6200	Purchased Services 6300, 6400,6500 6810, 6890	Supplies 6600	Interest on Short-Term Debt 6850 (1)	Total Expenditures			% Increase/ Decrease in Actual	Ending Fund Balance
								Budget	Actual	Prior Year Actual		
Classroom Site Fund 011 - Base Salary												
Revenues												
CSF Allocation (20%)	1.	51,337										
Interest Income and Other Revenue:	2.	571										
Total Revenues (lines 1 and 2)	3.	51,908										
Expenditures												
100 Regular Education												
1000 Instruction	4.		28,893	5,512				73,466	34,405	34,663	-0.7%	
2100 Support Services - Students	5.		0	0				0	0	0	0.0%	
2200 Support Services - Instructional Staff	6.		0	0				0	0	0	0.0%	
Program 100 Subtotal (lines 4-6)	7.		28,893	5,512				73,466	34,405	34,663	-0.7%	
200 and 300 Special Education												
1000 Instruction	8.		2,981	672				0	3,654	4,888	-25.2%	
2100 Support Services - Students	9.		0	0				0	0	0	0.0%	
2200 Support Services - Instructional Staff	10.		0	0				0	0	0	0.0%	
Program 200 and 300 Subtotal (lines 8-10)	11.		2,981	672				0	3,654	4,888	-25.2%	
Other Programs (Specify) _____												
1000 Instruction	12.		0	0				0	0	0	-59.4%	
2100 Support Services - Students	13.		0	0				0	0	0	0.0%	
2200 Support Services - Instructional Staff	14.		0	0				0	0	0	0.0%	
3300 Community Services Operations	15.		0	0				0	0	0	0.0%	
Other Programs Subtotal (lines 12-15)	16.		0	0				0	0	0	-59.4%	
Total Classroom Site Fund 011 - Base Salary	17.	25,963	51,908	31,875	6,184		0	73,466	38,059	39,551	-3.8%	39,813
Classroom Site Fund 012 - Performance Pay												
Revenues												
CSF Allocation (40%)	18.	102,675										
Interest Income and Other Revenue:	19.	1,534										
Total Revenues (lines 18 and 19)	20.	104,208										
Expenditures												
100 Regular Education												
1000 Instruction	21.		72,421	14,243				208,895	86,664	80,930	7.1%	
2100 Support Services - Students	22.		0	0				0	0	0	0.0%	
2200 Support Services - Instructional Staff	23.		0	0				0	0	0	0.0%	
Program 100 Subtotal (lines 21-23)	24.		72,421	14,243				208,895	86,664	80,930	7.1%	
200 and 300 Special Education												
1000 Instruction	25.		6,620	1,410				0	8,030	0	--	
2100 Support Services - Students	26.		0	0				0	0	0	0.0%	
2200 Support Services - Instructional Staff	27.		0	0				0	0	0	0.0%	
Program 200 and 300 Subtotal (lines 25-27)	28.		6,620	1,410				0	8,030	0	--	
Other Programs (Specify) _____												
1000 Instruction	29.		0	0				0	0	0	0.0%	
2100 Support Services - Students	30.		0	0				0	0	0	0.0%	
2200 Support Services - Instructional Staff	31.		0	0				0	0	0	0.0%	
3300 Community Services Operations	32.		0	0				0	0	0	0.0%	
Other Programs Subtotal (lines 29-32)	33.		0	0				0	0	0	0.0%	
Total Classroom Site Fund 012 - Performance Pay	34.	73,341	104,208	79,041	15,653		0	208,895	94,694	80,930	17.0%	82,856
Classroom Site Fund 013 - Other												
Revenues												
CSF Allocation (40%)	35.	102,675										
Interest Income and Other Revenue:	36.	757										
Total Revenues (lines 35 and 36)	37.	103,431										
Expenditures												
100 Regular Education												
1000 Instruction	38.		50,786	9,465	0	0		219,047	60,251	79,181	-23.9%	
2100 Support Services - Students	39.		0	0	0	0		0	0	0	0.0%	
2200 Support Services - Instructional Staff	40.		0	0	0	0		0	0	0	0.0%	
2310 Support Services - Governing Board	41.		0	0	0	0		0	0	0	0.0%	
Program 100 Subtotal (lines 38-41)	42.		50,786	9,465	0	0		219,047	60,251	79,181	-23.9%	
200 and 300 Special Education												
1000 Instruction	43.		1,866	424	0	0		0	2,290	3,117	-26.5%	
2100 Support Services - Students	44.		0	0	0	0		0	0	0	0.0%	
2200 Support Services - Instructional Staff	45.		0	0	0	0		0	0	0	0.0%	
2310 Support Services - Governing Board	46.		0	0	0	0		0	0	0	0.0%	
Program 200 and 300 Subtotal (lines 43-46)	47.		1,866	424	0	0		0	2,290	3,117	-26.5%	
530 Dropout Prevention Programs												
1000 Instruction	48.		0	0	0	0		0	0	0	0.0%	
Other Programs (Specify) _____rounding												
1000 Instruction	49.		(0)	0	0	0		0	0	0	-21.7%	
2100, 2200 Support Serv. Students & Instructional Staff	50.		0	0	0	0		0	0	0	0.0%	
2310 Support Services - Governing Board	51.		0	0	0	0		0	0	0	0.0%	
3300 Community Services Operations	52.		0	0	0	0		0	0	0	0.0%	
Other Programs Subtotal (lines 49 -52)	53.		(0)	0	0	0		0	0	0	-21.7%	
Total Classroom Site Fund 013 - Other	54.	28,873	103,431	52,652	9,889	0	0	219,047	62,541	82,297	-24.0%	69,763
Total Classroom Site Funds (lines 17, 34, and 54)	55.	128,177	259,548	163,567	31,726	0	0	501,408	195,294	202,778	-3.7%	192,431

(1) Include amounts expended for registered warrant expense in Funds 011, 012, and 013 on lines 17, 34, and 54, respectively

UNRESTRICTED CAPITAL OUTLAY (610) FUND—EXPENDITURES

Expenditures		Rentals 6440	Library Books, Textbooks, & Instructional Aids 6641-6643	Property 6700	Redemption of Principal 6831, 6832	Interest 6841, 6842, 6850	All Other Object Codes (excluding 6900)	Totals			% Increase/ Decrease in Actual
								Budget	Actual	Prior Year Actual	
Unrestricted Capital Outlay Override (1)	1.	0	36,757	131,907	38,649	10,036	7,719	0	225,068	0	--
Unrestricted Capital Outlay Fund 610 (2)											
1000 Instruction	2.	0	30,029	2,879			175	65,000	33,082	28,671	15.4%
2000 Support Services											
2100, 2200 Students and Instructional Staff	3.	0	6,728	28,938			6,508	6,500	42,174	6,379	561.1%
2300, 2400, 2500, 2900 Administration	4.	0		35,859		0	880	12,000	36,739	11,831	210.5%
2600 Operation & Maintenance of Plant	5.	0		12,653			0	3,000	12,653	3,262	287.9%
2700 Student Transportation	6.	0		50,202			0	9,708	50,202	0	--
3000 Operation of Noninstructional Services	7.	0		1,376			0	0	1,376	0	--
4000 Facilities Acquisition and Construction	8.	0		0			156	0	156	6,308	-97.5%
5000 Debt Service	9.				38,649	10,036		175,558	48,685	174,722	-72.1%
Total Unrestricted Capital Outlay Fund (lines 2-9)	10.	0	36,757	131,907	38,649	10,036	7,719	271,766	225,068	231,172	-2.6%

(1) Amounts in the Unrestricted Capital Outlay Override, line 1 above, must also be included in the Unrestricted Capital Outlay Fund (610) individual line items.

(2) Expenditures, if any, in the Unrestricted Capital Outlay Fund on lines 2-9 for the K-3 Reading Program as described in A.R.S. §15-211:

Budget \$0 Actual \$0

OTHER FUNDS—REQUIRED CAPITAL EXPENDITURE DETAIL [A.R.S. §15-904(B)]

Selected Expenditures by Object Code	UNRESTRICTED CAPITAL OUTLAY Fund 610		BOND BUILDING Fund 630		NEW SCHOOL FACILITIES Fund 695		ADJACENT WAYS Fund 620		
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	
Total Fund Expenditures	1.	271,766	225,068	0	0	0	0	75,000	17,616
6150 Classified Salaries	2.	0	0	0	0	0	0	20,000	10,919
6200 Employee Benefits	3.	0	0	0	0	0	0	15,000	2,158
6450 Construction Services	4.	0	156	0	0	0	0	0	0
6710 Land and Improvements	5.	0	0	0	0	0	40,000	0	0
6720 Buildings and Improvements	6.	0	0	0	0	0	0	0	0
673X Furniture and Equipment	7.	18,000	13,231	0	0	0	0	0	1,825
673X Vehicles	8.	9,708	50,202	0	0	0	0	0	0
673X Technology-Related Hardware and Software	9.	10,000	68,475	0	0	0	0	0	0
6831, 6832 Redemption of Principal	10.	130,558	38,649	0	0	0	0	0	0
6841, 6842, 6850 Interest	11.	45,000	10,036	0	0	0	0	0	0
Total (lines 2-11)	12.	213,266	180,748	0	0	0	0	75,000	14,902
Total amounts reported on lines 2 through 11 above for:									
Renovation	13.	0	0	0	0			0	0
New Construction	14.	0	0	0	0	0	0	0	0
Other	15.	213,266	180,748	0	0	0	0	75,000	14,902
Total (lines 13-15)	16.	213,266	180,748	0	0	0	0	75,000	14,902

Funds 610, 630, 695, and 620

1. New construction cost per square foot	\$	0
2. Land acquisition costs	\$	0

CAPITAL ASSETS AS OF JUNE 30, 2020	
Land and Improvements	\$1,864,697
Buildings and Improvements	\$20,407,830
Furniture, Equipment, Vehicles, and Technology	\$3,721,625
Construction in Progress	\$0
Total	\$25,994,152
	119

FEDERAL AND STATE PROJECTS

	BEGINNING FUND BALANCE	REVENUES	NET OTHER FINANCING SOURCES AND USES INCLUDING TRANSFERS (1)	EXPENDITURES		ENDING FUND BALANCE	
	ACTUAL	ACTUAL	ACTUAL	BUDGET	ACTUAL	ACTUAL	
FEDERAL PROJECTS							
100-130 ESEA Title I - Helping Disadvantaged Children	1.	(31,036)	148,506	(9,761)	265,000	135,336	(27,627)
140-150 ESEA Title II - Prof. Development and Technology	2.	(1,706)	4,872	(566)	45,000	7,556	(4,956)
160 ESEA Title IV - 21st Century Schools	3.	0	0	0	15,000	0	0
170-180 ESEA Title V - Promote Informed Parent Choice	4.	0	0	0	0	0	0
190 ESEA Title III - Limited English & Immigrant Students	5.	0	0	0	0	0	0
200 ESEA Title VII - Indian Education	6.	4,323	11,225	(1,627)	15,000	9,598	4,323
210 ESEA Title VI - Flexibility and Accountability	7.	0	0	0	0	0	0
220 IDEA Part B	8.	(7,032)	69,838	(4,197)	155,000	71,225	(12,616)
230 Johnson-O'Malley	9.	(230)	0	0	4,500	2,678	(2,908)
240 Workforce Investment Act	10.	0	0	0	0	0	0
250 AEA-Adult Education	11.	0	0	0	0	0	0
260-270 Vocational Education - Basic Grants	12.	(4,013)	8,053	(108)	12,000	5,523	(1,590)
280 ESEA Title X - Homeless Education	13.	0	0	0	0	0	0
290 Medicaid Reimbursement	14.	11,660	28,573	0	18,000	2,848	37,384
374 E-Rate	15.	69	21,752	0	50,000	21,821	(0)
378 & 699 Impact Aid and Federal Impact Aid (Construction)	16.	1	0	0	0	0	1
300-399 Other Federal Projects (Besides E-Rate & Impact Aid)	17.	2,226	14,087	0	65,000	16,313	0
Total Federal Project Funds (lines 1-17)	18.	(25,738)	306,905	(16,258)	644,500	272,898	(7,989)
Total COVID-19 Federal Relief Funds included in line 17 above	19.		0	0		0	0
STATE PROJECTS							
400 Vocational Education	20.	0	6,151	0	11,000	6,151	0
410 Early Childhood Block Grant	21.	0	0	0	0	0	0
420 Ext. School Yr. - Pupils with Disabilities	22.	0	0	0	0	0	0
425 Adult Basic Education	23.	0	0	0	0	0	0
430 Chemical Abuse Prevention Programs	24.	0	0	0	0	0	0
435 Academic Contests	25.	0	0	0	0	0	0
450 Gifted Education	26.	0	0	0	0	0	0
456 College Credit Exam Incentives	27.	300	0	0	0	0	300
457 Results-based Funding	28.	0	0	0	0	0	0
460 Environmental Special Plate	29.	0	0	0	0	0	0
465-499 Other State Projects	30.	0	125,278	(6,198)	185,000	172,969	(53,889)
Total State Project Funds (lines 20-30)	31.	300	131,429	(6,198)	196,000	179,119	(53,589)
Total Federal and State Projects (lines 18 and 31)	32.	(25,438)	438,333	(22,456)	840,500	452,017	(61,578)

(1) In accordance with the USFR Chart of Accounts, the Impact Aid Fund may transfer monies (object code 6930) to the M&O and Teacherage Funds; the Impact Aid Fund may also receive transfers-in (object code 5200) from the Impact Aid Revenue Bond Building and Impact Aid Revenue Bond Debt Service Funds; all other Federal Projects Funds may not receive any transfers-in and may only make transfers-out to the Indirect Costs Fund based on an approved indirect cost rate (object code 6910) and for any interest on federal program monies the district is not required to revert and chooses to transfer to the Indirect Cost Fund (object code 6930).

(2) In accordance with the USFR Chart of Accounts, transfers of monies between funds should be made only when specifically authorized by statute or allowed by a federal grant. Currently, there are no allowable transfers to or from any state projects.

		BEGINNING FUND BALANCE	REVENUES	NET OTHER FINANCING SOURCES AND USES INCLUDING TRANSFERS	EXPENDITURES		ENDING FUND BALANCE
		ACTUAL	ACTUAL	ACTUAL	BUDGET	ACTUAL	ACTUAL
OTHER FUNDS							
020 Instructional Improvement	1.	14,220	19,629		25,000	0	33,849
050 County, City, and Town Grants	2.	0	0	0	0	0	0
071 English Language Learner (1)	3.	0	0	0	0	0	0
072 Compensatory Instruction (1)	4.	0	0	0	0	0	0
500 School Plant	5.	3	(0)	0	8,500	0	3
515 Civic Center	6.	5,715	2,906	0	10,000	306	8,315
520 Community School	7.	2,194	5,720	0	12,000	7,700	214
525 Auxiliary Operations	8.	40,595	103,651	0	140,000	94,628	49,618
526 Extracurricular Activities Fees Tax Credit	9.	26,141	14,308	0	21,000	5,673	34,776
530 Gifts and Donations	10.	28,458	14,986	0	40,000	20,669	22,775
535 Career & Tech. Ed. & Voc. Ed. Projects	11.	59	(1)	0	5,000	0	58
540 Fingerprint	12.	0	0	0	0	0	0
545 School Opening	13.	0	0	0	0	0	0
550 Insurance Proceeds	14.	9,735	(208)	4,785	15,000	0	14,312
555 Textbooks	15.	450	(10)	0	500	0	439
565 Litigation Recovery	16.	259	35,406	0	40,000	9,502	26,163
570 Indirect Costs	17.	77	(118)	22,456	30,000	21,875	541
575 Unemployment Insurance	18.	0	0	0	0	0	0
580 Teacherage	19.	0	0	0	0	0	0
585 Insurance Refund	20.	450	1,045	0	11,000	0	1,496
590 Grants and Gifts to Teachers	21.	0	0	0	0	0	0
595 Advertisement	22.	0	0	0	0	0	0
596 Career Technical Education	23.	0	44,086	0	45,000	3,335	40,750
639 Impact Aid Revenue Bond Building	24.	0	0	0	0	0	0
650 Gifts and Donations—Capital	25.	0	0	0	0	0	0
660 Condemnation	26.	0	0	0	0	0	0
665 Energy and Water Savings	27.	0	56,843	50,000	50,000	112,195	(5,352)
686 Emergency Deficiencies Correction	28.	0	0	0	0	0	0
691 Building Renewal Grant	29.	(57,716)	486,317	0	1,200,000	502,464	(73,863)
695 New School Facilities	30.	0	0		0	0	0
720 Impact Aid Revenue Bond Debt Service	31.	0	0	0	0	0	0
850 Student Activities	32.	41,178	25,961		35,000	25,200	41,939
Other _____	33.	0	0	0	0	0	0
INTERNAL SERVICE FUNDS 950-989							
9__ Self Insurance	1.	0	0	0	0	0	0
955 Intergovernmental Agreements	2.	0	0	0	0	0	0
9__ OPEB	3.	0	0	0	0	0	0
9__ _____	4.	0	0	0	0	0	0

Instructional Improvement Fund 020	BUDGET	ACTUAL
Expenditures		
Teacher Compensation Increases	25,000	0
Class Size Reduction	0	0
Dropout Prevention Programs	0	0
Instructional Improvement Programs	0	0
Total Expenditures (lines 1-4)	25,000	0
Total Expenditures from accounting data		0

Check this box if your district did not have expenditures in the Instructional Improvement Fund

(1) Actual Revenues and Actual Expenditures should agree with Supplement, Fund 071—line 13 and Fund 072—line 26.

A. Bonds and Short-term Debt

1. Bonds Outstanding, July 1, 2019	\$0	1.
2. Bonds issued during FY 2020	0	2.
3. Bonds retired during FY 2020	0	3.
4. Bonds Outstanding, June 30, 2020	\$0	4.
5. Short-term Debt Outstanding, July 1, 2019	\$0	5.
6. Short-term Debt Outstanding, June 30, 2020	\$0	6.

B. District Assessed Valuation and Other District Information

1. FY 2020 Assessed Valuations and Tax Rates			
a. Primary	\$121,466,956	Tax Rate	3.4794
b. Secondary	\$121,466,956	Tax Rate	0.2175
2. Number of Schools			3
3. Actual Days in Session			180
4. Area of School District (Square Miles)			480

(Report this WHETHER OR NOT district changed boundaries in FY 2020)

C. County Approved Liabilities incurred in excess of district budget (A.R.S. §15-907)

	M & O	Unrestricted Capital Outlay	
1. Destruction or damage	0	0	1.
2. Excessive/unexpected legal expenses	0	0	2.
3. Mitigation or removal of health or safety hazard	0	0	3.

D. Current Expenditures by Category

1. Classroom Instruction excl. Supplies (Function 1000, except line 2 amount)	\$2,349,741
2. Classroom Supplies (Function 1000, Object Code 6600)	\$94,550
3. Administration (Functions 2300, 2400, 2500, & 2900)	\$681,712
4. Support Services—Students (Function 2100)	\$465,952
5. All Other Support Services & Operations (Functions 2200, 2600, 2700, 3100, & 3400)	\$1,946,386
6. Total Current Expenditures	\$5,538,341
7. Total Current Expenditures from Federal Funds, excluding those funds intended to replace local tax revenues (e.g., impact aid funds)	\$280,989
8. Total Current Expenditures from State and Local Funds, including those funds intended to replace local tax revenues (e.g., impact aid funds)	\$5,257,352

E. Total salaries and benefits expenditures related to an agreement with Department of Labor to settle a decision based on the Fair Labor Standards Act	\$0
---	-----

F. Rewards, Discounts, Incentives, and Other Financial Consideration Received from Credit Card Companies (A.R.S. §35-391)	\$0
---	-----

G. Cash and Investments held at June 30, 2020

1. Sinking funds	\$0
2. Bond funds	\$0
3. Other funds, except for any employee retirement funds	\$457,182

H. Average Teacher Salary (A.R.S. §15-903.E)

1. Average salary of all teachers employed in FY 2020	\$47,982
2. Average salary of all teachers employed in FY 2019	\$46,584
3. Increase in average teacher salary from prior year	\$1,398
4. Percentage increase	3.0%

Comments on Average Salary Calculation (Optional):

5. Average salary of all teachers employed in FY 2018	\$44,654
6. Total percentage increase in average teacher salary since FY 2018	7.5%

A. ENROLLMENT OF GIFTED PUPILS BY GRADE (A.R.S. §15-779.02)

Areas of Identification [A.R.S. §15-203(A)(15)]

	GRADE												TOTAL		
	K	1	2	3	4	5	6	7	8	9	10	11		12	
1. Quantitative Reasoning	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2. Verbal Reasoning	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3. Nonverbal Reasoning	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4. Total Duplicated Enrollment (lines 1-3)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

B. M&O SPECIAL EDUCATION PROGRAMS BY TYPE (A.R.S. § 15-761)

	PROGRAM 200 & 300 BUDGET	PROGRAM 200 & 300 ACTUAL
1. Total All Disability Classifications	439,539	430,394
2. Gifted Education	0	0
3. Remedial Education	0	0
4. ELL Incremental Costs	0	0
5. ELL Compensatory Instruction	0	0
6. Vocational and Technological Education (non-CTED)	0	0
7. Career Education	0	471
8. Career Technical Education (CTED programs in 300 range)	71,676	68,333
9. Total (lines 1-8)	511,215	499,198
10. IEP required pupil transportation costs coded within Program 400		0

C. MAINTENANCE AND OPERATION FUND EXPENDITURES FOR GIFTED PUPILS (ELEMENTARY, SECONDARY, AND TOTAL)

Actual Expenditures for all Gifted Programs:

K-8	\$ 0
9-12	\$ 0
Total	\$ 0

D. EXPENDITURES FOR AUDIT SERVICES

	BUDGET	ACTUAL
1. Nonfederal Audit Expenditures - M&O Fund	6350	22,500
2. Federal Audit Expenditures - All Funds	6330	0

E. MAINTENANCE AND OPERATION FUND EXPENDITURES FOR PERFORMANCE PAY (A.R.S. §15-920)

Actual Expenditures made in FY 2020 \$ 0

F. TUITION

Type 03 Districts Only

- Tuition to Other Arizona Districts for **high school students only** (objects 6561 & 6565)
- Tuition to Other Arizona Districts for all other students (objects 6561)
- Tuition to Out-of-State Districts for **high school students only** (objects 6562 & 6565)
- Tuition to Out-of-State Districts for all other students (objects 6562)

Non-Type 03 Districts

- Tuition to Other Arizona Districts (object 6561)
- Tuition to Out-of-State Districts (object 6562)

All Districts

- Tuition to Private Schools (object 6563)
- Tuition to Ed Services\Coops\IGAs (object 6564)
- Tuition Other (object 6569) (1)
- Total (lines 1-9)

Tuition Expenditures			
Operations	Capital	Debt	Total
0	0	0	0
0	0		0
0	0	0	0
0	0		0
0	0		0
0	0		0
0	0		0
0	0		0
0	0	0	0

(1) Tuition paid to the State and other governmental organizations, such as the Arizona School for the Deaf and Blind, as reimbursement for providing specialized instructional services to students residing within the boundaries of the paying district.

ADDITIONAL INFORMATION FOR NATIONAL PUBLIC EDUCATION FINANCIAL SURVEY (NPEFS) REPORTING

Funds 001-799 (excluding 575)	Programs 100-630										Programs 700-900	Total
	Salaries 6100	Employee Benefits 6200	Purchased Services 6300, 6400, 6500	Supplies 6600	Property 6700	Dues and Fees 6810	Judgments Against a District 6820	Redemption of Principal 6831, 6832	Interest 6841, 6842, 6850	Miscellaneous 6890	All Object Codes (excluding 6900)	
1000 Instruction	1,618,039	480,962	120,596	94,550	5,874	28,063				1,656	0	2,349,741
2000 Support Services												
2100 Students	229,117	60,997	121,300	16,885	26,917	5,292				5,444	0	465,952
2200 Instructional Staff	161,753	51,411	14,683	14,934	18,838	2,110				0	0	263,728
2300 General Administration	99,981	41,415	16,588	91	0	10,330	0			0	0	168,405
2400 School Administration	86,059	27,689	0	9,601	0	1,539				0	0	124,887
2500, 2900 Central Services, Other	183,191	54,649	82,535	4,549	37,777	12,568		12,962	189	0	0	388,420
2600 Operation and Maintenance of Plant	282,706	86,389	302,306	262,535	33,474	0			0	0	0	967,409
2700 Student Transportation	105,434	33,678	53,003	51,036	160,202	919			0	0	0	404,273
3000 Operation of Noninstructional Services												
3100 Food Service Operations	6,794	1,342	253,250	38,556	1,376	889			259	0	0	302,466
3200 Enterprise Operations	0	0	0	0	0	0			0	0	0	0
3300 Community Services Operations										4,582	4,582	4,582
3400 Bookstore Operations	3,445	670	0	0	0	0			0	0	0	4,115
Total (lines 1-12)	2,776,519	839,202	964,261	492,736	284,458	61,710	0	12,962	7,548	4,582	4,582	5,443,978
From Federal Funds	143,674	29,715	72,264	200,413	16,611	848	0	0	0	0	0	463,525
From State and Local Sources	2,632,845	809,488	891,997	292,323	267,847	60,862	0	12,962	7,548	4,582	4,582	4,980,453
4000 Facilities Acquisition and Construction	0	0	445,174	0	0	0			0	0	0	445,174
5000 Debt Service								113,113	47,767	0	0	160,880

Teacher Salaries (Funds 001-799 excluding 575, Function 1000)

	Certified Teachers (in Object 6100)	Certified Substitutes (in Object 6100)	Contract Teachers (in Object 6300)	Contract Substitutes (in Object 6300)
1. Regular Education (Programs 100, 280, 520, and 550)	1,230,327	22,556	36,083	0
2. Special Education (Programs 200-230, 250, 512, 514, and 515)	229,931	0	0	0
3. Vocational Ed. and CTED (Programs 270, 300-399, and 540)	39,145	0	0	0
4. Other (Programs 240, 260, 265, 510, 511, 513, and 530)	0	0	0	0
5. Cocurricular Activities, Athletics, and Other (Program 600-630)	93,603	2,476	2,683	0

Other Items (Funds 001-799, excluding 575)

6. Textbooks used for Instruction (Function 1000, Object 6640)	33,689
7. Number of FTE-Certified Teachers	33
8. Number of FTE-Contract Teachers	1

Utilities and Energy Detail (Funds 001-799 excluding 575, Only Function 2600)

1. 6410-6411 Utility Services	27,528
2. 6620-6629 Energy	192,262

CTED Districts Only (Funds 001-799 excluding 575, All Functions)

1. 6591 Services Purchased from Other Arizona Districts	0
2. 6870 Pass-through Payments	0
3. 6880 Sub-awards	0

Programs 700-900 Expenditure Detail (Funds 001-799, excluding 575)

	Property 6700	All Other (excluding 6900)	Total
1. Program 700	0	0	0
2. Program 800	0	0	0
3. Program 900	0	4,199	4,199
4. Total (lines 1-3)	0	4,199	4,199

Property Detail for Function 4000 (Funds 001-799, excluding 575)

1. 6710 Land and Improvements	0
2. 6720 Buildings and Improvements	0
3. 6731-39 Equipment	0
4. Total (lines 1-3)	0
5. 6450 Construction	416,192

Technology (Funds 001-799 excluding 575, All Functions)

1. 6340 Technical Services	14,890
2. 6432 Technology-Related Repairs and Maintenance	0
3. 6443 Rental of Computers and Related Equipment	0
4. 6531 Telecommunications	51,809
5. 6650 Supplies-Technology-Related	5,179
6. 6737-38 Technology-Related Hardware & Software (less than \$5,000)	52,632
7. Subtotal (Lines 1-6)	124,511
8. 6739 Technology-Related Hardware & Software (\$5,000 or more)	33,254

Detailed technology reporting on lines 1 through 3 is optional fiscal year 2022.

SUMMARY OF SCHOOL DISTRICT ANNUAL FINANCIAL REPORT

CTDS NUMBER

909202000

I certify that the Annual Financial Report of Joseph City Unified District, Navajo County, for fiscal year 2020 was approved by the Governing Board on October 13, 2020, and that the complete Annual Financial Report may be reviewed by contacting Steve Mills at the District Office, telephone 928-288-3307, during normal business hours.

Avg. Daily Membership

2019

2020

Attending

427.292

441.330

2020 Tax Rates:

Primary

Secondary

3.4794

0.2175

Rev. 8/20 Arizona Department of Education and Auditor General

President of the Governing Board

Fund/Program	Beginning Fund Balance	Revenues	Net Other Financing Sources and Uses Including Transfers	Budgeted Expenditures	Actual Expenditures	Ending Fund Balance
Regular Education				3,471,432	3,403,512	
Special Education				511,215	499,198	
Pupil Transportation				391,072	244,071	
Desegregation				0	0	
Dropout Prevention Programs				0	0	
Joint Career & Tech. Ed. & Voc. Ed. Center				0	0	
K-3 Reading Program				19,300	22,174	
Maintenance and Operation Total	(97,662)	4,350,667	(50,000)	4,393,019	4,168,956	34,050
Classroom Site Funds	128,177	259,548		501,408	195,294	192,431
Instructional Improvement	14,220	19,629		25,000	0	33,849
Unrestricted Capital Outlay	12,729	259,037	0	271,766	225,068	46,698
Adjacent Ways	58,186	50,918	0	75,000	17,616	91,488
Bond Building	0	0	0	0	0	0
Other Capital Funds	0	56,843	50,000	50,000	112,195	(5,352)
New School Facilities	0	0		0	0	0
Federal Projects	(25,738)	306,905	(16,258)	644,500	272,898	(7,989)
State Projects	300	131,429	(6,198)	196,000	179,119	(53,589)
County, City, and Town Grants	0	0	0	0	0	0
English Language Learner	0	0	0	0	0	0
Compensatory Instruction	0	0	0	0	0	0
School Plant Fund	3	(0)	0	8,500	0	3
Food Service	1,023	211,711	0	350,000	212,734	0
Civic Center	5,715	2,906	0	10,000	306	8,315
Community School	2,194	5,720	0	12,000	7,700	214
Auxiliary Operations	40,595	103,651	0	140,000	94,628	49,618
Extracurricular Activities Fees	26,141	14,308	0	21,000	5,673	34,776
Gifts and Donations	28,458	14,986	0	40,000	20,669	22,775
Career & Tech. Ed. & Voc. Ed. Projects	59	(1)	0	5,000	0	58
Fingerprint	0	0	0	0	0	0
School Opening	0	0	0	0	0	0
Insurance Proceeds	9,735	(208)	4,785	15,000	0	14,312
Textbooks	450	(10)	0	500	0	439
Litigation Recovery	259	35,406	0	40,000	9,502	26,163
Indirect Costs	77	(118)	22,456	30,000	21,875	541
Unemployment Insurance	0	0	0	0	0	0
Teacherage	0	0	0	0	0	0
Insurance Refund	450	1,045	0	11,000	0	1,496
Grants and Gifts to Teachers	0	0	0	0	0	0
Advertisement	0	0	0	0	0	0
Career Technical Education	0	44,086	0	45,000	3,335	40,750
Impact Aid Revenue Bond Building	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0
Emergency Deficiencies Correction	0	0	0	0	0	0
Building Renewal Grant	(57,716)	486,317	0	1,200,000	502,464	(73,863)
Impact Aid Rev. Bond Debt Service	0	0	0	0	0	0
Student Activities	41,178	25,961		35,000	25,200	41,939
Self-Insurance	0	0	0	0	0	0
Intergovernmental Agreements	0	0	125	0	0	0
OPEB	0	0	0	0	0	0
Other Funds	0	0	0	0	0	0

SUPPLEMENT TO SCHOOL DISTRICT ANNUAL FINANCIAL REPORT FOR DISTRICTS THAT INCURRED EXPENDITURES FOR ENGLISH LANGUAGE LEARNERS (A.R.S. §§15-756.04 and 15-756.11)

Revenue Object Codes/Expenditure Function Codes	Actual Revenues	Salaries 6100	Employee Benefits 6200	Purchased Services 6300, 6400, 6500	Supplies 6600	Property 6700	Other 6800	Total Expenditures	
								Budget	Actual
English Language Learner Fund 071									
Revenues									
3200 Restricted Revenue from State Sources	1. 0								1.
1500 Investment Income	2. 0								2.
Total Revenues (lines 1 and 2)	3. 0								3.
Expenditures									
1000 Instruction	4. 0	0	0	0	0	0	0	0	0 4.
2000 Support Services									
2100 Students	5. 0	0	0	0	0	0	0	0	0 5.
2200 Instructional Staff	6. 0	0	0	0	0	0	0	0	0 6.
2300 General Administration	7. 0	0	0	0	0	0	0	0	0 7.
2400 School Administration	8. 0	0	0	0	0	0	0	0	0 8.
2500 Central Services	9. 0	0	0	0	0	0	0	0	0 9.
2600 Operation & Maintenance of Plant	10. 0	0	0	0	0	0	0	0	0 10.
2700 Student Transportation	11. 0	0	0	0	0	0	0	0	0 11.
2900 Other	12. 0	0	0	0	0	0	0	0	0 12.
Total (must agree with the AFR page 6, line 3)	13. 0	0	0	0	0	0	0	0	0 13.
Compensatory Instruction Fund 072									
Revenues									
3200 Restricted Revenue from State Sources	14. 0								14
1500 Investment Income	15. 0								15.
Total Revenues (lines 14 and 15)	16. 0								16.
Expenditures									
1000 Instruction	17. 0	0	0	0	0	0	0	0	0 17.
2000 Support Services									
2100 Students	18. 0	0	0	0	0	0	0	0	0 18.
2200 Instructional Staff	19. 0	0	0	0	0	0	0	0	0 19.
2300 General Administration	20. 0	0	0	0	0	0	0	0	0 20.
2400 School Administration	21. 0	0	0	0	0	0	0	0	0 21.
2500 Central Services	22. 0	0	0	0	0	0	0	0	0 22.
2600 Operation & Maintenance of Plant	23. 0	0	0	0	0	0	0	0	0 23.
2700 Student Transportation	24. 0	0	0	0	0	0	0	0	0 24.
2900 Other	25. 0	0	0	0	0	0	0	0	0 25.
Total (must agree with the AFR page 6, line 4)	26. 0	0	0	0	0	0	0	0	0 26.

FOOD SERVICE

FUND 510	
ACTUAL	
1.	1,023
2.	(7)
3.	21,091
4.	0
5.	169,237
6.	21,390
7.	211,711
8.	0
9.	212,734

BEGINNING FUND BALANCE (1) REVENUES

1500 Investment Income	2.	(7)
1600 Food Service	3.	21,091
Other Local _____	4.	0
4500 Restricted Revenue Rec. from Fed. Gov.	5.	169,237
4900 Revenue for/on Behalf of the District	6.	21,390
TOTAL REVENUE (lines 2-6)	7.	211,711
5000 Other Financing Sources and Fund Transfers-In	8.	0
TOTAL AVAILABLE (lines 1, 7, and 8)	9.	212,734

A. Number of operating months

12

B. Number of Meals Served

- 1. Served at District Locations
 - a. Reimbursable Meals Only
 - b. Program Adults/Adult Workers
 - c. Other
- 2. Served at Other Locations
 - a. Reimbursable Meals Only
 - b. Program Adults/Adult Workers
 - c. Other

	BREAKFASTS	LUNCHESES/ SUPPERS	A LA CARTE*	SNACKS
a. Reimbursable Meals Only	55,210.00	31,737.00	1,184.00	0.00
b. Program Adults/Adult Workers	841.00	359.00	79.00	0.00
c. Other	0.00	0.00	0.00	0.00
a. Reimbursable Meals Only	0.00	0.00	0.00	0.00
b. Program Adults/Adult Workers	0.00	0.00	0.00	0.00
c. Other	0.00	0.00	0.00	0.00

* Divide all revenues from a la carte sales by the free lunch reimbursement rate received.

C. Meal Prices

- 1. Reduced breakfast
- 2. Reduced lunch
- 3. Reduced snack
- 4. Paid breakfast
- 5. Paid lunch
- 6. Paid snack

	P-6	7-8	9-12	Adult
1. Reduced breakfast	0.00	0.00	0.00	
2. Reduced lunch	0.40	0.40	0.40	
3. Reduced snack	NA	NA	NA	
4. Paid breakfast	0.00	0.00	0.00	NA
5. Paid lunch	2.85	3.00	3.00	NA
6. Paid snack	NA	NA	NA	NA

D. Special Milk Program

Charge to children per ½ pint milk unit	\$0.00
Number of ½ pint milk units served to children	0

EXPENDITURES

6150 Classified Salaries	10.	0
6200 Employee Benefits	11.	0
6400 Purchased Property Services	12.	0
6570 Food Service Management	13.	178,073
6591 Services Purchased from Other AZ Districts	14.	0
6610 General Supplies (Nonfood Items)	15.	0
6620 Energy	16.	0
6631 USDA Commodities (Excluding Freight)	17.	21,390
6632 USDA Commodities (Freight Only)	18.	1,993
6633 Other Food	19.	10,130
6634 Storage Costs for USDA Commodities	20.	0
6700 Property (Excluding 6731-39)	21.	
6731-32, 6734-35, 6737-38 Furniture & Equipment, Vehicles, & Tech. costing under \$5,000	22.	0
6733, 6736, 6739 Furniture & Equipment, Vehicles, & Tech. costing \$5,000 or more	23.	0
Other Expenditures _____	24.	1,148
TOTAL EXPENDITURES (lines 10-24)	25.	350,000
6910 Indirect Costs Transfers-Out	26.	0
6900 Other Financing Uses and Fund Transfers-Out (excluding Indirect Costs Transfers-Out)	27.	0
TOTAL EXPENDITURES & OTHER USES (lines 25-27)	28.	212,734
ENDING FUND BALANCE (line 9 minus line 28) (1)	29.	0

(1) Includes Food Service Fund revolving account cash balance of

FOOD SERVICE FUND 510		M&O EXPENDITURES FUND 001	CAPITAL EXPENDITURES FUND 610
BUDGET	ACTUAL	ACTUAL	ACTUAL
10.	0	6,794	0
11.	0	1,342	0
12.	0	0	0
13.	178,073	71,752	
14.	0	0	
15.	0	0	
16.	0	0	
17.	21,390		
18.	1,993		
19.	10,130		
20.	0		
21.			0
22.	0		1,376
23.	0		0
24.	1,148	42	0
25.	350,000	79,930	1,376
26.	0		
27.	0		
28.	212,734		
29.	0		

E. Detail of Food Service Management Company Expenditures

Classified Salaries	77,447
Employee Benefits	28,499
Supplies and Materials (Nonfood)	5,025
Food	77,449
Management Fee	6,549
Other	54,856
Total (must equal total of amounts on line 13 above)	249,825

\$0 at 7/1/19 or \$0 at 6/30/20, as applicable.

C. Set Governing Board Staff Appreciation Breakfast Date and Time; Set Governing Board Training Date and Time

D. Approval of Distance Learning Pay for Teachers

7. DISCUSSION ITEMS

The Governing Board will not vote on Discussion Items and any action taken as a result of this discussion will be limited to directing staff to study the matter or scheduling the matter for a future agenda.

8. INFORMATION ITEMS

A. Requests for Future Agenda Items

This agenda item is for the Governing Board to have a running record of potential items to be placed on future agendas. There will be no discussion on the substance, merits, or issues relating to the proposed agenda item.

B. Upcoming Meetings and Events Calendar

- Next Regular Board Meeting - November 10, 2020; 6:00 p.m.
- ASBA Navajo County Association Meeting - October 20, 2020 (online meeting)

9. ADJOURNMENT

Call to adjourn the meeting