



Regular Board Meeting Agenda

Tuesday, May 9, 2023 | 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. PUBLIC HEARING

1.A. FY 2022-23 Budget Revision

Individuals may comment on the Budget Revision. A complete copy of the Revised Budget may be viewed at the Joseph City School District Office and online at <https://meetings.boardbook.org/Public/Organization/894> in ACTION ITEMS section of this agenda.

2. OPENING ITEMS

2.A. Call to Order

2.B. Roll Call

2.C. Pledge of Allegiance

2.D. Invocation

2.E. Adoption of Agenda

2.F. Approve Minutes of the April 11, 2023 Regular Board Meeting



**Minutes of Regular Board Meeting of the Governing Board
Joseph City Unified School District
District Office Board Room, 8176 N. Westover, Joseph City, AZ 86032
Tuesday, April 11, 2023**

Members present

Eldon Larsen, President; Karsten Flake, Clerk; Andrew Bushman, Dayton Flake, Cat Hansen

Administrators present

Bryan Fields, Superintendent; Eric Miller, Principal; Steve Mills, Business; Darrel Mosier, Principal

Others present

One community member

1. PUBLIC HEARING

Public Hearing opened by Eldon Larsen at 6:07 pm – No comments

2. OPENING ITEMS

2.A. Call to Order

Eldon Larsen called the meeting to order at 6:07 p.m.

2.B. Roll Call

2.C. Pledge of Allegiance

2.D. Invocation

2.E. Adoption of Agenda

Motion by Eldon Larsen to adopt the agenda as presented; Second by Andrew Bushman

Final Resolution: Motion passed

Yes: Eldon Larsen, Andrew Bushman, Dayton Flake, Karsten Flake, Cat Hansen

2.F. Approve Minutes of the March 14, 2023 Regular Board Meeting

Motion by Karsten Flake to approve the minutes as presented; Second by Andrew Bushman

Final Resolution: Motion passed

Yes: Andrew Bushman, Dayton Flake, Karsten Flake, Cat Hansen

Eldon Larsen abstained.

2.G. Superintendent's Report

3. CALL TO THE PUBLIC

None

4. CONSENT AGENDA

Motion by Eldon Larsen to approve consent agenda items as presented; Second by Dayton Flake

Final Resolution: Motion Passed

Yes: Eldon Larsen, Andrew Bushman, Dayton Flake, Karsten Flake, Cat Hansen

4.A. Approve Expense Vouchers

Action to ratify district vouchers for period 3/1/2023 through 3/31/2023.

General and Special Funds: #20 \$155,827.16; #21 \$149,499.63; #1044 \$15,747.08; #1046 \$47,194.05; #1047 \$84,082.51; #1048 \$818.00; #1049 \$30,477.36

Auxiliary Operations Funds: #1042 \$2,063.93; #1044 \$350.00; #1047 \$944.02; #1050 \$1,649.01; #1052 \$7,332.75; #1053 \$546.00

Student Activities Fund: #1043 \$1,476.05; #1045 \$99.49; #1048 \$2,616.20; #1049 \$1,593.02; #1051 \$654.77

4.B. Student Activities Fund Report

Revenues, expenditures and charges in the Student Activities Fund Report; period of 3/1/2023 through 3/31/2023.

4.C. Approve Intergovernmental Agreement Renewal with Northern Arizona Vocational Institute of Technology (NAVIT)

4.D. Approve Memorandum of Understanding with the Navajo County Sherriff's Office

For cooperative services and participation in state-funded school safety communication systems

4.E. Student Fundraisers

Organization	Description	Action
Cheerleaders	Car Show	Approve
Freshman Class	Donations	Ratify
High School Track Team	Advertisements	Ratify

4.F. Gifts & Donations

Donor	Item	School/Program	Purpose	Amount
Winslow Indian Health Care Center	2 Digital Physician Scales	Health Services	Program support	\$1,000 (estimated)

5. POSSIBLE EXECUTIVE SESSION

None

6. ACTION ITEMS

6.A. Personnel Requests

Name	Assignment	Action
(See attached list)	Management Team and Classified Specialists	Renewal
(See attached list)	Support Staff	Renewal
Balda, Baea	Lifeguard	Appointment
Brawley, Micah	Asst Coach - Jr High Track	Appointment
Fields, Bridger	Lifeguard	Renewal
Fields, Taylor	Lifeguard	Renewal
Fischer, Joseph	Auditorium Tech	Appointment (Ratification)
Fish, Rhiannon	Elementary Secretary	Resignation
Frost, Brooke	Lifeguard	Appointment
Jesmer, Samantha	Lifeguard	Appointment
Lampsa, Kamryn	Lifeguard	Renewal
Leger, Gen	Lifeguard	Appointment
McCormick, Case	Lifeguard	Appointment
Miller, Cambria	Lifeguard	Appointment
Miller, Cort	Lifeguard	Renewal
Miller, Landon	Lifeguard	Appointment

Name	Assignment	Action
Miller, Peter	Auditorium Tech	Appointment (Ratification)
Powers, Megan	Volunteer	Acceptance
Smith, Abigayle	Auditorium Tech	Appointment
Smith, Abigayle	Lifeguard	Renewal
Young, Claire	Title I Aide	Resignation

Motion by Eldon Larsen to approve personnel requests as presented; Second by Dayton Flake

Final Resolution: Motion passed

Yes: Eldon Larsen, Andrew Bushman, Dayton Flake, Karsten Flake, Cat Hansen

6.B. Possible Approval of Revised Extra Duty 1 Pay Schedule Including New Employee Incentive Program Payment Opportunities

Motion by Eldon Larsen to approve Revised Extra Duty 1 Pay Schedule as presented; Second by Dayton Flake

Final Resolution: Motion passed

Yes: Eldon Larsen, Andrew Bushman, Dayton Flake, Karsten Flake, Cat Hansen

6.C. Approve Employee Benefits and Health Insurance for 2023-24

Motion by Eldon Larsen to approve Employee Benefits and Health Insurance for 2023-24 as presented; Second by Dayton Flake

Final Resolution: Motion passed

Yes: Eldon Larsen, Andrew Bushman, Dayton Flake, Karsten Flake, Cat Hansen

6.D. Discussion and Possible Approval of Employee Pay Increases for 2023-24

Motion by Eldon Larsen to approve Employee Pay Increases, adding Superintendent to Management Team List; Second by Dayton Flake

Final Resolution: Motion passed

Yes: Eldon Larsen, Andrew Bushman, Dayton Flake, Karsten Flake, Cat Hansen

6.E. Discussion and Possible Approval of the Joseph City Unified School District Instructional Time Model for the 2022-23 School Year

Motion by Eldon Larsen to approve the Joseph City School District Instructional Time Model for the 2022-23 School Year; Second by Andrew Bushman

Final Resolution: Motion passed

Yes: Eldon Larsen, Andrew Bushman, Dayton Flake, Karsten Flake, Cat Hansen

7. INFORMATION ITEMS

7.A. Possible Textbook/Curriculum Adoptions for 2023-24

Textbook/curriculum materials will be available for public review for 60 days prior to board consideration for adoption at a future board meeting in accordance with Governing Board Policy IJJ. Curriculum materials are on display in the District Office Board Room and may be viewed during business hours. This is an information item only and no action will be taken at this meeting. Textbooks, supplementary materials and online resources proposed for adoption are English and Language Arts for Kindergarten, first and second grades. Title: Amplify Core Knowledge Language Arts (CKLA). Published: 2015 The Core Knowledge Foundation / 2022 Revised Editions; Amplify Education, Inc.

7.B. Joseph City Schools Audit and Compliance Reports for Fiscal Year 2021-22

7.C. Requests for Future Agenda Items

7.D. Upcoming Meetings and Events Calendar

- Invitation for all board members to attend Districtwide training April 21, 2023 at 8:00 am
- Next Regular Board Meeting – May 9, 2023; 6:00 pm

8. ADJOURNMENT

Motion by Eldon Larsen to adjourn; Second by Andrew Bushman
Final Resolution: Motion passed
Yes: Eldon Larsen, Andrew Bushman, Dayton Flake, Karsten Flake, Cat Hansen
Meeting adjourned at 7:32 p.m.

APPROVED:

Board Clerk or President

2.G. Superintendent's Report

May 9, 2023

Superintendent Board Report

Prepared by B. Fields

Updates and Current Events

- We were going to have a demonstration of the VR Goggles at the meeting but the Awards night is tonight so we have postponed the demonstration until June. The Jr./Sr. High School Awards Program starts tonight at 7:00 pm at the Auditorium.
- Our state Career and Technical Education monitoring has been completed and they've found that all of our programs are in compliance. Credit goes to Dan Bushman and all of the CTE teachers for their work throughout the monitoring.
- We have compiled the needed information on the safety glass for the front offices. Before we complete this purchase we are looking at installing an automatic door lock switch for the High School campus.
- We are close to completing our staffing needs for next year.
- We have purchased a dehumidifier, and looking at the possibility of floor vent fans in the Old Gym. We also will cut out a small piece of the floating floor to help prevent future buckling and to try to repair the current buckle in the southeast portion of the floor.
- We had a motor burn out and caused an evacuation at the high school campus on April 19th. A booster pump motor also burned up at the elementary campus Cafeteria on April 27th.
- Raptor and Mutual Link technology launched and training provided by the county on April 21st. Possible demo and Board members have accounts to be in direct communication during the emergencies.
- Your attendance and participation is requested at the Junior High Promotion on May 17th at 7:00pm, and for the High School Graduation Ceremony on May 18th at 7:00pm.
- We hosted an immunization clinic on May 3rd and we had a good turnout. Credit goes to Shelley Mills for putting this together for us.
- Our food service audit has been completed and there were 0 findings which is very good. The audit company said that we are the first district this year to have 0 findings.



Summary of Financial Operations (Unaudited)
April 30, 2023

Fund		Budget	YTD Expenses	Encumbrances	Budget Balance
001	Maintenance & Operation	\$5,991,226	\$4,345,407	\$1,181,083	\$ 464,736
010-013	Classroom Site Funds	\$ 970,920	\$ 102,442	\$ 62,411	\$ 806,067
100-130	Title I	\$ 260,000	\$ 153,686	\$ 50,588	\$ 55,726
140-150	Title II - Profesional Development	\$ 50,000	\$ 1,197	\$ -	\$ 48,803
200-209	Title VII - Indian Education	\$ 15,000	\$ 9,985	\$ -	\$ 5,015
220-229	IDEA/Special Education Grants	\$ 175,000	\$ 93,927	\$ 70,402	\$ 103,824
230	Johnson-O'Malley (JOM)	\$ 4,500	\$ 774	\$ 151	\$ 3,575
260-270	Career & Technical Ed (CTE) - Federal	\$ 12,000	\$ 7,265	\$ 130	\$ 4,605
290-291	Medicare Reimbursement	\$ 30,000	\$ 159	\$ 454	\$ 29,387
301	Az School Nurse Access Program	\$ 65,000	\$ 4,057	\$ -	\$ 60,943
326-346	ESSER / CARES / ESG	\$1,089,493	\$ 186,343	\$ 283,920	\$ 619,230
374	E-Rate	\$ 56,000	\$ 36,314	\$ 17,686	\$ 2,000
380	ARPA - Az On Track	\$ 2,200	\$ 1,125	\$ -	\$ 1,075
381	Dyslexia Training	\$ 5,000	\$ 4,989	\$ -	\$ 11
390-396	REAP (Federal Rural Assistance)	\$ 45,000	\$ 7,400	\$ -	\$ 37,600
400	Career & Technical Ed (CTE) - State	\$ 10,000	\$ 2,793	\$ 808	\$ 6,399
466	Healthy Drug-Free Community	\$ 8,338	\$ 2,939	\$ 5,400	\$ -
506	School Plant (Sale)	\$ 5,000	\$ -	\$ -	\$ 5,000
510	Food Service	\$ 340,000	\$ 214,142	\$ 84,908	\$ 40,951
515	Civic Center	\$ 10,000	\$ -	\$ 381	\$ 9,619
520	Preschool Tuition	\$ 12,000	\$ 6,200	\$ 1,801	\$ 3,999
525	Auxiliary Operations	\$ 140,000	\$ 128,096	\$ 9,551	\$ 2,352
526	Extracurricular Activities Tax Credit	\$ 20,000	\$ 7,303	\$ 1,084	\$ 11,614
530	Gifts & Donations	\$ 50,000	\$ 23,760	\$ -	\$ 26,240
535-539	CTE & Vocational Education Projects	\$ 9,500	\$ 8,563	\$ 242	\$ 695
550	Insurance Proceeds	\$ 60,000	\$ -	\$ -	\$ 60,000
565	Litigation Recovery	\$ 35,000	\$ -	\$ -	\$ 35,000
570	Indirect Costs	\$ 35,000	\$ 18,631	\$ 3,597	\$ 12,772
585	Insurance Refunds	\$ 5,000	\$ -	\$ -	\$ 5,000
596	NAVIT	\$ 45,000	\$ 17,351	\$ 2,873	\$ 24,776
610	Capital Outlay	\$ 514,604	\$ 398,457	\$ 49,339	\$ 66,808
620	Adjacent Ways	\$ 75,000	\$ 7,084	\$ 519	\$ 67,397
665	Energy and Water Savings	\$ 49,000	\$ -	\$ -	\$ 49,000
686	SFB Emergency Deficiency Correction	\$ 109,964	\$ 24,000	\$ -	\$ 85,964
691	SFB Building Renewal Grant	\$ 950,000	\$ 501,212	\$ 379,386	\$ 69,402
850	Student Activities	\$ 36,000	\$ 25,695	\$ 4,371	\$ 5,935
TOTAL		\$ 11,290,746	\$ 6,341,295	\$ 2,211,085	\$ 2,831,519

3. CALL TO THE PUBLIC

The procedure for addressing the Board in a public meeting may be viewed here: <https://josephcityaz.sites.thrillshare.com/page/public-comments>

4. CONSENT AGENDA

Vote on 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.

4.A. Approve Expense Vouchers

Action to ratify district vouchers for period 4/1/2023 through 4/30/2023.

General and Special Funds: #22 \$162,143.32; #23 \$173,265.32; #1050 \$61,792.81; #1051 \$1,702.25; #1052 \$109,953.62; #1053 \$1,794.25; #1054 \$84,983.65

Auxiliary Operations Funds: #1054 \$9,533.15; #1056 \$4,093.05; #1058 \$150.00; #1059 \$150.00

Student Activities Fund: #1055 \$532.76; #1057 \$1,187.90; #1060 \$348.60

4.B. Student Activities Fund Report

Revenues, expenditures and charges in the Student Activities Fund Report; period of 4/1/2023 through 4/30/2023.

Joseph City USD External Funds

Student Activities Summary Report

Fiscal Year: 2022-2023

From: 4/1/2023

To: 4/30/2023

Print Detail

Page Break by Activity

Exclude Encumbrances

Reverse Signs

Subtotal By Journal

	Range Beg. Balance	Range Revenue	Range Expenditures	Balance	Encumbrances	Available Balance
000.000 Undesignated DO NOT USE	.00	.00	.00	.00	.00	.00
102.610 Joseph City Jr High School Student Council	484.88	214.00	(204.00)	494.88	(540.93)	(46.05)
102.612 Joseph City Jr High School Softball	(11.39)	.00	.00	(11.39)	.00	(11.39)
102.619 Joseph City Jr High School Volleyball	507.27	.00	.00	507.27	.00	507.27
102.629 Joseph City Jr High School Track	260.11	.00	.00	260.11	.00	260.11
102.637 Joseph City Jr High School Class of 2024	.00	.00	.00	.00	.00	.00
102.638 Joseph City Jr High School Class of 2025	339.69	.00	.00	339.69	.00	339.69
102.639 Joseph City Jr High School Class of 2026	302.79	.00	.00	302.79	.00	302.79
102.640 Joseph City Jr High School Class of 2027	1,289.88	.00	.00	1,289.88	.00	1,289.88
102.641 Joseph City Jr High School Class of 2028	132.00	.00	.00	132.00	.00	132.00
102.642 Joseph City Jr High School Class of 2029	110.10	.00	.00	110.10	.00	110.10
102.643 Joseph City Jr High School Class of 2030	.00	.00	.00	.00	.00	.00
203.601 Joseph City High School Band	218.26	.00	.00	218.26	.00	218.26
203.602 Joseph City High School Baseball	155.40	.00	.00	155.40	.00	155.40
203.605 Joseph City High School Chess Club	.00	.00	.00	.00	.00	.00
203.606 Joseph City High School Card and Game Club	146.14	.00	.00	146.14	.00	146.14
203.607 Joseph City High School Drama	725.11	.00	.00	725.11	.00	725.11
203.608 Joseph City High School Future Business Leaders of America	12.59	.00	.00	12.59	.00	12.59
203.609 Joseph City High School Girls Basketball	3,409.39	.00	.00	3,409.39	.00	3,409.39
203.610 Joseph City High School Student Council	4,553.47	520.00	(210.19)	4,863.28	104.59	4,967.87
203.611 Joseph City High School National Honor Society	441.68	.00	.00	441.68	.00	441.68
203.612 Joseph City High School Softball	4,392.78	.00	(1,411.09)	2,981.69	1,335.26	4,316.95

Joseph City USD External Funds

Student Activities Summary Report

Fiscal Year: 2022-2023

From: 4/1/2023

To: 4/30/2023

Print Detail

Page Break by Activity

Exclude Encumbrances

Reverse Signs

Subtotal By Journal

	Range Beg. Balance	Range Revenue	Range Expenditures	Balance	Encumbrances	Available Balance
203.613 Joseph City High School Momentum Club/Audition Choir	409.15	.00	.00	409.15	.00	409.15
203.614 Joseph City High School Wrestling	3,563.84	.00	.00	3,563.84	(2,562.33)	1,001.51
203.615 Joseph City High School Cheerleaders	2,017.29	.00	.00	2,017.29	.00	2,017.29
203.616 Joseph City High School Welding	106.33	.00	.00	106.33	.00	106.33
203.617 Joseph City High School Woods	104.72	.00	.00	104.72	.00	104.72
203.618 Joseph City High School Boys Basketball	1,362.18	.00	.00	1,362.18	.00	1,362.18
203.619 Joseph City High School Volleyball	6,318.38	.00	.00	6,318.38	.00	6,318.38
203.620 Joseph City High School FACS	35.74	.00	.00	35.74	.00	35.74
203.624 Joseph City High School Basketball Cheerleaders	.00	.00	.00	.00	.00	.00
203.625 Joseph City High School FFA	979.26	.00	(99.38)	879.88	(217.42)	662.46
203.626 Joseph City High School Happy Club	880.07	.00	.00	880.07	.00	880.07
203.627 Joseph City High School Robotics	359.85	.00	.00	359.85	.00	359.85
203.628 Joseph City High School Cross Country	220.60	.00	.00	220.60	.00	220.60
203.629 Joseph City High School Track	191.04	130.00	.00	321.04	.00	321.04
203.630 Joseph City High School Football	1,238.20	.00	.00	1,238.20	.00	1,238.20
203.631 Joseph City High School Technology Club	109.95	.00	.00	109.95	.00	109.95
203.632 Joseph City High School Class of 2019	.00	.00	.00	.00	.00	.00
203.633 Joseph City High School Class of 2020	.00	.00	.00	.00	.00	.00
203.634 Joseph City High School Class of 2021	.00	.00	.00	.00	.00	.00
203.635 Joseph City High School Class of 2022	137.03	.00	.00	137.03	.00	137.03
203.636 Joseph City High School Class of 2023	3,433.57	.00	.00	3,433.57	.00	3,433.57
203.637 Joseph City High School Class of 2024	500.47	.00	(144.60)	355.87	(305.09)	50.78

Joseph City USD External Funds

Student Activities Summary Report

Fiscal Year: 2022-2023

From: 4/1/2023

To: 4/30/2023

Print Detail

Page Break by Activity

Exclude Encumbrances

Reverse Signs

Subtotal By Journal

	Range Beg. Balance	Range Revenue	Range Expenditures	Balance	Encumbrances	Available Balance
203.638 Joseph City High School Class of 2025	326.32	.00	.00	326.32	.00	326.32
500.300 Districtwide UNDESIGNATED	.00	.00	.00	.00	.00	.00
500.600 Districtwide UNDESIGNATED	3.30	.00	.00	3.30	.00	3.30
GRAND TOTALS	39,767.44	864.00	(2,069.26)	38,562.18	(2,185.92)	36,376.26

End of Report

4.C. Approve Contract Renewal with Arizona Psychology Services

4.D. Gifts & Donations

Donor	Item	School/Program	Purpose	Amount
Love's Foundation	Cash	Elementary School	Educational program support	\$500
ASU Foundation	Cash	District	Fund power plant closure financial impact study	\$20,000
State of Arizona - Child Care Development Grant	Equipment and supplies	Early childhood and Speech programs	Educational program support	\$19,500

4.E. Student Fundraisers

Organization	Description	Action
FFA	Mother's Day plant sale	Approve

4.F. Approve Renewal of Food Services Management Contract with Southwest Foodservice Excellence for FY 2023-24

5. POSSIBLE 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.

6. ACTION ITEMS

6.A. Personnel Requests (*)

Name	Assignment	Action
Bowler, Alexandrya	Lifeguard 2023-24 Season	Renewal
Bowler, Laurie	Summer School Teacher	Appointment
Bowler, Vyctoriana	Lifeguard 2023-24 Season	Appointment
Case, Melanie	Summer School Aide	Appointment
Castellano, Kory	Summer School Aide	Appointment
Chapman, Sonja	Summer School Aide	Appointment
Colligon, Drew	Seasonal Worker	Renewal
Colligon, Drew	Summer School Aide	Appointment
DeWitt, Darolyn	Summer School Teacher	Appointment
Farr, Lauren	Seasonal Worker	Renewal
Gardner, Kaylie	Lifeguard 2023-24 Season	Appointment
Flake, Kelbie	Seasonal Worker	Appointment
Hansen, Ruth	Summer School Teacher	Appointment
Hardy, Desiree	Summer School Aide	Appointment
Hayes, Sarah	Seasonal Worker	Appointment
Holmes, Theresa	Summer School Teacher	Appointment
Hunt, Ericka	Teacher (1st Grade)	Appointment
Johnstun, Aaron	Summer School Aide	Appointment
Lucero, Atalaya	Summer School Aide	Appointment
Metzger, Kelly	Summer School Teacher	Appointment
Miller, Kylie	Lifeguard 2023-24 Season	Renewal

Name	Assignment	Action
Miller, Kylie	Teacher (Jr. High)	Appointment
Morris, Patrick	Bus Driver	Resignation
Neal, Brad	Maintenance Coordinator	Renewal
Neal, Lillian	Seasonal Worker	Appointment
Nells, Jasmine	Seasonal Worker	Renewal
Perkins, Waylon	Lifeguard 2023-24 Season	Appointment
Rodrigues, Christina	Summer School Teacher	Appointment
Salley, Eric	Seasonal Worker	Appointment
Smith, Abigayle	Seasonal Worker	Appointment
Sterkowitz, Mike	Teacher	Resignation
Stradling, Jim	Teacher	Resignation
Tavesi, Kika	Summer School Aide	Appointment
Whetten, Anthony	Summer School Teacher	Appointment

6.B. Discussion and Possible Approval of Additional Pay Increase for FY 2023-24

Salary Proposal for FY23-24

Pay Increase #2 (items in red)

Joseph City Schools

Teacher | Certified Specialist Pay Schedule

- **\$1,000 additional base increase** for a total increase of \$2,000 from FY23 to FY24 (10-Month contracts; amount prorated for part-time or extended contracts)
Applies to all current teachers and certified specialists who have worked at least half of the FY23 school year
- **\$1,000 additional base increase for placement of new teachers** for a total increase of \$1,500 from FY23 to FY24
Applies to all new teachers and certified specialists; also applies to current employees who have worked less than half of the FY23 school year

Support Staff Pay Schedule

- **\$0.50 per hour additional base increase** for a total increase of \$1.00 per hour from FY23 to FY24
Applies to all current employees in all positions listed on the Support Staff Pay Schedule, except Level 1 (minimum wage,) who have worked at least half of the FY23 school year
- **\$0.24 per hour additional base increase** for a total increase of \$0.50 per hour from FY23 to FY24
Applies to all current employees in all positions listed on the Support Staff Pay Schedule except Level 1 (minimum wage) who have worked less than half of the FY23 school year

Management Team | Classified Specialist Pay Schedule

- **\$1,200 additional base increase** for a total increase of \$2,400 from FY23 to FY24 (12-Month contracts; amount prorated for part-time, hourly or partial year contracts)

DRAFT

Pay Schedule | 2023-24



Teacher | Certified Specialist

Position	Base Salary without Performance Pay	Base Salary with Performance Pay
Teacher, Specialist	\$ 44,300	\$ 45,900
Counselor	\$ 48,300	\$ 49,900
Speech Language Pathologist	\$ 63,900	
School Nurse	\$ 58,300	

Adjustments to Base Salary

Education Credit & Professional Development	\$ 65	Per credit hour for university graduate-level or Superintendent approved equivalent coursework; courses not related to the position require Superintendent approval
Advanced Degree	\$ 500	For a Masters Degree and for a Ed.D. or Ph.D. degree in related fields
National Board Certification	\$ 800	Additional per year
Initial Placement	Experience	\$ 500 For each year of verified certificated teaching or like experience up to 10 years
	Other Pay	\$ - Additional amount may be paid for positions designated as "hard to fill"

Additional Opportunities for Increased Earnings

Performance Pay	\$ 1,600	Depending on Classroom Site Fund state funding, employee eligibility, completion of performance goals and continued employment with JCUSD
High School / College Dual Credit Classes	\$ 80	District pays \$70 per student each year for teaching high school / college dual credit classes
Additional Assignments	\$ -	The District has many opportunities to take on additional assignments and pays as much as \$5,000+ for Extra Duties (see Extra Duty Pay Schedules)

Additional Benefits

Paid Employee Health Insurance	Premium	\$ 7,572	District pays 100% of premium for employees working at least 30 hours per week PLUS District contributes \$1,500 (depending on plan) to employee's Health Savings Account PLUS District pays \$1,980 toward premiums for those with family coverage
	HSA	\$ 1,500	
	Family Supplement	\$ 2,124	
Paid Employee Life Insurance		\$ 25,000	Life insurance is provided to employees working 20 or more hours per week
Voluntary Insurance Benefits		Available	Employees working at least 30 hours per week may purchase dental and vision plans; at 20 hours per week employees may purchase short term disability and additional life insurance
Arizona State Retirement		12.17%	Employees working at least 20 hours per week are automatically enrolled in Az State Retirement (ASRS); long term disability insurance (after 180 days) is included; contributions are shared by the District and the employee with each contributing 12.41%
Social Security/Medicare		7.65%	Employee and District each contribute 7.65%
Leave		96 hours	Certified 10-month full-time employees earn 96 hours per year of Personal Leave

Notes

Some Teacher Compensation (CSF/Prop 301) funds are included in base salary
 Annual salary amount may be adjusted depending on employee's duty schedule, start date and end date; return-to-work retiree pay reduced by 9.1%
 Placement and advancement are based on Superintendent recommendation and Governing Board approval

Example

Teacher new to Joseph City Schools is a 10-year veteran with 45 credit hours past a Bachelor's Degree and has earned a Masters Degree.

Base Salary (including Performance Pay)	\$ 45,900
Experience for Initial Placement (10 x \$500)	5,000
Education Credit (45 graduate credit hours x \$65)	2,925
Master's Degree	500
Contract Salary	\$ 54,325

Cost of FY24 Pay Increases

Salary Schedule	Increase #1	Increase #2	Total Cost
Teacher & Certified Specialists	34,000	34,000	68,000
Support Staff	35,300	35,300	70,600
Management Team/Specialists - Classified	6,600	6,600	13,200
Management Team - Admin	4,560	4,560	9,120
Extra Duty 1	5,483	-	5,483
Extra Duty 2	1,600	-	1,600
Substitutes	-	-	-
Subtotal	87,543	80,460	168,003
Overhead	16,405	15,287	31,692
Health insurance increase	19,152	-	19,152
Total cost of salary & benefit increase	123,100	95,747	218,847
Funding sources			
M&O, Federal Grants, Other			118,847
Classroom Site Fund			100,000
Total			218,847

6.C. Approve the FY 2022-23 Budget Revision #2 for Joseph City Schools

DISTRICT CONTACT INFORMATION

Superintendent
 Executive Assistant to Superintendent
 Chief Financial Officer
 Business Manager 1
 Business Manager 2
 Business Consultant
 School District Employee Report (SDER) Coordinator
 SPED Data Reporting Coordinator
 AzEDS/ADM Data Coordinator
 Transportation Data Reporting Coordinator
 CTE Coordinator
 Poverty Coordinator
 Assessments Coordinator
 Curriculum Coordinator
 Information Technology (IT) Director
 Bookstore Manager
 Governing Board Member
 Governing Board Member

Prefix	First Name	Last Name	Email Address	Telephone Number	Extension
	Bryan	Fields	bryanf@jcusd.org	928-288-3307	
	Julie	Strong	julies@jcusd.org	928-288-3307	
	Steven	Mills	stevenm@jcusd.org	928-288-3307	
	Steven	Mills	stevenm@jcusd.org	928-288-3307	
	Sarah	Jacobs	sarah.jacobs@hm.cpa	602-277-9449	324
	Stephanie	Farr	stephanief@jcusd.org	928-288-3307	
	Julie	Strong	julies@jcusd.org	928-288-3307	
	Julie	Mills	juliem@jcusd.org	928-288-3307	
	Deo	Diaz	deod@jcsud.org	928-288-3307	
	Dan	Bushman	francm@jcusd.org	928-288-3307	
	Bryan	Fields	bryanf@jcusd.org	928-288-3307	
	Bryan	Fields	bryanf@jcusd.org	928-288-3307	
	Bryan	Fields	bryanf@jcusd.org	928-288-3307	
	Jason	Gardner	jasong@jcusd.org	928-288-3307	
	Eldon	Larsen	eldon.larsen@aps.com	928-288-3307	
	Andrew	Bushman	andrew@bushmanconstruction	928-288-3307	
	Karsten	Flake	jchswoodsman@yahoo.com	928-288-3307	
	Dayton	Flake	dayton_flake@yahoo.com	928-288-3307	
	Cat	Hansen	cath@jcusd.org	928-288-3307	

SELECT from Dropdown

Student Information Systems (SIS) Vendor

Accounting Information System

Bookstore Cash Receipting System

District's website home page address

FUND 001 (M&O)

MAINTENANCE AND OPERATION (M&O) FUND

Expenditures		FTE		Salaries 6100	Employee Benefits 6200	Purchased Services 6300, 6400, 6500	Supplies 6600	Other 6800	Totals		% Increase/ Decrease
		Prior FY	Budget FY						Prior FY 2022	Budget FY 2023	
100 Regular Education											
1000 Instruction	1.	22.00	22.00	1,891,505	393,180	29,175	21,639	5,300	2,097,744	2,340,799	11.6%
2000 Support Services											
2100 Students	2.	1.50	1.50	146,804	46,982	3,606	5,091	562	198,700	203,045	2.2%
2200 Instructional Staff	3.	2.50	2.50	141,302	42,044	4,666	3,314	1,493	189,500	192,819	1.8%
2300 General Administration	4.	1.80	1.80	84,727	41,332	33,279	54	5,125	167,100	164,517	-1.5%
2400 School Administration	5.	1.75	1.75	152,649	41,148	27,834	9,637	607	227,200	231,875	2.1%
2500 Central Services	6.	3.50	3.50	213,677	53,300	31,516	7,049	27,961	329,800	333,503	1.1%
2600 Operation & Maintenance of Plant	7.	8.00	8.00	337,985	94,713	372,743	357,295	5,921	1,125,043	1,168,657	3.9%
2900 Other	8.	0.00	0.00	0	0	0	0	0	0	0	0.0%
3000 Operation of Noninstructional Services	9.	0.25	0.25	8,413	1,129	0	1,229	0	11,000	10,771	-2.1%
610 School-Sponsored Cocurricular Activities	10.	0.00	0.00	24,524	4,369	1,744	88	3,340	33,800	34,065	0.8%
620 School-Sponsored Athletics	11.	0.00	0.00	103,097	19,207	44,551	13,717	18,741	205,500	199,313	-3.0%
630 Other Instructional Programs	12.	0.00	0.00	0	0	0	0	0	0	0	0.0%
700, 800, 900 Other Programs	13.	0.00	0.00	15,475	811	0	0	0	14,600	16,286	11.5%
Regular Education Subsection Subtotal (lines 1-13)	14.	41.30	41.30	3,120,158	738,215	549,114	419,113	69,050	4,599,987	4,895,650	6.4%
200 and 300 Special Education											
1000 Instruction	15.	7.70	7.70	313,667	89,451		3,111		372,594	406,229	9.0%
2000 Support Services											
2100 Students	16.	0.36	0.36	80,665	32,468	133,084	1,797	2,585	225,400	250,599	11.2%
2200 Instructional Staff	17.	0.10	0.10	16,133	2,902	2,289	60	385	86,800	21,769	-74.9%
2300 General Administration	18.	0.00	0.00						0	0	0.0%
2400 School Administration	19.	0.00	0.00						0	0	0.0%
2500 Central Services	20.	0.00	0.00			6,116	81		0	6,197	--
2600 Operation & Maintenance of Plant	21.	0.00	0.00						0	0	0.0%
2900 Other	22.	0.00	0.00						0	0	0.0%
3000 Operation of Noninstructional Services	23.	0.00	0.00						0	0	0.0%
Subtotal (lines 15-23)	24.	8.16	8.16	410,465	124,821	141,489	5,049	2,970	684,794	684,794	0.0%
400 Pupil Transportation	25.	3.52	3.52	143,078	42,077	81,787	79,972	0	345,000	346,914	0.6%
510 Desegregation (from Districtwide Desegregation Budget, page 2, line 44)	26.	0.00	0.00	0	0	0	0	0	0	0	0.0%
530 Dropout Prevention Programs	27.	0.00	0.00						0	0	0.0%
540 Joint Career and Technical Education and Vocational Education Center	28.	0.00	0.00	0	0	0	0	0	0	0	0.0%
550 K-3 Reading Program	29.	0.33	0.33	26,900					26,900	26,900	0.0%
Total Expenditures (lines 14, and 24-29) (Cannot exceed page 7, line 11)	30.	53.31	53.31	3,700,601	905,113	772,390	504,134	72,020	5,656,681	5,954,258	5.3%

The district has budgeted an amount in the M&O Fund equal to the General Budget Limit as calculated on page 7 of 8.

SPECIAL EDUCATION PROGRAMS BY TYPE (M&O Fund Programs 200 and 300)

(A.R.S. §§ 15-761 and 15-903)

	Prior FY	Budget FY	
1. Total All Disability Classifications	599,794	599,794	1.
2. Gifted Education	0		2.
3. Remedial Education	0		3.
4. ELL Incremental Costs	0		4.
5. ELL Compensatory Instruction	0		5.
6. Vocational and Technical Education (non-CTED)	0		6.
7. Career Education (non-CTED)	0		7.
8. Career Technical Education (CTED)	85,000	85,000	8.
9. Total (lines 1 through 8. Must equal total of line 24, page 1)	684,794	684,794	9.
10. IEP required pupil transportation costs coded within Program 400	0	0	10.

Proposed Ratios for Special Education

(A.R.S. §§15-903.E.1 and 15-764.A.5)

Teacher-Pupil 1 to 22
 Staff-Pupil 1 to 17

Estimated FTE Certified Employees

(A.R.S. §15-903.E.2)

	Prior FY	Budget FY
Number of FTE - Certified Employees	33.50	33.50
Number of FTE - Certified Purchased Services Personnel		1.50

Expenditures Budgeted for Audit Services

M&O Fund - Nonfederal	6350	27500
All Funds - Federal	6330	

FY 2023 Performance Pay (A.R.S. §15-920)

Amount Budgeted in M&O Fund for a Performance Pay Component _____

Do not report budgeted amounts for the Performance Pay Component of the Classroom Site Fund on this line.

Expenditures Budgeted in the M&O Fund for Food Service

Amount budgeted in M&O for Food Service (Fund 001, Function 3100) \$ 8,500
 (This amount will be used to determine district compliance with state matching requirements pursuant to Code of Federal Regulations (CFR) Title 7, §210.17(a))

FUND 010 (CSF)

CLASSROOM SITE FUND (CSF) AND CSF BUDGET LIMIT (A.R.S. §§ 15-977 and 15-978)

Expenditures		Salaries 6100	Employee Benefits 6200	Purchased Services 6300, 6400, 6500	Supplies 6600	Property 6700	Debt Service and Miscellaneous 6800	Totals		% Increase/ Decrease
								Prior FY 2022	Budget FY 2023	
1000 Instruction	1.	823,873	151,378					729,820	975,251	33.6%
2100 Support Services - Students	2.	8,264	1,658					0	9,922	--
2200 Support Services - Instructional Staff	3.							0	0	0.0%
2300 Support Services - General Administration	4.							0	0	0.0%
2500 Central Services	5.							0	0	0.0%
3300 Community Services Operations	6.							0	0	0.0%
4000 Facilities Acquisition and Construction	7.							0	0	0.0%
5000 Debt Service	8.							0	0	0.0%
Total Expenditures (lines 1-8)	9.	832,137	153,036	0	0	0	0	729,820	985,173	35.0%

The district has budgeted an amount in Fund 010 equal to the Classroom Site Fund Budget Limit as calculated below.

Classroom Site Fund Budget Limit Calculation

FY 2022 Classroom Site Fund Budget Limit (from FY 2022 latest revised Budget, page 3, line 16)	10.	729,820
FY 2022 Actual Expenditures (For budget adoption use actual expenditures to date plus estimated expenditures through fiscal year-end.)	11.	185170
Unexpended Budget Balance (line 10 minus 11)	12.	544,650
Interest Earned in the Classroom Site Fund in FY 2022	13.	1208
FY 2023 Classroom Site Fund Allocation (provided by ADE, based on \$708)	14.	439315
Adjustments to FY 2023 Classroom Site Fund Budget Limit (1)	15.	
FY 2023 Classroom Site Fund Budget Limit (Sum of lines 10 through 15) (2)	16.	985173

(1) This line may be used to recapture lost CSF budget capacity that resulted from underbudgeting in prior fiscal years.

(2) The amounts budgeted on line 7 cannot exceed the respective amounts on this line.

FUND 610 (UCO)

UNRESTRICTED CAPITAL OUTLAY (UCO) FUND

Expenditures	Rentals 6440	Library Books, Textbooks, & Instructional Aids (2) 6641-6643	Property (2) 6700	Redemption of Principal (3) 6831, 6832, 6833	Interest (4) 6841, 6842, 6843, 6850	All Other Object Codes (excluding 6900)	Totals		% Increase/ Decrease	
							Prior FY 2022	Budget FY 2023		
Unrestricted Capital Outlay Override (1)	1.						0	0	0.0%	1.
Unrestricted Capital Outlay Fund 610 (6)	2.						166,719	202,939	21.7%	2.
1000 Instruction		198,429	4,510							
2000 Support Services										
2100, 2200 Students and Instructional Staff	3.	10,000	16,045				21,000	26,045	24.0%	3.
2300, 2400, 2500, 2900 Administration	4.		57,852				15,000	57,852	285.7%	4.
2600 Operation & Maintenance of Plant	5.		20,584				20,000	20,584	2.9%	5.
2700 Student Transportation	6.		46,673				30,000	46,673	55.6%	6.
3000 Operation of Noninstructional Services (5)	7.						0	0	0.0%	7.
4000 Facilities Acquisition and Construction	8.						0	0	0.0%	8.
5000 Debt Service	9.			128,378	32,133		148,120	160,511	8.4%	9.
Total Unrestricted Capital Outlay Fund (lines 2-9)	10.	0	208,429	145,664	128,378	32,133	400,839	514,604	28.4%	10.

The district has budgeted an amount in the UCO Fund equal to the Unrestricted Capital Budget Limit as calculated on Page 8 of 8.

(1) Amounts in the Unrestricted Capital Outlay Override line 1 above must be included in the appropriate individual line items for Fund 610 and in the Budget Year Total Column.

(5) Expenditures Budgeted in Unrestricted Capital Outlay (UCO) Fund for Food Service

Enter the amount budgeted in UCO for Food Service [Amount will be used to determine district compliance with state matching requirements pursuant to CFR Title 7, §210.17(a)]

(2) Detail by object code:

	Unrestricted Capital Outlay
6641 Library Books	\$ 10,000
6642 Textbooks	16,150
6643 Instructional Aids	182,279
673X Furniture and Equipment	33,180
673X Vehicles	53,493
673X Tech Hardware & Software	58,991

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

(3) Includes principal on Capital Equity Fund loans of _____, principal on capital leases of \$ 128,378, and principal on bonds of _____.

(4) Includes interest on Capital Equity Fund loans of _____, interest on capital leases of \$ 32,133, and interest on bonds of _____.

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

Expenditures	UNRESTRICTED CAPITAL OUTLAY		BOND BUILDING		NEW SCHOOL FACILITIES		ADJACENT WAYS		
	Fund 610		Fund 630		Fund 695		Fund 620 (2)		
	Prior FY	Budget FY	Prior FY	Budget FY	Prior FY	Budget FY	Prior FY	Budget FY	
Total Fund Expenditures	1.	400,839	514,604	0		0		75,000	1.
Select Object Codes Detail (1)									
6150 Classified Salaries	2.	0		0		0		20,000	2.
6200 Employee Benefits	3.	0		0		0		10,000	3.
6450 Construction Services	4.	0		0		0		0	4.
6710 Land and Improvements	5.	0		0		0		45,000	5.
6720 Buildings and Improvements	6.	0		0		0		0	6.
673X Furniture and Equipment	7.	38,000	33,180	0		0		0	7.
673X Vehicles	8.	35,719	53,493	0		0		0	8.
673X Technology Hardware & Software	9.	16,000	58,991	0		0		0	9.
6831, 6832, 6833 Redemption of Principal	10.	111,842	128,378	0		0		0	10.
6841, 6842, 6843, 6850, 6860 Interest and Debt-Issuance Costs	11.	36,278	32,133	0		0		0	11.
Total (lines 2-11)	12.	237,839	306,175	0	0	0	0	75,000	0
Total amounts reported on lines 2-11 above for:									
Renovation	13.	0	0	0				0	13.
New Construction	14.	0	0	0		0		0	14.
Other	15.	237,839	306,175	0		0		75,000	15.
Total (lines 13-15, must equal line 12)	16.	237,839	306,175	0	0	0	0	75,000	0

(1) Lines 2-11 may not include all budgeted expenditures of the fund. Total budgeted expenditures for each fund should be included on Line 1.

(2) Amount budgeted on line 1 for the Adjacent Ways Fund that will result in a tax levy in FY 2023 \$ -

SPECIAL PROJECTS

FEDERAL PROJECTS FTE & EXPENDITURES

	FTE		TOTAL ALL FUNCTIONS	
	Prior FY	Budget FY	Prior FY	Budget FY
1. 100-130 ESEA Title I - Helping Disadvantaged Children	2.50	2.50	260,000	180,000
2. 140-150 ESEA Title II - Prof. Dev. and Technology	0.20	0.20	40,000	40,000
3. 160 ESEA Title IV - 21st Century Schools	0.00	0.00	10,000	1,000
4. 170-180 ESEA Title V - Promote Informed Parent Choice	0.00	0.00	0	0
5. 190 ESEA Title III - Limited Eng. & Immigrant Students	0.00	0.00	0	0
6. 200 ESEA Title VII - Indian Education	0.00	0.00	15,000	0
7. 210 ESEA Title VI - Flexibility and Accountability	0.00	0.00	0	0
8. 220 IDEA Part B	1.80	1.80	175,000	230,000
9. 230 Johnson-O'Malley	0.00	0.00	4,500	4,500
10. 240 Workforce Investment Act	0.00	0.00	0	0
11. 250 AEA - Adult Education	0.00	0.00	0	0
12. 260-270 Vocational Education - Basic Grants	0.00	0.00	16,000	16,000
13. 280 ESEA Title X - Homeless Education	0.00	0.00	0	0
14. 290 Medicaid Reimbursement	0.00	0.00	25,000	60,000
15. 374 E-Rate	0.00	0.00	2,000	75,000
16. 378 Impact Aid	0.00	0.00	0	0
17. 300-399 Other Federal Projects (Besides E-Rate & Impact Aid)	0.00	0.00	1,300,000	1,400,000
18. Total Federal Project Funds (lines 1-17)	4.50	4.50	1,847,500	2,006,500

STATE PROJECTS FTE & EXPENDITURES

	Prior FY	Budget FY	Prior FY	Budget FY
19. 400 Vocational Education	0.25	0.25	10,000	5,000
20. 410 Early Childhood Block Grant	0.00	0.00	0	0
21. 420 Ext. School Yr. - Pupils with Disabilities	0.00	0.00	0	0
22. 425 Adult Basic Education	0.00	0.00	0	0
23. 430 Chemical Abuse Prevention Programs	0.00	0.00	0	0
24. 435 Academic Contests	0.00	0.00	0	0
25. 450 Gifted Education	0.00	0.00	0	0
26. 456 College Credit Exam Incentives	0.00	0.00	0	0
27. 457 Results-based Funding	0.00	0.00	0	0
28. 460 Environmental Special Plate	0.00	0.00	0	0
29. 465-499 Other State Projects	1.00	1.00	150,000	60,000
30. Total State Project Funds (lines 19-29)	1.25	1.25	160,000	65,000
31. Total Special Projects (lines 18 and 30)	5.75	5.75	2,007,500	2,071,500

INSTRUCTIONAL IMPROVEMENT FUND EXPENDITURES (020)

	Prior FY	Budget FY
1. Teacher Compensation Increases	25,000	90,000
2. Class Size Reduction	0	0
3. Dropout Prevention Programs (M&O purposes)	0	0
4. Instructional Improvement Programs (M&O purposes)	0	0
5. Total Instructional Improvement Fund (lines 1-4)	25,000	90,000

OTHER FUNDS EXPENDITURES

1. 050 County, City, and Town Grants	1.
2. 071 English Language Learner (1)	2.
3. 072 Compensatory Instruction (1)	3.
4. 500 School Plant (2)	4.
5. 510 Food Service	5.
6. 515 Civic Center	6.
7. 520 Community School	7.
8. 525 Auxiliary Operations	8.
9. 526 Extracurricular Activities Fees Tax Credit	9.
10. 530 Gifts and Donations	10.
11. 535 Career & Technical Education Projects	11.
12. 540 Fingerprint	12.
13. 545 School Opening	13.
14. 550 Insurance Proceeds	14.
15. 555 Textbooks	15.
16. 565 Litigation Recovery	16.
17. 570 Indirect Costs	17.
18. 575 Unemployment Insurance	18.
19. 580 Teacherage	19.
20. 585 Insurance Refund	20.
21. 590 Grants and Gifts to Teachers	21.
22. 595 Advertisement	22.
23. 596 Career Technical Education	23.
24. 597 Arizona Industry Credentials Incentive	24.
25. 639 Impact Aid Revenue Bond Building	25.
26. 650 Gifts and Donations-Capital	26.
27. 660 Condemnation	27.
28. 665 Energy and Water Savings	28.
29. 686 Emergency Deficiencies Correction	29.
30. 691 Building Renewal Grant	30.
31. 700 Debt Service	31.
32. 720 Impact Aid Revenue Bond Debt Service	32.
33. 850 Student Activities	33.
34. Other	34.

INTERNAL SERVICE FUNDS 950-989

1. 9__ Self-Insurance	1.
2. 955 Intergovernmental Agreements	2.
3. 9__ OPEB	3.
4. 9__ _____	4.

	Prior FY	Budget FY	
	0	0	1.
	0	0	2.
	0	0	3.
	5,000	40,000	4.
	300,000	300,000	5.
	10,000	60,000	6.
	12,000	15,000	7.
	115,000	125,000	8.
	20,000	50,000	9.
	500,000	550,000	10.
	5,000	15,000	11.
	0	0	12.
	0	0	13.
	60,000	60,000	14.
	500	1,000	15.
	35,000	35,000	16.
	40,000	75,000	17.
	0	0	18.
	0	0	19.
	10,000	10,000	20.
	0	0	21.
	0	0	22.
	45,000	150,000	23.
	0	0	24.
	0	0	25.
	0	0	26.
	0	0	27.
	130,985	48,000	28.
	140,000	90,000	29.
	1,600,000	2,000,000	30.
	0	1,000	31.
	0	0	32.
	60,000	60,000	33.
	0	0	34.

- (1) From Supplement, line 10 and line 20, respectively.
- (2) Indicate amount budgeted in Fund 500 for M&O purposes

**CALCULATION OF FY 2023 GENERAL BUDGET LIMIT
(A.R.S. §15-947.C)**

		<u>A.</u>	<u>B.</u>
		<u>Maintenance</u>	<u>Unrestricted</u>
		<u>and Operation</u>	<u>Capital Outlay</u>
*1. FY 2023 Revenue Control Limit (RCL) (from BSA55 tab, page 3)	\$ 4,423,578	\$ 4,348,578	\$ 75,000
*2. (a) FY 2023 District Additional Assistance (DAA) (from BSA55 tab, page 4)	\$ 278,037		
(b) DAA Adjustment (from BSA55 tab, page 4)	\$ 0		
(c) Total DAA (line 2.a plus 2.b)	\$ 278,037		278,037
*3. FY 2023 Override Authorization (A.R.S. §§15-481 and 15-482 or 15-949 if small school adjustment phase down applies, see Calculations page, Calculation of Maximum Override for a District No Longer Eligible for a Small School Adjustment, line 6 and Calculation of Small School Adjustment Phase Down Limit, line 6)			
(a) Maintenance and Operation		684,037	
(b) Unrestricted Capital Outlay			
(c) Special Program			
*4. Small School Adjustment for Districts with a Student Count of 125 or less in K-8 or 100 or less in 9-12 (A.R.S. §15-949) (Up to \$50,000 if no election is chosen for phase down, see Calculations page, Calculation of Small School Adjustment Phase Down Limit, line 6)			
*5. Tuition Revenue (A.R.S. §§15-823 and 15-824) Local (Do not include full-day kindergarten or summer school tuition)			
(a) Individuals and Other Private Sources			
(b) Other Arizona Districts			
(c) Out-of-State Districts and Other Governments			
State			
(d) Certificates of Educational Convenience (A.R.S. §§15-825, 15-825.01, and 15-825.02)			
*6. State Assistance (A.R.S. §15-976) and Special Ed. Voucher Payments Received (A.R.S. §15-1204)			
*7. Increase Authorized by County School Superintendent for Accommodation Schools [not to exceed amount on Calculations page, Calculation of M&O Fund Budget Balance Carryforward, line 15(e)] (A.R.S. §15-974.B)			
8. Budget Increase for:			
(a) Desegregation Expenditures (A.R.S. §15-910.G-K)			
* (b) Tuition Out Debt Service (from Calculations page, Calculation of Tuition Out for High School Students, line 5) (A.R.S. §15-910.M)		0	
* (c) Budget Balance Carryforward (from Calculations page, Calculation of M&O Fund Budget Balance Carryforward, line 13) (A.R.S. §15-943.01)		886,728	
(d) Dropout Prevention Programs (Laws 1992, Ch. 305, §32 and Laws 2000, Ch. 398, §2)			
(e) Registered Warrant or Tax Anticipation Note Interest Expense Incurred in FY 2021 (A.R.S. §15-910.N)			
* (f) Joint Career and Technical Education and Vocational Education Center (A.R.S. §15-910.01)			
* (g) FY 2022 Performance Pay Unexpended Budget Carryforward (from Calculation page, Calculation of M&O Fund Budget Balance Carryforward, line 10.f) (A.R.S. §15-920)		0	
(h) Excessive Property Tax Assessed Valuation Judgments (A.R.S. §§42-16213 and 42-16214)			
* (i) Transportation Revenues for Attendance of Nonresident Pupils (A.R.S. §§15-923 and 15-947)			
*9. Adjustment to the General Budget Limit (A.R.S. §§15-272, 15-905.M, 15-910.02, and 15-915) Include year(s) and descriptions, as applicable.			
(a) Prior Year Over Expenditures/Resolutions:			
(b) Decrease for Transfer from M&O to Energy and Water Savings Fund			
(c) Increase for Energy and Water Savings Fund Transfer to M&O			
(d) Noncompliance Adjustment			
(e) ADM/Transportation Audit Adjustment			
(f) Other:			
*10. Estimated Allocation of Additional Funding (2016 Prop 123 & Laws 2015, 1st S.S., Ch. 1, §6)		34,915	
11. FY 2023 General Budget Limit (column A, lines 1 through 10) (A.R.S. §15-905.F) (page 1, line 30 cannot exceed this amount)		\$ 5,954,258	
12. Total Amount to be Used for Capital Expenditures (column B, lines 1 through 10) (A.R.S. §15-905.F) (to page 8, line 11)			\$ 353,037

* Subject to adjustment prior to May 15 as allowed by A.R.S. Revisions are described in the instructions for these lines, as needed.

**CALCULATION OF FY 2023 UNRESTRICTED CAPITAL BUDGET LIMIT
(A.R.S. §15-947.D)**

UNRESTRICTED CAPITAL BUDGET LIMIT

1.	FY 2022 Unrestricted Capital Budget Limit (UCBL) (from FY 2022 latest revised Budget, page 8, line 12)	\$	<u>400,839</u>
2.	Total UCBL Adjustment for prior years as notified by ADE on BUDG75 report (For budget adoption, use zero.)	\$	<u>(115)</u>
3.	Adjusted Amount Available for FY 2022 Capital Expenditures (line 1 + 2)	\$	<u>400,724</u>
4.	Amount Budgeted in Fund 610 in FY 2022 (from FY 2022 latest revised Budget, page 4, line 10)	\$	<u>400,839</u>
5.	Lesser of line 3 or the sum of line 4 and any positive adjustment on line 2	\$	<u>400,724</u>
6.	FY 2022 Fund 610 Actual Expenditures (For budget adoption use actual expenditures to date plus estimated expenditures through fiscal year-end.)	\$	<u>239,157</u>
7.	Unexpended Budget Balance in Fund 610 (line 5 minus 6) If negative, use zero in calculation, but show negative amount here in parentheses.	\$	<u>161,567</u>
8.	Interest Earned in Fund 610 in FY 2022	\$	<u></u>
9.	Monies deposited in Fund 610 from Division of School Facilities for donated land (A.R.S. §41-5741.F)	\$	<u></u>
10.	Adjustment to UCBL for FY 2023 (A.R.S. §15-905.M) Include year(s) and descriptions, as applicable.		
	(a) Prior Year Over Expenditures/Resolutions:	\$	<u></u>
	_____	\$	<u></u>
	(b) ADM/Transportation Audit Adjustment	\$	<u></u>
	(c) Other:	\$	<u></u>
	_____	\$	<u></u>
11.	Amount to be Used for Capital Expenditures (from page 7, line 12)	\$	<u>353,037</u>
12.	FY 2023 Unrestricted Capital Budget Limit (lines 7 through 11) (1)	\$	<u><u>514,604</u></u>

(1) The amount budgeted on page 4, line 10 cannot exceed this amount.

SUPPLEMENT TO SCHOOL DISTRICT ANNUAL EXPENDITURE BUDGET FOR DISTRICTS THAT BUDGET FOR ENGLISH LANGUAGE LEARNERS (A.R.S. §§15-756.04 and 15-756.11)

English Language Learners Supplement	FTE		Salaries	Employee Benefits	Purchased Services 6300, 6400, 6500	Supplies	Property	Other	Totals		% Increase/ Decrease
	Prior FY	Budget FY							Prior FY 2022	Budget FY 2023	
Expenditures			6100	6200		6600	6700	6800			
English Language Learner Fund 071 (A.R.S. §15-756.04)											
1000 Instruction	1.	0.00							0	0	0.0%
2000 Support Services											
2100 Students	2.	0.00							0	0	0.0%
2200 Instructional Staff	3.	0.00							0	0	0.0%
2300 General Administration	4.	0.00							0	0	0.0%
2400 School Administration	5.	0.00							0	0	0.0%
2500 Central Services	6.	0.00							0	0	0.0%
2600 Operation & Maintenance of Plant	7.	0.00							0	0	0.0%
2700 Student Transportation	8.	0.00							0	0	0.0%
2900 Other	9.	0.00							0	0	0.0%
Total (lines 1-9) (to Budget, page 6, Other Funds, line 2)	10.	0.00	0.00	0	0	0	0	0	0	0	0.0%
Compensatory Instruction Fund 072 (A.R.S. §15-756.11)											
1000 Instruction	11.	0.00							0	0	0.0%
2000 Support Services											
2100 Students	12.	0.00							0	0	0.0%
2200 Instructional Staff	13.	0.00							0	0	0.0%
2300 General Administration	14.	0.00							0	0	0.0%
2400 School Administration	15.	0.00							0	0	0.0%
2500 Central Services	16.	0.00							0	0	0.0%
2600 Operation & Maintenance of Plant	17.	0.00							0	0	0.0%
2700 Student Transportation	18.	0.00							0	0	0.0%
2900 Other	19.	0.00							0	0	0.0%
Total (lines 11-19) (to Budget, page 6, Other Funds, line 3)	20.	0.00	0.00	0	0	0	0	0	0	0	0.0%

I certify that the Budget of Joseph City Unified School District, Navajo County for fiscal year 2023 was officially revised by the Governing Board on, May 9, 2023, and that the complete Revised Expenditure Budget may be reviewed by contacting Steven Mills at the District Office, telephone 928-288-3307 during normal business hours.

President of the Governing Board

1. Average Daily Membership:		Prior Year	Budget Year	4. Average Teacher Salaries (A.R.S. §15-903.E)	
	2021 ADM	2022 ADM	2023 ADM	1. Average salary of all teachers employed in FY 2023 (budget year)	56,582
Attending	422,1400	428,1435	410,6312	2. Average salary of all teachers employed in FY 2022 (prior year)	54,473
				3. Increase in average teacher salary from the prior year	2,109
				4. Percentage increase	4%
2. Tax Rates:		Prior FY	Est. Budget FY	Comments on average salary calculation (Optional): FY23 Average Teacher Pay is an estimate and will be finalized once the Board determines final pay.	
Primary Rate (equalization formula funding and budget add-ons not required to be in secondary rate)		3.3590	4.0308		
Secondary Rate (voter-approved overrides, bonds, and Career Technical Education Districts, and desegregation, if applicable)		0.5224	0.6268		
3. Budgeted Expenditures and Budget Limits:		Budgeted Expenditures	Budget Limit		
Maintenance & Operation Fund		5,954,258	5,954,258		
Classroom Site Fund		985,173	985,173		
Unrestricted Capital Outlay Fund		514,604	514,604		

	MAINTENANCE AND OPERATION EXPENDITURES						% Inc./(Decr.) from Prior FY
	Salaries and Benefits		Other		TOTAL		
	Prior FY	Budget FY	Prior FY	Budget FY	Prior FY	Budget FY	
100 Regular Education							
1000 Instruction	2,046,744	2,284,685	51,000	56,114	2,097,744	2,340,799	11.6%
2000 Support Services							
2100 Students	188,000	193,786	10,700	9,259	198,700	203,045	2.2%
2200 Instructional Staff	178,000	183,346	11,500	9,473	189,500	192,819	1.8%
2300, 2400, 2500 Administration	569,000	586,833	155,100	143,062	724,100	729,895	0.8%
2600 Oper./Maint. of Plant	418,000	432,698	707,043	735,959	1,125,043	1,168,657	3.9%
2900 Other	0	0	0	0	0	0	0.0%
3000 Oper. of Noninstructional Services	11,000	9,542	0	1,229	11,000	10,771	-2.1%
610 School-Sponsored Curric. Activities	27,600	28,893	6,200	5,172	33,800	34,065	0.8%
620 School-Sponsored Athletics	137,000	122,304	68,500	77,009	205,500	199,313	-3.0%
630, 700, 800, 900 Other Programs	14,600	16,286	0	0	14,600	16,286	11.5%
Regular Education Subsection Subtotal	3,589,944	3,858,373	1,010,043	1,037,277	4,599,987	4,895,650	6.4%
200 and 300 Special Education							
1000 Instruction	369,644	403,118	2,950	3,111	372,594	406,229	9.0%
2000 Support Services							
2100 Students	80,400	113,133	145,000	137,466	225,400	250,599	11.2%
2200 Instructional Staff	80,400	19,035	6,400	2,734	86,800	21,769	-74.9%
2300, 2400, 2500 Administration	0	0	0	6,197	0	6,197	--
2600 Oper./Maint. of Plant	0	0	0	0	0	0	0.0%
2900 Other	0	0	0	0	0	0	0.0%
3000 Oper. of Noninstructional Services	0	0	0	0	0	0	0.0%
Special Education Subsection Subtotal	530,444	535,286	154,350	149,508	684,794	684,794	0.0%
400 Pupil Transportation	189,000	185,155	156,000	161,759	345,000	346,914	0.6%
510 Desegregation	0	0	0	0	0	0	0.0%
530 Dropout Prevention Programs	0	0	0	0	0	0	0.0%
540 Joint Career and Technical Education and Vocational Education Center	0	0	0	0	0	0	0.0%
550 K-3 Reading Program	26,900	26,900	0	0	26,900	26,900	0.0%
TOTAL EXPENDITURES	4,336,288	4,605,714	1,320,393	1,348,544	5,656,681	5,954,258	5.3%

SUMMARY OF SCHOOL DISTRICT REVISED EXPENDITURE BUDGET (Concl'd)

CTD NUMBER 090202000

VERSION Revised #2

TOTAL EXPENDITURES BY FUND				
Fund	Budgeted Expenditures		\$ Increase/(Decrease) from Prior FY	% Increase/(Decrease) from Prior FY
	Prior FY	Budget FY		
Maintenance & Operation	5,656,681	5,954,258	297,577	5.3%
Instructional Improvement	25,000	90,000	65,000	260.0%
English Language Learner	0	0	0	0.0%
Compensatory Instruction	0	0	0	0.0%
Classroom Site	729,820	985,173	255,353	35.0%
Federal Projects	1,847,500	2,006,500	159,000	8.6%
State Projects	160,000	65,000	(95,000)	-59.4%
Unrestricted Capital Outlay	400,839	514,604	113,765	28.4%
New School Facilities	0	0	0	0.0%
Adjacent Ways	75,000	0	(75,000)	-100.0%
Debt Service	0	1,000	1,000	--
School Plant Fund	5,000	40,000	35,000	700.0%
Auxiliary Operations	115,000	125,000	10,000	8.7%
Bond Building	0	0	0	0.0%
Food Service	300,000	300,000	0	0.0%
Other	2,668,485	3,219,000	550,515	20.6%

M&O FUND SPECIAL EDUCATION PROGRAMS BY TYPE		
Program (A.R.S. §§15-761 and 15-903)	Prior FY	Budget FY
Total All Disability Classifications	599,794	599,794
Gifted Education	0	0
Remedial Education	0	0
ELL Incremental Costs	0	0
ELL Compensatory Instruction	0	0
Vocational and Technical Education (non-CTED)	0	0
Career Education (non-CTED)	0	0
Career Technical Education (CTED)	85,000	85,000
TOTAL	684,794	684,794

PROPOSED STAFFING SUMMARY				
Staff Type	Purchased Services Personnel FTE	Employee FTE	Total FTE	Staff-Pupil Ratio
Certified --				
Superintendent, Principals, Other Administrators		3	3	1 to 136.9
Teachers		30	30	1 to 13.7
Other	2	1	3	1 to 136.9
Subtotal	2	34	36	1 to 11.4
Classified --				
Managers, Supervisors, Directors		4	4	1 to 102.7
Teachers Aides		8	8	1 to 51.3
Other		16	16	1 to 25.7
Subtotal	0	28	28	1 to 14.7
TOTAL	2	62	64	1 to 6.4
Special Education --				
Teacher		3	3	1 to 22.0
Staff		4	4	1 to 16.5

6.D. Accept the Joseph City Unified School District Audit for the Fiscal Year 2021-22

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

ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2022



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**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
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JUNE 30, 2022**

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the District, as of year ended June 30, 2022, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Joseph City Unified School District No. 2's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2023, 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 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.

CWDL, Certified Public Accountants

Scottsdale, Arizona

March 27, 2023

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

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JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2022

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, 2022. 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, 2022, were as follows:

- As of June 30, 2022, the District's total net position was \$6.9 million. This is an increase of \$1.2 million, or 20.6 percent, from fiscal year 2020-21.
- General revenues of \$5.1 million accounted for 59.6 percent of all fiscal year 2021-22 revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions of \$3.4 million accounted for 40.4 percent of total fiscal year 2021-22 revenues.
- The District had \$7.3 million in expenses related to governmental activities; of which \$3.4 million of these expenses were offset by program specific charges for services, operating grants and contributions, and capital grants and contributions. General revenues of \$5.1 million provided resources for the remaining \$3.9 million of District costs. The excess between the general revenues and remaining District costs resulted in net position increasing \$1.2 million.
- The General Fund reported \$5.4 million in revenues and \$5.1 million in expenditures. The revenues consisted primarily of \$4.6 million in property taxes and \$755,008 in other local revenue. As a result of annual activity, the General Fund's fund balance increased \$385,060.
- The District's net capital assets increased \$924,176 as a result of activity throughout the year. For additional information regarding the capital assets, see financial statement note 5.
- The District made a \$31,827 principal payment on an outstanding financed purchase reducing the principal balance to \$33,222 as of June 30, 2022. For further information regarding leases, see financial statement note 10.
- The District made a \$95,015 principal payment on an outstanding guaranteed energy savings contract, reducing the principal balance to \$927,387 as of June 30, 2022. For further information regarding guaranteed energy savings contracts, see financial statement note 11.
- The District was awarded \$579,996 in ESSER II grant monies that can be expended through September 30, 2022; and \$1,297,790 in ESSER III grant monies that can be expended through September 30, 2023. The District spent \$579,996 from ESSER II Fund and \$249,880 from ESSER III Fund during fiscal years 2020-21 and 2021-22. Therefore, the unspent remaining amount was \$1,047,910 from ESSER III Fund, which can be used for subsequent fiscal years.

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2022**

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.

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 within governmental 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.

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2022**

OVERVIEW OF FINANCIAL STATEMENTS

Information is presented separately in the governmental fund *Balance Sheet* and in the governmental fund *Statement of Revenues, Expenditures, and Changes in Fund Balances* for all major funds. Data from the other non-major governmental funds are combined into a single, aggregated presentation.

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.

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2022**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table presents a comparison of the District's net position for the fiscal years ended June 30, 2022 and 2021.

	As of June 30, 2022	(As restated) As of June 30, 2021	Change	Percent Change
ASSETS				
Current and other assets	\$ 2,179,230	\$ 2,172,362	\$ 6,868	0.3 %
Capital assets	9,770,879	8,846,703	924,176	10.4 %
Total assets	<u>11,950,109</u>	<u>11,019,065</u>	<u>931,044</u>	<u>8.4 %</u>
DEFERRED OUTFLOWS OF RESOURCES				
	<u>833,414</u>	<u>798,277</u>	<u>35,137</u>	<u>4.4 %</u>
LIABILITIES				
Current liabilities	475,092	438,487	36,605	8.3 %
Noncurrent liabilities	4,117,132	5,430,744	(1,313,612)	(24.2)%
Total liabilities	<u>4,592,224</u>	<u>5,869,231</u>	<u>(1,277,007)</u>	<u>(21.8)%</u>
DEFERRED INFLOWS OF RESOURCES				
	<u>1,258,693</u>	<u>201,360</u>	<u>1,057,333</u>	<u>525.1 %</u>
NET POSITION				
Net investment in capital assets	8,810,270	7,759,252	1,051,018	13.5 %
Restricted	1,341,253	790,344	550,909	69.7 %
Unrestricted	(3,218,917)	(2,802,845)	(416,072)	(14.8)%
Total net position	<u>\$ 6,932,606</u>	<u>\$ 5,746,751</u>	<u>\$ 1,185,855</u>	<u>20.6 %</u>

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2022**

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 \$6.9 million as of June 30, 2022. The following represents significant information regarding changes and balances:

- The District's current and other assets increased \$6,868 primarily due to an increase in net other postemployment benefit assets.
- The District had \$1.6 million in additions to capital assets that were offset by depreciation expense of \$691,393, resulting in an overall net increase in capital assets of \$924,176.
- Current liabilities increased \$36,605 due to an increase in expenditures during the 60-day encumbrance period after year end as compared to the prior year.
- Noncurrent liabilities decreased \$1.3 million, deferred outflows of resources increased \$35,137, and deferred inflows of resources increased \$1.1 million 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, \$8.8 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, \$1.3 million of the District's net position represents resources that are subject to external restrictions. The remaining deficit balance of net position, \$3.2 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, 2022**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table presents a comparison of the changes in net position for the fiscal years ended June 30, 2022 and 2021.

	Fiscal Year Ended <u>June 30, 2022</u>	Fiscal Year Ended <u>June 30, 2021</u>	<u>Change</u>	<u>Percent Change</u>
Revenues:				
Program revenues:				
Charges for services	\$ 377,421	\$ 181,419	\$ 196,002	108.0 %
Operating grants and contributions	2,680,063	1,448,560	1,231,503	85.0 %
Capital grants and contributions	375,289	680,875	(305,586)	(44.9)%
General revenues:				
Taxes	4,919,793	4,937,502	(17,709)	(0.4)%
State aid	133,390	103,408	29,982	29.0 %
County aid	511	-	511	100.0 %
Payments in lieu of taxes	7,307	6,995	312	4.5 %
Investment income	3,880	6,343	(2,463)	(38.8)%
Miscellaneous	272	4,334	(4,062)	(93.7)%
Total revenues	<u>8,497,926</u>	<u>7,369,436</u>	<u>1,128,490</u>	<u>15.3 %</u>
Expenses:				
Instruction	3,004,551	2,707,328	297,223	11.0 %
Support services - students and staff	1,007,129	760,635	246,494	32.4 %
Support services - administration	889,169	749,608	139,561	18.6 %
Operation and maintenance of plant	1,598,941	1,438,072	160,869	11.2 %
Student transportation services	344,050	281,832	62,218	22.1 %
Operation of non-instructional services	429,204	315,309	113,895	36.1 %
Interest on long-term debt	39,027	43,420	(4,393)	(10.1)%
Total expenses	<u>7,312,071</u>	<u>6,296,204</u>	<u>1,015,867</u>	<u>16.1 %</u>
Change in net position	1,185,855	1,073,232	112,623	10.5 %
Beginning net position (restated)	<u>5,746,751</u>	<u>4,673,519</u>	<u>1,073,232</u>	<u>23.0 %</u>
Ending net position	<u>\$ 6,932,606</u>	<u>\$ 5,746,751</u>	<u>\$ 1,185,855</u>	<u>20.6 %</u>

Net position increased \$1.2 million; the following represents significant information regarding changes:

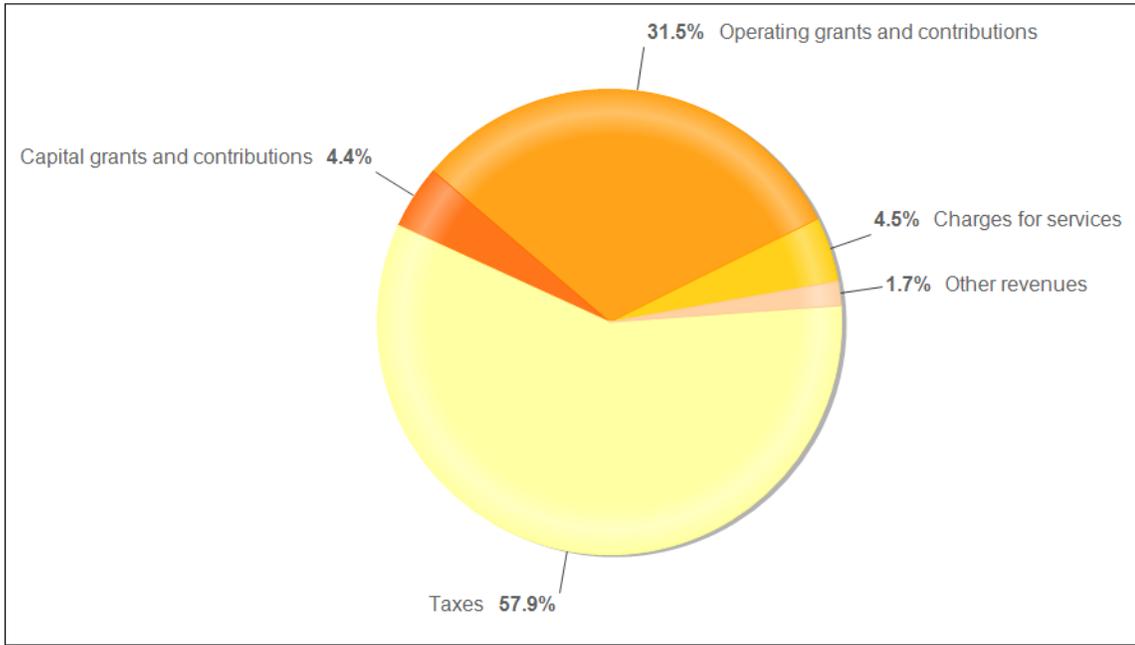
- Revenues increased \$1.1 million primarily due to an increase in operating grants and contributions.
- Expenses increased \$1.0 million primarily due to increases in expenses for instruction and support service - student and staff.

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2022**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

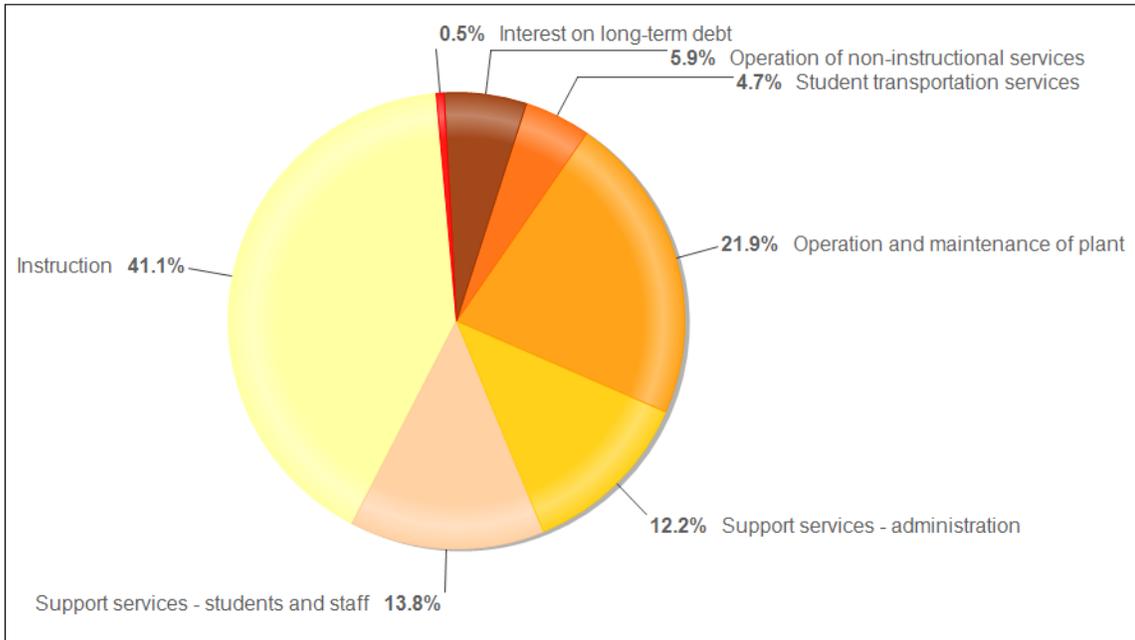
District-Wide Revenues

FY 2021-22



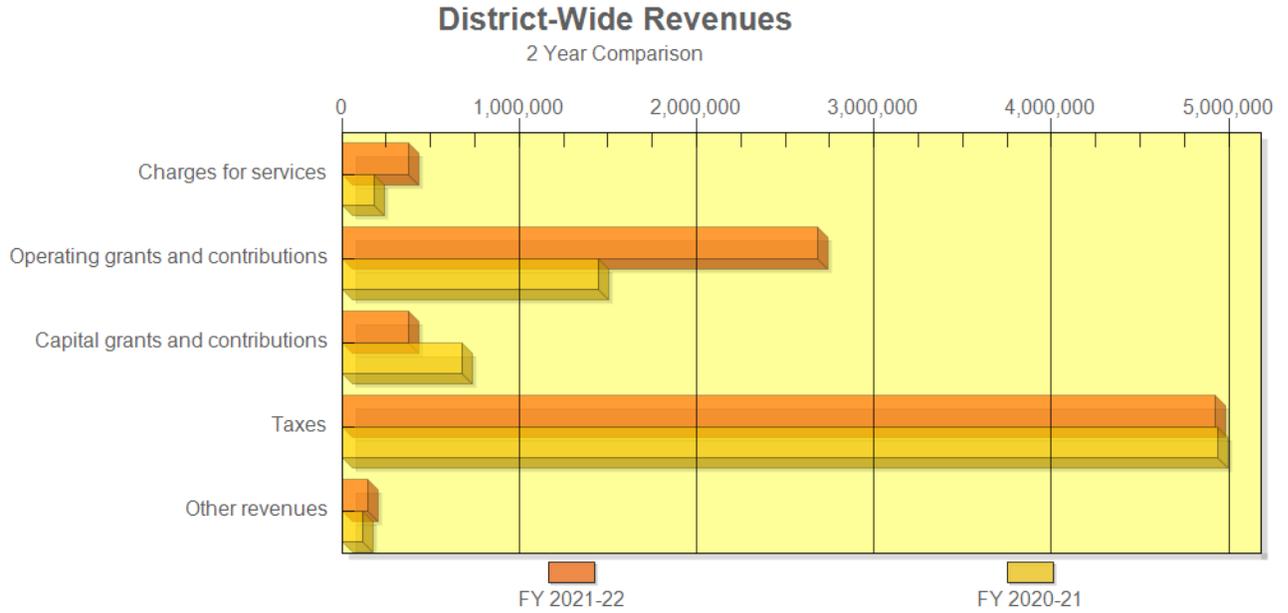
District-Wide Expenses

FY 2021-22



**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2022**

GOVERNMENT-WIDE FINANCIAL ANALYSIS



**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2022**

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, 2022 and 2021.

<u>Expense Function</u>	Net (Expense) Revenue <u>June 30, 2022</u>	Net (Expense) Revenue <u>June 30, 2021</u>	<u>Change</u>	Percent <u>Change</u>
Instruction	\$ (1,554,537)	\$ (1,824,392)	\$ 269,855	14.8 %
Support services - students and staff	(614,233)	(534,793)	(79,440)	(14.9)%
Support services - administration	(669,620)	(659,298)	(10,322)	(1.6)%
Operation and maintenance of plant	(1,093,623)	(684,754)	(408,869)	(59.7)%
Student transportation services	(182,641)	(281,832)	99,191	35.2 %
Operation of non-instructional services	274,383	43,139	231,244	536.0 %
Interest on long-term debt	(39,027)	(43,420)	4,393	10.1 %
Total	<u>\$ (3,879,298)</u>	<u>\$ (3,985,350)</u>	<u>\$ 106,052</u>	<u>2.7 %</u>

The net cost of services decreased \$106,052, or 2.7 percent, due to overall expenses increasing \$1.0 million while program revenues increased \$1.1 million. The following represents significant information regarding changes and balances:

- Program revenues of \$3.4 million subsidized the government-wide expenses.
- The remaining net costs of governmental activities of \$3.9 million were financed through general revenues.

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2022**

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, 2022 and 2021.

<u>Fund</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>Change</u>	<u>Percent Change</u>
General Fund	\$ 1,259,527	\$ 874,467	\$ 385,060	44.0 %
Classroom Site Fund	543,773	280,185	263,588	94.1 %
ESSER Fund	-	-	-	-
Building Renewal Fund	(1,017,570)	(255,583)	(761,987)	(298.1)%
Other Governmental Funds	750,478	451,330	299,148	66.3 %
Total	<u>\$ 1,536,208</u>	<u>\$ 1,350,399</u>	<u>\$ 185,809</u>	<u>13.8 %</u>

The total governmental fund balances were \$1.5 million at June 30, 2022. It is not expected that the nature of the restrictions, commitments or other limitations on fund balances will significantly affect future operations. Overall governmental fund balance increased \$185,809. The following represents significant information regarding changes:

- The General Fund's fund balance increased \$385,060, or 44.0 percent, primarily due to an increase in federal revenues in the current year. Of the General Fund's fund balance, \$1.2 million is unassigned, which may serve as a useful measure of net resources available for spending at June 30, 2022.
- The Classroom Site Fund's fund balance increased \$263,588, or 94.1 percent, due to an increase in state revenues in the current year.
- The ESSER Fund's fund balance did not reflect a change due to revenue being recorded to the extent earned for grant funds.
- The Building Renewal Fund's fund balance decreased \$761,987, or 298.1 percent, due to expenditures exceeding revenues in the current year.
- The Other Governmental Funds' fund balance increased \$299,148, or 66.3 percent, primarily due to an increase in federal revenues in the current fiscal year.

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2022**

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, 2022, was \$4.8 million. Over the course of the year, the District revised the General Fund annual expenditure budget to \$5.7 million to reflect revised funding levels.

The actual amounts expended in the General Fund were \$4.8 million, which was \$864,785, or 15.3 percent, less than the final budget. This difference was due to regular education instruction expenditures being less than anticipated.

CAPITAL ASSETS

As of June 30, 2022, the District had invested \$9.8 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, 2022 and 2021.

<u>Governmental activities:</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>Change</u>	<u>Percent Change</u>
Land	\$ 22,800	\$ 22,800	\$ -	- %
Construction in progress	1,496,309	1,036,317	459,992	44.4 %
Land improvements	1,870,635	1,870,635	-	- %
Buildings and improvements	21,416,504	20,478,419	938,085	4.6 %
Vehicles, furniture, and equipment	3,916,333	3,712,695	203,638	5.5 %
Total	<u>28,722,581</u>	<u>27,120,866</u>	<u>1,601,715</u>	<u>5.9 %</u>
Less: accumulated depreciation	<u>(18,951,702)</u>	<u>(18,274,163)</u>	<u>(677,539)</u>	<u>(3.7)%</u>
Capital assets, net	<u>\$ 9,770,879</u>	<u>\$ 8,846,703</u>	<u>\$ 924,176</u>	<u>10.4 %</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 5.

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2022**

LONG-TERM LIABILITIES

The following schedule presents a comparison of long-term liabilities for the years ended June 30, 2022 and 2021.

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>Change</u>	<u>Percent Change</u>
Net pension liability	\$ 3,052,319	\$ 4,234,601	\$ (1,182,282)	(27.9)%
Other postemployment benefits	4,723	18,343	(13,620)	(74.3)%
Financed purchases	33,222	65,049	(31,827)	(48.9)%
Guaranteed energy savings contract	927,387	1,022,402	(95,015)	(9.3)%
Compensated absences	99,481	90,349	9,132	10.1 %
Total	<u>\$ 4,117,132</u>	<u>\$ 5,430,744</u>	<u>\$ (1,313,612)</u>	<u>(24.2)%</u>

Overall long-term liability balance decreased \$1.3 million. The following represents significant information regarding changes:

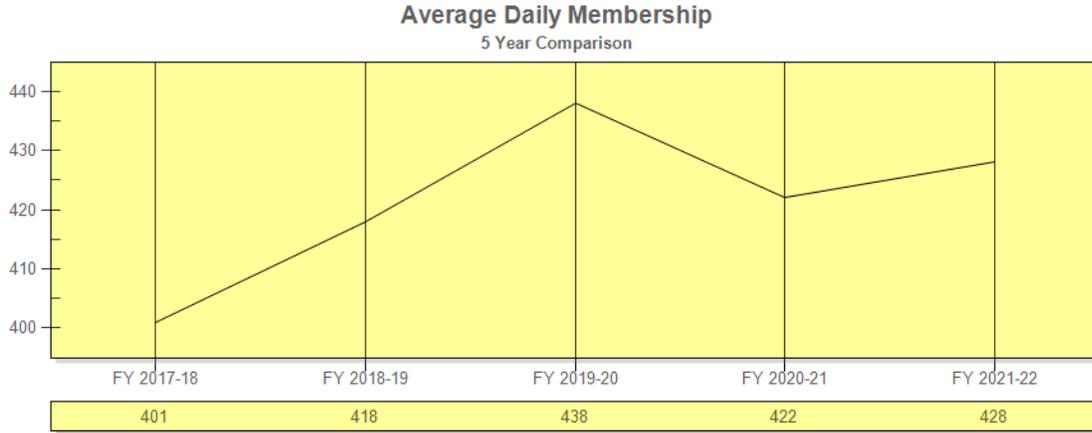
- Net pension liability decreased \$1.2 million, or 27.9 percent, and Other postemployment benefits decreased \$13,620, or 74.3 percent due to the results of investment activity and participant activity when compared to anticipated results as determined by the Arizona State Retirement System's actuaries.
- The financed purchases decreased \$31,827, or 48.9 percent, due to the payment of principal as required by the financed purchases agreement.
- Guaranteed energy savings contract decreased \$95,015, or 9.3 percent, due to the payment of principal as required by the guaranteed energy savings contract agreement.
- Compensated absences increased \$9,132, or 10.1 percent, due to the accrual and use of available leave balances by employees.

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

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2022**

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 2022-23). The primary factors considered in developing fiscal year 2022-23'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 2022-23 budget are \$6.0 million, an increase of 5.9 percent, which reflects the following:

- Available budget balance carryforward is \$864,785.
- Current year average daily membership is 428 and is expected to increase in the fiscal year 2022-23 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, or at <https://www.jcusd.org>.

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
STATEMENT OF NET POSITION
JUNE 30, 2022

	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 771,348
Property taxes receivable	31,901
Due from other governments	1,231,384
Inventories	34,391
Net other postemployment benefit asset	110,206
Capital assets:	
Capital assets not being depreciated	1,519,109
Capital assets being depreciated, net	<u>8,251,770</u>
Total assets	<u>11,950,109</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows - pensions and OPEB	<u>833,414</u>
LIABILITIES	
Accounts payable	386,645
Accrued payroll and benefits	88,447
Noncurrent liabilities:	
Due within one year	144,246
Due in more than one year	<u>3,972,886</u>
Total liabilities	<u>4,592,224</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows - pensions and OPEB	<u>1,258,693</u>
NET POSITION	
Net investment in capital assets	8,810,270
Restricted for:	
Capital outlay	299,626
Food service	133,144
Career technical instruction	107,911
Voter approved initiatives	613,958
Extracurricular tax credit	37,758
Insurance proceed	43,795
Student activities	44,337
Other purposes	60,724
Unrestricted	<u>(3,218,917)</u>
Total net position	<u><u>\$ 6,932,606</u></u>

JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

<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	\$ 3,004,551	\$ 67,093	\$ 1,382,921	\$ -	\$ (1,554,537)
Support services - students and staff	1,007,129	51,308	341,588	-	(614,233)
Support services - administration	889,169	-	219,549	-	(669,620)
Operation and maintenance of plant	1,598,941	-	130,029	375,289	(1,093,623)
Student transportation services	344,050	-	161,409	-	(182,641)
Operation of non-instructional services	429,204	259,020	444,567	-	274,383
Interest on long-term debt	39,027	-	-	-	(39,027)
Total governmental activities	<u>\$ 7,312,071</u>	<u>\$ 377,421</u>	<u>\$ 2,680,063</u>	<u>\$ 375,289</u>	<u>(3,879,298)</u>

General revenues:

Taxes:

Property taxes, general purposes 4,566,365

Property taxes, capital outlay 353,428

State aid:

General purposes 74,091

Capital outlay 42,182

Instructional improvement 17,117

County aid 511

Payments in lieu of taxes 7,307

Investment income 3,880

Miscellaneous 272

Total general revenues 5,065,153

Change in net position 1,185,855

Net position, July 1, 2021, as restated 5,746,751

Net position, June 30, 2022 \$ 6,932,606

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FUND FINANCIAL STATEMENTS

JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2022

	General Fund	Classroom Site Fund	ESSER Fund
ASSETS			
Cash and investments	\$ 293,745	\$ 19,340	\$ -
Property taxes receivable	30,048	-	-
Due from other governments	5,000	-	833,691
Due from other funds	1,064,107	525,533	-
Inventories	25,731	-	-
Total assets	\$ 1,418,631	\$ 544,873	\$ 833,691
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)			
Liabilities:			
Accounts payable	\$ 78,398	\$ 1,100	\$ 238,443
Accrued payroll and benefits	53,610	-	8,908
Due to other funds	-	-	586,340
Total liabilities	132,008	1,100	833,691
Deferred inflows of resources:			
Unavailable revenue - property tax	27,096	-	-
Unavailable revenue - time restrictions	-	-	-
Total deferred inflows of resources	27,096	-	-
Total liabilities and deferred inflows of resources	159,104	1,100	833,691
Fund balances (deficits):			
Nonspendable:			
Inventories	25,731	-	-
Restricted:			
Capital outlay	-	-	-
Food service	-	-	-
Career technical education	-	-	-
Voter approved initiatives	-	543,773	-
Extracurricular tax credit	-	-	-
Insurance proceeds	-	-	-
Student activities	-	-	-
Other purposes	-	-	-
Unassigned	1,233,796	-	-
Total fund balances (deficits)	1,259,527	543,773	-
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 1,418,631	\$ 544,873	\$ 833,691

<u>Building Renewal Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 458,263	\$ 771,348
-	1,853	31,901
-	392,693	1,231,384
-	-	1,589,640
-	8,660	34,391
<u>\$ -</u>	<u>\$ 861,469</u>	<u>\$ 3,658,664</u>

\$ 14,270	\$ 54,434	\$ 386,645
-	25,929	88,447
<u>1,003,300</u>	<u>-</u>	<u>1,589,640</u>
<u>1,017,570</u>	<u>80,363</u>	<u>2,064,732</u>

-	1,664	28,760
-	28,964	28,964
-	30,628	57,724
<u>1,017,570</u>	<u>110,991</u>	<u>2,122,456</u>

-	8,660	34,391
-	299,626	299,626
-	124,484	124,484
-	107,911	107,911
-	70,185	613,958
-	37,758	37,758
-	43,795	43,795
-	44,337	44,337
-	60,724	60,724
<u>(1,017,570)</u>	<u>(47,002)</u>	<u>169,224</u>
<u>(1,017,570)</u>	<u>750,478</u>	<u>1,536,208</u>
<u>\$ -</u>	<u>\$ 861,469</u>	<u>\$ 3,658,664</u>

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**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2022**

Fund balances - total governmental funds	\$ 1,536,208
 Amounts reported for governmental activities in the <i>Statement of Net Position</i> are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental fund statements.	9,770,879
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.	
Property taxes	28,760
Receipts	28,964
Deferred outflows and inflows of resources and other postemployment benefits (OPEB) are applicable to future reporting periods and, therefore, are not reported in the governmental fund statements.	
Deferred outflows of resources related to pensions and OPEB	833,414
Deferred inflows of resources related to pensions and OPEB	(1,258,693)
The net OPEB asset is not a current financial resource and, therefore, is not reported in the governmental fund statements.	110,206
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental fund statements.	
Net pension liability	(3,052,319)
OPEB	(4,723)
Financed purchases	(33,222)
Guaranteed energy savings contract	(927,387)
Compensated absences	(99,481)
Net position of governmental activities	<u>\$ 6,932,606</u>

JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	<u>General Fund</u>	<u>Classroom Site Fund</u>	<u>ESSER Fund</u>
Revenues:			
Property taxes	\$ 4,567,586	\$ -	\$ -
State aid and grants	74,091	447,550	-
Federal aid and grants	25,815	-	698,462
Other local revenue	<u>755,008</u>	<u>1,209</u>	<u>-</u>
Total revenues	<u>5,422,500</u>	<u>448,759</u>	<u>698,462</u>
Expenditures:			
Current:			
Instruction	2,142,400	183,248	165,639
Support services - students and staff	693,055	1,923	145,737
Support services - administration	738,568	-	51,350
Operation and maintenance of plant	1,144,800	-	54,148
Student transportation services	305,185	-	7,203
Operation of non-instructional services	45,544	-	538
Capital outlay	-	-	229,929
Debt service:			
Principal	-	-	-
Interest	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>5,069,552</u>	<u>185,171</u>	<u>654,544</u>
Excess (deficiency) of revenues over expenditures	352,948	263,588	43,918
Other financing sources (uses):			
Transfers in	96,765	-	-
Transfers out	<u>(47,003)</u>	<u>-</u>	<u>(43,918)</u>
Total other financing sources (uses)	<u>49,762</u>	<u>-</u>	<u>(43,918)</u>
Net change in fund balances (deficits)	402,710	263,588	-
Fund balances (deficits), July 1, 2021	874,467	280,185	-
Change in inventories	3,108	-	-
Change in prepaid items	<u>(20,758)</u>	<u>-</u>	<u>-</u>
Fund balances (deficits), June 30, 2022	<u>\$ 1,259,527</u>	<u>\$ 543,773</u>	<u>\$ -</u>

<u>Building Renewal Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 353,209	\$ 4,920,795
623,158	160,507	1,305,306
-	858,119	1,582,396
-	180,254	936,471
<u>623,158</u>	<u>1,552,089</u>	<u>8,744,968</u>
-	427,829	2,919,116
-	139,521	980,236
-	130,296	920,214
4,770	23,324	1,227,042
-	3,769	316,157
-	357,761	403,843
1,380,375	5,265	1,615,569
-	126,842	126,842
-	39,027	39,027
<u>1,385,145</u>	<u>1,253,634</u>	<u>8,548,046</u>
(761,987)	298,455	196,922
-	56,438	153,203
-	(62,282)	(153,203)
-	(5,844)	-
(761,987)	292,611	196,922
(255,583)	451,330	1,350,399
-	6,537	9,645
-	-	(20,758)
<u>\$ (1,017,570)</u>	<u>\$ 750,478</u>	<u>\$ 1,536,208</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, 2022**

Net change in fund balances - total governmental funds	\$ 196,922
<p>Amounts reported for the governmental activities in the <i>Statement of Activities</i> are different because:</p>	
<p>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.</p>	
Capital outlay	1,615,569
Depreciation	(691,393)
<p>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.</p>	
Prior year unavailable property tax	(29,762)
Prior year receipts after 60 day recognition period	(336,680)
Current year unavailable property tax	28,760
Current year receipts after 60 day recognition period	28,964
<p>District pension and other postemployment benefits (OPEB) 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>.</p>	
Pension contribution	363,655
Pension expense	(123,039)
OPEB contribution	17,035
OPEB expense	9,227
<p>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>.</p>	
Financed purchase payment	31,827
Guaranteed energy savings contract payment	95,015
<p>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.</p>	
Compensated absences	(9,132)
<p>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.</p>	
Change in inventories using purchases method	9,645
Change in prepaid items using purchases method	(20,758)
Change in net position of governmental activities	<u>\$ 1,185,855</u>

JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

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.

For the year ended June 30, 2022, the District implemented the provisions of GASB Statement No. 87, *Leases*, as amended, which establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. As a result, the District's financial statements have been modified to reflect the recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows or outflows of resources based on the contract payment provisions.

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.

The Governing Board is organized under §15-321 of the Arizona Revised Statutes (A.R.S.). Management of the District is independent of other state or local governments. Under existing statutes, the Governing Board's duties and powers include, but are not limited to, the acquisition, maintenance and disposition of school property; the development and adoption of a school program; and the establishment, organization and operation of schools. The Board also has broad financial responsibilities, including the approval of the annual budget, and the establishment of a system of accounting and budgetary controls. The District's major operations include education, student transportation, food service, and maintenance of District facilities.

Criteria for determining if other entities are potential component units which should be reported within the District's basic financial statements are identified and described in the GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, §'s 2100 and 2600. The application of these criteria provides for identification of any entities for which the District is financially accountable and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's basic financial statements to be misleading or incomplete. Accordingly, for the year ending June 30, 2022, the District does not have any component units and is not a component unit of any other reporting entity.

JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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. 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.

Fund Financial Statements - Provide information about the District's funds. Separate statements are presented for the governmental 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. 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, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The District's accounts are organized into major governmental funds and other governmental funds 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.

ESSER Fund - to account for federal financial assistance received to support K-12 schools to respond to the COVID-19 pandemic and the declaration of statewide school closures.

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.

JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

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. 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 lease contracts are reported as other financing sources.

D. Expenses and Expenditures

Using the accrual basis of accounting, expenses are recognized at the time a liability is incurred. In the modified accrual basis of accounting, expenditures are generally recognized in the accounting period in which the related fund liability is incurred, as under the accrual basis of accounting. However, under the modified accrual basis of accounting, expenditures are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental fund statements. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

E. Cash and Investments

The District considers 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 to be cash and cash equivalents.

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.

F. 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.

G. 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, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

H. 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).

I. 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

J. 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.

K. Postemployment Benefits

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

JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

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 income is composed of interest, dividends, and net changes in the fair value of applicable investments. Investment income is included in other local revenue in the fund financial statements. 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, 2022

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, 2022

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 - IMPACT OF RECENTLY ISSUED ACCOUNTING PRINCIPLES

Net position and fund balance as of July 1, 2021, has been restated as follows for the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

	Governmental Activities
Net position/fund balance as previously reported at June 30, 2021	\$ 5,736,079
Prior period adjustment - implementation of GASB 75:	
Net OPEB Assets	17,034
Net OPEB Liabilities	(18,343)
Deferred outflows of resources related to OPEB	46,851
Deferred inflows of resources related to OPEB	(34,870)
Total prior period adjustment	10,672
Net position/fund balance, July 1, 2021, as restated	\$ 5,746,751

JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 - 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, 2022, the carrying amount (reported) cash balance was \$225,475, while the total bank balance was \$295,080, 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, 2022, the District reported \$545,873 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, 2022, 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 Annual Comprehensive 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.

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.

JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

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, 2022, are as follows:

	General Fund	ESSER Fund	Other Governmental Funds	Totals
Due from state government:				
State grants	\$ 5,000	\$ -	\$ 28,964	\$ 33,964
Due from federal government:				
Federal grants	-	833,691	363,729	1,197,420
Total due from other governments	<u>\$ 5,000</u>	<u>\$ 833,691</u>	<u>\$ 392,693</u>	<u>\$ 1,231,384</u>

NOTE 5 - CAPITAL ASSETS

Capital asset governmental activity for the year ended June 30, 2022, was as follows:

<u>Governmental activities:</u>	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022
Non-depreciable capital assets:				
Land	\$ 22,800	\$ -	\$ -	\$ 22,800
Construction in progress	1,036,317	1,380,376	(920,384)	1,496,309
Total non-depreciable capital assets	<u>1,059,117</u>	<u>1,380,376</u>	<u>(920,384)</u>	<u>1,519,109</u>
Depreciable capital assets:				
Land improvements	1,870,635	-	-	1,870,635
Buildings and improvements	20,478,419	938,085	-	21,416,504
Vehicles, furniture, and equipment	3,712,695	217,492	(13,854)	3,916,333
Total depreciable capital assets	<u>26,061,749</u>	<u>1,155,577</u>	<u>(13,854)</u>	<u>27,203,472</u>
Less accumulated depreciation for:				
Land improvements	(1,770,928)	(19,832)	-	(1,790,760)
Buildings and improvements	(14,054,760)	(509,059)	-	(14,563,819)
Vehicles, furniture, and equipment	(2,448,475)	(162,502)	13,854	(2,597,123)
Total accumulated depreciation	<u>(18,274,163)</u>	<u>(691,393)</u>	<u>13,854</u>	<u>(18,951,702)</u>
Total depreciable capital assets, net	<u>7,787,586</u>	<u>464,184</u>	<u>-</u>	<u>8,251,770</u>
Total capital assets, net	<u>\$ 8,846,703</u>	<u>\$ 1,844,560</u>	<u>\$ (920,384)</u>	<u>\$ 9,770,879</u>

JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 5 - CAPITAL ASSETS

Depreciation was charged to governmental functions as follows:

Instruction	\$ 236,015
Support services - students and staff	283
Support services - administration	8,742
Operation and maintenance of plant	375,732
Student transportation services	37,965
Operations of non-instructional services	<u>32,656</u>
Total depreciation expense	<u>\$ 691,393</u>

NOTE 6 - CONSTRUCTION CONTRACT COMMITMENTS

The District had the following construction contract commitments as of June 30, 2022:

Project	Contract Amount	Amount Paid as of June 30, 2022	Contract Balance
Elementary School Main Roof	\$ 1,245,006	\$ 975,484	\$ 269,522
High School Roof	578,018	520,825	57,193
Totals	<u>\$ 1,823,024</u>	<u>\$ 1,496,309</u>	<u>\$ 326,715</u>

These projects are being financed with the Building Renewal Grant from the Arizona School Facilities Board.

NOTE 7 - INTERFUND RECEIVABLES AND PAYABLES

The following is a summary of interfund receivables and payables reported as of June 30, 2022:

Funds	Interfund	
	Due From	Due To
General Fund	\$ 1,064,107	\$ -
Classroom Site Fund	525,533	-
ESSER Fund	-	586,340
Building Renewal Fund	<u>-</u>	<u>1,003,300</u>
Total	<u>\$ 1,589,640</u>	<u>\$ 1,589,640</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.

JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8 - LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities of the District for the year ended June 30, 2022:

	Balance <u>June 30, 2021</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2022</u>	Due Within <u>One Year</u>
Net pension liability	\$ 4,234,601	\$ 732,905	\$ (1,915,187)	\$ 3,052,319	\$ -
Other postemployment benefits	18,343	7,482	(21,102)	4,723	-
Financed purchases	65,049	-	(31,827)	33,222	33,222
Guaranteed energy savings contract	1,022,402	-	(95,015)	927,387	101,024
Compensated absences	90,349	67,393	(58,261)	99,481	10,000
Total	<u>\$ 5,430,744</u>	<u>\$ 807,780</u>	<u>\$ (2,121,392)</u>	<u>\$ 4,117,132</u>	<u>\$ 144,246</u>

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.

JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 - PENSIONS AND OTHER POSTEMPLOYMENT 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.

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, 2022, statute required active ASRS members to contribute at the actuarially determined rate of 12.41 percent (12.22 percent for retirement and 0.19 percent for long-term disability) of the members' annual covered payroll, and statute required the District to contribute at the actuarially determined rate of 12.41 percent (12.01 percent for retirement, 0.21 percent for health insurance premium benefit, and 0.19 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 10.22 percent (10.13 percent for retirement, and 0.09 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, 2022, 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>
2022	\$ 363,655	\$ 11,396	\$ 5,639	\$ 380,690
2021	304,685	9,672	4,613	318,970
2020	302,763	12,562	4,414	319,739

JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

During fiscal year ending June 30, 2022, the District paid for pension and OPEB contributions as follows:

Fund:	Pension and OPEB Contribution	Percentage by Fund
General Fund	\$ 315,377	82.84 %
Classroom Site Fund	17,922	4.71 %
ESSER Fund	18,506	4.86 %
Other Governmental Funds	28,885	7.59 %
Total	\$ 380,690	100.00 %

Liability - At June 30, 2022, the District reported the following asset and liabilities for its proportionate share of the ASRS' net pension and OPEB asset or liability.

	Net Pension /OPEB (Asset) Liability
Pension	\$ 3,052,319
Health insurance premium benefit	(110,206)
Long-term disability	4,723
Total OPEB	\$ (105,483)

The net liability was measured as of June 30, 2021. 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, 2020, to the measurement date of June 30, 2021. The total liability as of June 30, 2021, reflects changes in actuarial assumptions based on the results of an actuarial experience study for the 5-year period ended June 30, 2020, including decreasing the discount rate from 7.5 percent to 7.0 percent and changing the projected salary increases from 2.7–7.2 percent to 2.9–8.4 percent.

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, 2021, and the change from its proportions measured as of June 30, 2020, were:

	Proportion June 30, 2021	Increase (Decrease) From June 30, 2020
Pension	0.0232 %	(0.0012)%
Health Insurance premium benefit	0.0226 %	(0.0014)%
Long-term disability	0.0229 %	(0.0013)%

JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Expense - For the year ended June 30, 2022, the District recognized the following pension and OPEB expense.

	Pension /OPEB <u>Expense</u>
Pension	\$ 123,039
Health Insurance premium benefit	(12,587)
Long-term disability	3,360

Deferred outflows/inflows of resources - At June 30, 2022, the District reported deferred outflows and deferred inflows of resources related to the pension and OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 46,530	\$ -
Changes in assumptions or other inputs	397,284	-
Net difference between projected and actual earnings on pension plan investments	-	967,082
Changes in proportion and differences between District contributions and proportionate share of contributions	-	197,117
District contributions subsequent to the measurement date	<u>363,655</u>	<u>-</u>
Total	<u>\$ 807,469</u>	<u>\$ 1,164,199</u>

JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

OPEB -

	<u>Health insurance premium benefit</u>		<u>Long-term disability</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 38,220	\$ 1,364	\$ 385
Changes in assumptions or other inputs	5,464	4,456	1,510	5,951
Net difference between projected and actual earnings on pension plan investments	-	40,881	-	3,271
Changes in proportion and differences between District contributions and proportionate share of contributions	559	15	13	1,315
District contributions subsequent to the measurement date	<u>11,396</u>	<u>-</u>	<u>5,639</u>	<u>-</u>
Total	<u>\$ 17,419</u>	<u>\$ 83,572</u>	<u>\$ 8,526</u>	<u>\$ 10,922</u>

The amounts reported as deferred outflows of resources related to ASRS pensions and OPEB 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, 2023. Other amounts reported as deferred outflows and inflows of resources related to ASRS pensions will be recognized in expenses as follows:

<u>Year ending June 30</u>	<u>Deferred Outflows (Inflows)</u>	<u>Health Insurance Premium Benefit</u>	<u>Long-Term Disability</u>
2023	\$ (126,570)	\$ (18,189)	\$ (1,111)
2024	(47,359)	(17,422)	(1,054)
2025	(213,192)	(19,115)	(1,171)
2026	(333,264)	(21,147)	(1,669)
2027	-	(1,676)	(758)
Thereafter	<u>-</u>	<u>-</u>	<u>(2,272)</u>
Total	<u>\$ (720,385)</u>	<u>(77,549)</u>	<u>(8,035)</u>

JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

Actuarial valuation date	June 30, 2020
Actuarial roll forward date	June 30, 2021
Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Projected salary increase	2.9 - 8.4% for pensions /not applicable for OPEB
Inflation	2.3%
Permanent benefit increase	Included for pensions /not applicable for OPEB
Mortality rates	2017 SRA Scale U-MP for pensions and health insurance premium
Recovery rates	2012 GLTD for long-term disability
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2020.

The long-term expected rate of return on ASRS plan investments was determined to be 7.0 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
Equity	50.00 %	4.90 %
Fixed income - credit	20.00 %	5.20 %
Fixed income - interest rate sensitive	10.00 %	0.70 %
Real estate	20.00 %	5.70 %
Total	<u>100.00 %</u>	

Discount rate - At June 30, 2021, the discount rate used to measure the ASRS total pension and OPEB liability was 7.0 percent, which was a decrease of 0.5 from the discount rate used as of June 30, 2020. 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 and OPEB liability.

JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Sensitivity of the District's proportionate share of the ASRS net pension and OPEB liability to changes in the discount rate - The following table presents the District's proportionate share of the net pension and OPEB liability calculated using the discount rate of 7.0 percent, as well as what the District's proportionate share of the net pension and OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0 percent) or 1 percentage point higher (8.0 percent) than the current rate:

	1% Decrease <u>(6.0%)</u>	Current Discount Rate <u>(7.0%)</u>	1% Increase <u>(8.0%)</u>
District's proportionate share of the:			
Net pension liability	\$ 4,801,042	\$ 3,052,319	\$ 1,594,368
Net health insurance premium benefit liability (asset)	(72,968)	(110,206)	(141,871)
Net long-term disability liability	6,150	4,723	3,342

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 \$6,769 of outstanding pension and OPEB contribution amounts payable to ASRS for the year ended June 30, 2022.

NOTE 10 - FINANCED PURCHASES

The District has acquired a school bus under contract agreements for a total purchase price of \$139,750. The following schedule details debt service requirements to maturity for the District's financed purchases at June 30, 2022:

Year ending June 30	<u>Governmental activities</u>	
	<u>Principal</u>	<u>Interest</u>
2023	<u>\$ 33,222</u>	<u>\$ 1,454</u>

JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

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	(689,536)
Total assets, net	\$ 824,079

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2022, were as follows:

Year Ending June 30:	Governmental Activities
2023	\$ 133,521
2024	136,158
2025	138,900
2026	141,751
2027	144,714
2028-2030	375,097
Total minimum lease payments	1,070,141
Less: amount representing interest	(142,754)
Present value of minimum lease payments	\$ 927,387

JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12 - DEFICIT FUND BALANCES

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

	Deficit
General Fund:	
E-Rate	\$ 19,067
Building Renewal Fund	1,017,570
Other Governmental Funds:	
Youth, Faith, and Family Grant	29,262
Emergency Deficiencies	17,740

The deficits are due to the differences 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 balances.

NOTE 13 - INTERFUND TRANSFERS

The following is a summary of interfund transfers reported as of June 30, 2022:

Funds	Interfund	
	Transfers In	Transfers Out
General Fund	\$ 96,765	\$ 47,003
ESSER Fund	-	43,918
Other Governmental Funds	56,438	62,282
Total	\$ 153,203	\$ 153,203

The transfer was made to: 1) move indirect costs from federal grant funds to the Indirect Costs Fund, which is grouped within the General Fund, and 2) transfer monies from the Maintenance and Operation Fund, which is grouped within the General Fund, to the Energy and Water Savings Fund for the payment amounts for repayment of the capital investment of the qualified provider or utility, energy, or water services company based on the established repayment schedule.

JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

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 and dental insurance the District participates in the Kairos Health Arizona. The trust is a public entity risk-sharing and insurance purchasing pool. If the pool becomes either insolvent or is otherwise unable to discharge its legal liabilities and other obligations, the District may be assessed an additional amount not to exceed the original required annual contribution to the pool.

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

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.

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.

REQUIRED SUPPLEMENTARY INFORMATION

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JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
YEAR ENDED JUNE 30, 2022

	<u>Budgeted Amounts</u>		Actual Amounts	Variance
	<u>Adopted</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 4,797,362	\$ 5,611,408	\$ 4,567,586	\$ (1,043,822)
State aid and grants	77,818	91,023	74,091	(16,932)
Other local revenue	<u>9,248</u>	<u>10,817</u>	<u>8,805</u>	<u>(2,012)</u>
Total revenues	<u>4,884,428</u>	<u>5,713,248</u>	<u>4,650,482</u>	<u>(1,062,766)</u>
Expenditures:				
Regular education:				
Instruction	1,349,224	2,097,744	1,420,758	676,986
Support services - students and staff	399,480	388,200	392,362	(4,162)
Support services - administration	673,723	724,100	696,711	27,389
Operation and maintenance of plant	1,105,046	1,125,043	1,136,317	(11,274)
Operation of non-instructional services	33,650	11,000	8,515	2,485
School-sponsored cocurricular activities	32,800	33,800	31,298	2,502
School-sponsored athletics	170,500	205,500	183,668	21,832
Other programs	<u>-</u>	<u>14,600</u>	<u>31,642</u>	<u>(17,042)</u>
Total regular education	<u>3,764,423</u>	<u>4,599,987</u>	<u>3,901,271</u>	<u>698,716</u>
Special education:				
Instruction	372,594	372,594	303,246	69,348
Support services - students and staff	312,200	312,200	262,076	50,124
Support services - administration	<u>-</u>	<u>-</u>	<u>6,531</u>	<u>(6,531)</u>
Total special education	<u>684,794</u>	<u>684,794</u>	<u>571,853</u>	<u>112,941</u>
Student transportation services:				
Student transportation services	359,950	345,000	305,205	39,795
K-3 reading program:				
Instruction	<u>26,900</u>	<u>26,900</u>	<u>13,567</u>	<u>13,333</u>
Total expenditures	<u>4,836,067</u>	<u>5,656,681</u>	<u>4,791,896</u>	<u>864,785</u>
Excess (deficiency) of revenues over expenditures	48,361	56,567	(141,414)	(197,981)
Other financing uses:				
Transfers out	<u>-</u>	<u>-</u>	<u>(47,003)</u>	<u>(47,003)</u>
Net changes in fund balances	48,361	56,567	(188,417)	(244,984)
Fund balance, July 1, 2021	698,716	698,716	698,716	-
Change in inventories	-	-	3,108	3,108
Change in prepaid items	<u>-</u>	<u>-</u>	<u>(20,758)</u>	<u>(20,758)</u>
Fund balance, June 30, 2022	<u>\$ 747,077</u>	<u>\$ 755,283</u>	<u>\$ 492,649</u>	<u>\$ (262,634)</u>

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
BUDGETARY COMPARISON SCHEDULE - CLASSROOM SITE FUND
YEAR ENDED JUNE 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Adopted</u>	<u>Final</u>		
Revenues:				
State aid and grants	\$ 793,011	\$ 735,132	\$ 447,550	\$ (287,582)
Other local revenue	2,142	1,986	1,209	(777)
Total revenues	<u>795,153</u>	<u>737,118</u>	<u>448,759</u>	<u>(288,359)</u>
Expenditures:				
Instruction	787,280	729,820	183,248	546,572
Support services - students and staff	-	-	1,923	(1,923)
Total expenditures	<u>787,280</u>	<u>729,820</u>	<u>185,171</u>	<u>544,649</u>
Net change in fund balances	7,873	7,298	263,588	256,290
Fund balance, July 1, 2021	<u>280,185</u>	<u>280,185</u>	<u>280,185</u>	<u>-</u>
Fund balance, June 30, 2022	<u>\$ 288,058</u>	<u>\$ 287,483</u>	<u>\$ 543,773</u>	<u>\$ 256,290</u>

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
BUDGETARY COMPARISON SCHEDULE - ESSER FUND
YEAR ENDED JUNE 30, 2022**

	<u>Budgeted Amounts</u>		
	<u>Adopted and Final</u>	<u>Actual Amounts</u>	<u>Variance</u>
Revenues:			
Federal aid and grants	\$ 1,220,926	\$ 698,462	\$ (522,464)
Total revenues	<u>1,220,926</u>	<u>698,462</u>	<u>(522,464)</u>
Expenditures:			
Current:			
Instruction	305,908	165,639	140,269
Support services - students and staff	269,153	145,737	123,416
Support services - administration	94,835	51,350	43,485
Operation and maintenance of plant	100,003	54,148	45,855
Student transportation services	13,303	7,203	6,100
Operation of non-instructional services	994	538	456
Capital outlay	<u>424,642</u>	<u>229,929</u>	<u>194,713</u>
Total expenditures	<u>1,208,838</u>	<u>654,544</u>	<u>554,294</u>
Excess of revenues over expenditures	12,088	43,918	31,830
Other financing uses:			
Transfers out	<u>-</u>	<u>(43,918)</u>	<u>(43,918)</u>
Net change in fund balances	12,088	-	(12,088)
Fund balance, July 1, 2021	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30, 2022	<u>\$ 12,088</u>	<u>\$ -</u>	<u>\$ (12,088)</u>

JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
JUNE 30, 2022

ASRS - Pension	Reporting Fiscal Year (Measurement Date)			
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)
District's proportion of the net pension liability	0.02 %	0.02 %	0.03 %	0.03 %
District's proportionate share of the net pension liability	\$ 3,052,319	\$ 4,234,601	\$ 3,784,758	\$ 3,658,162
District's covered payroll	\$ 2,837,675	\$ 2,779,630	\$ 2,837,486	\$ 2,777,201
District's proportionate share of the net pension liability as a percentage of its covered payroll	107.56 %	152.34 %	133.38 %	131.72 %
Plan fiduciary net position as a percentage of the total pension liability	78.58 %	69.33 %	73.24 %	73.40 %

Reporting Fiscal Year (Measurement Date)				
2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 through 2013
0.03 %	0.03 %	0.03 %	0.03 %	Information is not available. Additional information will be presented as it becomes available.
\$ 4,115,721	\$ 4,269,296	\$ 4,059,595	\$ 4,146,115	
\$ 2,760,379	\$ 2,683,100	\$ 2,608,341	\$ 2,820,520	
149.10 %	159.12 %	155.64 %	147.00 %	
69.92 %	67.06 %	68.35 %	69.49 %	

JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE OTHER
POSTEMPLOYMENT BENEFIT LIABILITY
JUNE 30, 2022

ASRS - Health Insurance Premium Benefit	Reporting Fiscal Year (Measurement Date)			
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)
District's proportion of the net pension liability	0.02 %	0.02 %	0.03 %	0.03 %
District's proportionate share of the net pension liability	\$ (110,206)	\$ (17,034)	\$ (6,917)	\$ (9,200)
District's covered payroll	\$ 2,837,675	\$ 2,779,630	\$ 2,837,486	\$ 2,777,201
District's proportionate share of the net pension liability as a percentage of its covered payroll	(3.88)%	(0.61)%	(0.24)%	(0.33)%
Plan fiduciary net position as a percentage of the total pension liability	130.24 %	104.33 %	101.62 %	102.20 %

ASRS - Long-Term Disability	Reporting Fiscal Year (Measurement Date)			
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)
District's proportion of the net pension liability	0.02 %	0.02 %	0.03 %	0.03 %
District's proportionate share of the net pension liability	\$ 4,723	\$ 18,343	\$ 16,475	\$ 13,695
District's covered payroll	\$ 2,837,675	\$ 2,779,630	\$ 2,837,486	\$ 2,777,201
District's proportionate share of the net pension liability as a percentage of its covered payroll	0.17 %	0.66 %	0.58 %	0.49 %
Plan fiduciary net position as a percentage of the total pension liability	78.58 %	68.01 %	72.85 %	77.83 %

Reporting
Fiscal Year
(Measurement Date)

2020
through
2013

Information
not available;
additional
information
will be
presented as
it becomes
available.

Reporting
Fiscal Year
(Measurement Date)

2020
through
2013

Information
not available;
additional
information
will be
presented as
it becomes
available.

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
JUNE 30, 2022**

ASRS - Pension	Reporting Fiscal Year			
	2022	2021	2020	2019
Statutorily required contribution	\$ 363,655	\$ 304,685	\$ 302,763	\$ 307,356
District's contributions in relation to the statutorily required contribution	363,655	304,685	302,763	307,356
District's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 3,323,796	\$ 2,837,675	\$ 2,779,630	\$ 2,837,486
District's contributions as a percentage of covered payroll	10.94 %	10.74 %	10.89 %	10.83 %

Reporting Fiscal Year					2014 through 2013
2018	2017	2016	2015	2014	
\$ 283,915	\$ 278,564	\$ 269,015	\$ 263,770	\$ 272,898	Information is not available. Additional information will be presented as it becomes available.
<u>283,915</u>	<u>278,564</u>	<u>269,015</u>	<u>263,770</u>	<u>272,898</u>	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
\$ 2,777,201	\$ 2,760,379	\$ 2,683,100	\$ 2,608,341	\$ 2,820,520	
10.22 %	10.09 %	10.03 %	10.11 %	9.68 %	

JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
SCHEDULE OF DISTRICT OTHER POSTEMPLOYMENT BENEFIT CONTRIBUTIONS
JUNE 30, 2022

ASRS - Health Insurance Premium Benefit	Reporting Fiscal Year			
	2022	2021	2020	2019
Statutorily required contribution	\$ 11,396	\$ 9,672	\$ 12,562	\$ 11,761
District's contributions in relation to the statutorily required contribution	<u>11,396</u>	<u>9,672</u>	<u>12,562</u>	<u>11,761</u>
District's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 3,323,796	\$ 2,837,675	\$ 2,779,630	\$ 2,837,486
District's contributions as a percentage of covered payroll	<u>0.34 %</u>	<u>0.34 %</u>	<u>0.45 %</u>	<u>0.41 %</u>

ASRS - Long-Term Disability	Reporting Fiscal Year			
	2022	2021	2020	2019
Statutorily required contribution	\$ 5,639	\$ 4,613	\$ 4,414	\$ 4,391
District's contributions in relation to the statutorily required contribution	<u>5,639</u>	<u>4,613</u>	<u>4,414</u>	<u>4,391</u>
District's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 3,323,796	\$ 2,837,675	\$ 2,779,630	\$ 2,837,486
District's contributions as a percentage of covered payroll	<u>0.17 %</u>	<u>0.16 %</u>	<u>0.16 %</u>	<u>0.15 %</u>

Reporting Fiscal Year					2020 through 2013
2018	2017	2016	2015	2014	
\$ 10,958	\$ 13,510	\$ 11,753	\$ 11,142	\$ 11,216	Information not available; additional information will be presented as it becomes available.
<u>10,958</u>	<u>13,510</u>	<u>11,753</u>	<u>11,142</u>	<u>11,216</u>	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
\$ 2,777,201	\$ 2,760,379	\$ 2,683,100	\$ 2,608,341	\$ 2,820,520	
<u>0.39 %</u>	<u>0.49 %</u>	<u>0.44 %</u>	<u>0.43 %</u>	<u>0.40 %</u>	

Reporting Fiscal Year					2020 through 2013
2018	2017	2016	2015	2014	
\$ 4,146	\$ 3,378	\$ 2,822	\$ 2,649	\$ 5,406	Information not available; additional information will be presented as it becomes available.
<u>4,146</u>	<u>3,378</u>	<u>2,822</u>	<u>2,649</u>	<u>5,406</u>	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
\$ 2,777,201	\$ 2,760,379	\$ 2,683,100	\$ 2,608,341	\$ 2,820,520	
<u>0.15 %</u>	<u>0.12 %</u>	<u>0.11 %</u>	<u>0.10 %</u>	<u>0.19 %</u>	

JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022

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 item:

- 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.

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.

	<u>General Fund</u>					
	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Financing Sources (Uses)</u>	<u>Beginning Fund Balance</u>	<u>Change In Prepays And Inventories</u>	<u>Ending Fund Balance</u>
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds - General Fund	\$ 5,422,500	\$ 5,069,552	\$ 49,762	\$ 874,467	\$ (17,650)	\$ 1,259,527
Less: budgeted special revenue funds reported within the General Fund	772,018	277,656	96,765	175,751	-	766,878
Maintenance and Operation - GAAP	<u>\$ 4,650,482</u>	<u>\$ 4,791,896</u>	<u>\$ (47,003)</u>	<u>\$ 698,716</u>	<u>\$ (17,650)</u>	<u>\$ 492,649</u>



See what's possible.

JOSEPH CITY UNIFIED SCHOOL
DISTRICT NO. 2

SINGLE AUDIT REPORT

Fiscal Year Ended June 30, 2022

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
SINGLE AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2022**

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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
Joseph City, Arizona

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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 27, 2023.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 released March 27, 2023.

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.

CWDL, Certified Public Accountants

Scottsdale, Arizona

March 27, 2023



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

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

**Report on Compliance for Each Major Federal Program
Opinion on Each Major Federal Program**

We have audited Joseph City Unified School District No. 2's (District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2022. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiencies. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated March 27, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

CWDL, Certified Public Accountants

Scottsdale, Arizona

March 27, 2023

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022**

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Grantor's Number	Expenditures and Transfers
<u>U.S. Department of Agriculture</u>			
Indirect:			
Arizona Department of Education:			
COVID-19 EBT Administration	10.542	None	\$ 614
Child Nutrition Cluster:			
National School Lunch Programs:			
Donated commodities	10.555	None	23,911
COVID-19 Supply Chain Assistance	10.555	None	52,793
COVID-19 Emergency Operational Grant	10.555	None	811
Summer Food Program	10.559	None	<u>365,900</u>
Total Child Nutrition Cluster			<u>443,415</u>
Total U.S. Department of Agriculture			<u>444,029</u>
<u>U.S Department of Interior</u>			
Direct:			
Indian Education Assistance to Schools	15.130	N/A	1,549
<u>U.S. Department of Education</u>			
Direct:			
Rural and Low-Income Schools Grant	84.358	N/A	16,757
Indian Education	84.060	N/A	9,278
Indirect:			
Arizona Department of Education:			
Title I Grants	84.010	22FT1TTI-211395-01A	202,716
Special Education Cluster:			
Special Education - Grants to States	84.027	22FESCBG-211395-09A	96,570
Special Education - ARP	84.027X	22FARPIB-211395-01A	17,408
Special Education - Preschool Grants	84.173	22FECCBP-211395-37A	5,704
Special Education - Preschool Grants ARP	84.173X	22FARPIP-211395-01A	<u>1,299</u>
Total Special Education Cluster			120,981
Career and Technical Education	84.048	22FCTDBG-211395-08A	9,616
Covid-19 Education Stabilization Fund I	84.425D	20FESSER-011395-01A	3,815
Covid-19 Education Stabilization Fund II	84.425D	21FESSII-111395-01A	444,767
Covid-19 Education Stabilization Fund III	84.425U	21FESIII-111395-01A	249,880
Supporting Effective Instruction State Grant	84.367	22FT1TII-211395-03A	<u>6,499</u>
Total U.S. Department of Education			<u>1,064,309</u>
<u>U.S. Department of The Treasury</u>			
Indirect:			
Governor's Office State of Arizona:			
Covid-19 State & Local Fiscal Recovery Funds	21.027	None	<u>32,604</u>
Total Expenditures of Federal Awards			<u>\$ 1,542,491</u>

JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 - BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the District's federal grant activity for the year ended June 30, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

NOTE 3 - FEDERAL ASSISTANCE LISTING NUMBERS

The program titles and federal assistance listing numbers were obtained from the federal or pass-through grantor.

NOTE 4 - NON-CASH ASSISTANCE

Food donations as reported for the Child Nutrition Cluster represents the amount of donated food used during the fiscal year ended June 30, 2022. Commodities are valued at fair value at the time of donation.

NOTE 5 - INDIRECT COST RATE

The District did not elect to use the 10 percent de minimis indirect cost rate as covered in 2 CFR §200.414.

NOTE 6 - COMPLIANCE SUPPLEMENT

The audit of the federal awards was completed under the OMB Compliance Supplement issued April 2022.

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2022**

SECTION I - SUMMARY OF AUDITORS' RESULTS

As required by United States Office of Management and Budget Uniform Guidance, 2 CFR 200.15, the following is a summary of the results of the audit of Joseph City Unified School District No. 2 for the fiscal year ended June 30, 2022.

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major programs:

<u>Federal Assistance Listing Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.425	Covid-19 Education Stabilization Fund

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 750,000
Auditee qualified as low-risk auditee?	Yes

Other Matters:

Auditee's Summary Schedule of Prior Audit Findings required to be reported in accordance with 2 CFR 200.511(b)?	No
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**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2022**

SECTION II - FINANCIAL STATEMENT FINDINGS

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2022**

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no audit findings identified that were noted as significant deficiencies or material weaknesses that are required to be reported in accordance with 2 CFR 200.516(a).

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2022**

Prior Year Findings

There were no prior audit findings identified that were required to be reported in accordance with 2 CFR 200.15 of Uniform Guidance.

6.E. Approve Travel Request by Future Business Leaders of America (FBLA) Student Club to Travel to National Competition in Atlanta, GA

For students who qualified in the state competition and their chaperones

7. INFORMATION ITEMS

7.A. Review of Possible Policy Changes to be Considered for Adoption at a Future Meeting

No policy changes will be adopted at this meeting. Policies affected:

IGA - Curriculum Development

IGD - Curriculum Adoption

IJJ - Textbook/Supplementary Materials Selection and Adoption

JLCD, JLCD-R, JLCD-EB - Medicines / Administering Medicines to Students

POLICY SERVICES ADVISORY

Volume 35, Number 2

May 2023

Policy Advisory No. 744 Policy IGA — Curriculum Development

Policy Advisory No. 745 Policy IGD — Curriculum Adoption

Policy Advisory No. 746 Policy IJJ — Textbook/Supplementary Materials
Selection and Adoption

Policy Advisory No. 747 Policy JLCD — Medicines / Administering Medicines
to Students
Regulation JLCD-R — Medicines / Administering Medicines
to Students

NEW - Exhibit JLCD-EB — Medicines / Administering Medicines
to Students (Arizona Seizure Action Plan)

Summary

The following policy advisories are the result of laws passed by the Arizona Legislature (PA 747) and a response to open meeting law investigations conducted by the Arizona Attorney General (PA 744-46). Subscribers are urged to call policy services with questions and consult with their district legal counsel on implementation of policy.

Governing Boards may review and adopt these policy advisories consistent with the Policy Adoption process in Policy BGB—First Meeting – the proposal shall be presented for review; Second Meeting – the proposal shall be presented for discussion and action.

Policy Advisory Discussion

**Policy Advisory No. 744, 745, 746 Policy IGA — Curriculum Development
Policy IGD — Curriculum Adoption
Policy IJJ — Textbook/Supplementary
Materials Selection and Adoption**

Boards that authorize textbook review and selection committees are subject to open meeting law. A.R.S. §15-721(F)(2) and 15-722(B)(2). There have been multiple open meeting law complaints in 2021, 2022, and 2023 about curriculum adoption committees that were not posted and did not follow open meeting law.

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

ASBA policy services recognizes that there are some groups of district professionals meeting to discuss curriculum that would not be a “board authorized committee” and therefore would not be subject to open meeting law. However, policy has always authorized boards to create curriculum committees and the clear reading of the statutes subject these types of committees to open meeting law.

Policy Advisory No. 747 Policy JLCD — Medicines / Administering Medicines to Students
Regulation JLCD-R— Medicines / Administering Medicines to Students
NEW Exhibit JLCD-EB— Medicines / Administering Medicines to Students

A.R.S. §15-160.02 derives from Seizure Safe Schools legislation (SB 1654-2022). The model legislation began in Kentucky in 2018 when one teen, Lyndsey Crunk, recognized a need to educate teachers and school professionals on the prevalence of people living with epilepsy and seizures. Arizona passed its model legislation in 2022 after it was introduced by the Epilepsy Foundation and later amended with help from ASBA’s Governmental Relations team.

Note: the purpose of this bill, as stated by its creators, was to educate school staff about epilepsy. The bill requires training and a dissemination of information. The training is not a requirement that any individual administer medication in any scenario. The requirements as required by law are instituted in model policy and regulation. If an individual is unable to proceed with their training during an emergency, they should call 911.

ASBA has included the model seizure management plan template as an exhibit- seizure management plans may be given to districts in other formats, the model is a suggestion of what may be included in a seizure management plan.

=====

If you have any questions, call Policy Services at (602) 254-1100. Ask for Nick Buzan, Director of Legal and Policy Services; Dr. Charlotte Patterson, Policy Analyst; Lynne Bondi, Policy Analyst; or Renae Watson, Policy Services Technician/Editor/Publisher. Our e-mail addresses are, respectively, [nbuzan@azsba.org], [cpatterson@azsba.org], [lbondi@azsba.org], and [rwatson@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.

**IGA ©
CURRICULUM DEVELOPMENT**

The need and value of a systematic, ongoing program of curriculum development and evaluation involving students, parents, teachers, and administrators are recognized. It is essential that the school system continually develop and modify its curriculum to meet changing needs. The Board authorizes the Superintendent to develop the curriculum for the school system and to organize committees to review the curriculum. Meetings of Board-authorized textbook selection committees shall comply with open meeting law requirements (A.R.S. 15-721(F) or 15-722(B)). All curriculum changes shall be approved by the Governing Board.

It shall be the responsibility of the Superintendent to develop proposals relating to curriculum modifications and additions that, in the opinion of the professional staff and consultants, are essential to the maintenance of a high-quality program of education from prekindergarten (PK) through grade twelve (12).

All certificated personnel have professional obligations to the school program beyond regular classroom duties, and these obligations will include work on curriculum committees.

Adopted: _____

LEGAL REF.:

- A.R.S.
- 15-203
- 15-341
- 15-701
- 15-701.01
- 15-721
- 15-722
- 38-431
- 38-431.09

**IGD ©
CURRICULUM ADOPTION**

Board Approval

All new programs and courses of study will be subject to Board approval, as will elimination of programs and courses and extensive alteration in their content. Curricular proposals from the professional staff may be presented to the Superintendent, who will be responsible for making recommendations to the Board on such matters. Meetings of Board authorized textbook selection committees shall comply with open meeting law requirements. A.R.S. 15-721(F) or 15-722(B).

Prohibited Instruction

~~The Governing Board acknowledges the legislative affirmation that~~ Public school students should be taught to value each other as individuals and not be taught to resent or hate other races or classes of people.

No District school shall include in its program of instruction any courses or classes that:

- A. Promote the overthrow of the United States government.
- B. Promote resentment toward a race or class of people.
- C. Are designed primarily for students of a particular ethnic group.
- D. Advocate ethnic solidarity instead of treatment of students as individuals.

The above restrictions are not to be construed to restrict or prohibit:

- A. Courses or classes for Native American pupils that are required to comply with federal law.
- B. Grouping of students according to academic performance, including capability in the English language, that may result in a disparate impact by ethnicity.
- C. Courses or classes that include the history of any ethnic group and that are open to all students, unless the course or class is in violation of an above cited course or class restriction.
- D. Courses or classes that include the discussion of controversial aspects of history.
- E. Instruction about the Holocaust, any other instance of genocide, or the historical oppression of a particular group of people based on ethnicity, race, or class.

An alleged failure by the District to abide by the preceding conditions may subject the District to investigation by the State Board of Education (SBE) or the Superintendent of Public Instruction. Enforcement action may be instituted by the SBE or the Superintendent of Public Instruction as prescribed by A.R.S. 15-112.

Adopted: _____

LEGAL REF.:

A.R.S.

15-111

15-112

15-721

15-722

IJJ ©
TEXTBOOK / SUPPLEMENTARY
MATERIALS
SELECTION AND ADOPTION

The Board will approve and adopt all new textbooks and supplementary books. The Superintendent shall establish textbook selection procedures that shall provide for the appropriate involvement of staff members, students, and community members and follow the requirements of statute. These procedures may provide for the establishment of textbook selection committees. Recommendations from textbook selection committees will be forwarded to the Superintendent.

Public Review

Meetings of Board authorized textbook selection committees shall comply with open meeting law requirements. A.R.S. 15-721(F) or 15-722(B).

Textbooks and supplementary books for common schools recommended by textbook selection committees will be placed on display in the District office for a period of at least sixty (60) days prior to the meeting at which the Board will consider their adoption.

Textbooks for high schools recommended by textbook selection committees will be placed on display in the District office for a period of at least sixty (60) days prior to the meeting at which the Board will consider their adoption. Information related to high school textbooks, which are proposed for approval, shall be placed on the District website.

In recommending books, the committees will strive for continuity of textbooks throughout the different grades and use the same book series in all classes of the same grade.

"Textbook" means printed instructional materials or digital content, or both, and related printed or nonprinted instructional materials, that are written and published primarily for use in school instruction and that are required by a state educational agency or a local educational agency for use by pupils in the classroom, including materials that require the availability of electronic equipment in order to be used as a learning resource.

Objectives of Selection

It is the responsibility of the school textbook committees to:

- A. Recommend resources that will support and enrich the curriculum, taking into consideration the varied interests, abilities, learning styles, and maturity levels of students served.

B. Recommend resources that will stimulate growth in factual knowledge, critical analysis of differing sides of issues, literary appreciation, aesthetic values, and recognition of various societal values.

C. Place principle above personal opinion and reason above prejudice in the recommendation of resources of the highest quality in order to assure a comprehensive collection of resources appropriate for the complete education of all students.

The Superintendent will establish procedures for the purchase and distribution of all necessary textbooks, supplemental books, and other related instructional materials from the adopted list free of cost to students.

Removal of Textbooks/Supplementary Materials

Textbook selection committees may recommend to the Superintendent that certain previously adopted textbooks or supplementary materials be deleted from the Board-approved list. Textbooks and supplementary materials will not be deleted without the approval of the Board.

Disposal of Learning Materials

The Board authorizes the Superintendent to establish regulations for the disposal of surplus or outdated learning materials when it has been determined that the cost of selling such materials equals or exceeds estimated market value of the learning materials.

Adopted: _____

LEGAL REF.:

A.R.S.

15-203

15-342

15-721

15-722

15-726

CROSS REF.:

DN - School Properties Disposition

IJL - Library Materials Selection and Adoption

KEC - Public Concerns/Complaints about Instructional Resources

**JLCD ©
MEDICINES / ADMINISTERING
MEDICINES TO STUDENTS**

**Staff Administration of Medication
to Students – In General**

~~Under certain circumstances, w~~When it is necessary for a student to take medicine during school hours, the District will cooperate with the health care practitioner ~~family physician~~ and the parents if the following requirements are met:

- A. There must be a written order from the ~~physician~~ prescribing health care practitioner stating the name of the medicine, the dosage, and the time it is to be given.
- B. There must be written permission from the parent, or written authorization from the student if eighteen (18) years old, to allow the school or the student to administer the medicine. ~~Appropriate forms are available from the school office. See JLCD-EA.~~
- C. The medicine must come to the school office in the prescription container or, if it is over-the-counter medication, in the original container with all warnings and directions intact.

~~In the case of a minor student, administration of medication shall only occur on the written request or authorization of a parent or legal guardian, except for an emergency administration pursuant to A.R.S. 15-157 (epinephrine) or A.R.S. 15-158 (Inhalers) or A.R.S. 15-341, subsection A, paragraph 43, (naloxone hydrochloride/any other opioid antagonist).~~

~~School district, charter schools and employees of school districts and charter schools are immune from civil liability for the consequences of the good faith adoption and implementation of policies and procedures pursuant to the statute.~~

~~The Governing Board recognizes that the prescribed annual training is optional during any fiscal year in which a school does not stock epinephrine auto-injectors at the school during that fiscal year.~~

~~A school district or charter school may accept monetary donations for or apply for grants for the purchase of epinephrine auto-injectors or may participate in third-party programs to obtain epinephrine auto-injectors at fair market, free or reduced prices.~~

Exceptions:

**Staff Administration of Medication by
Students – Limited Circumstances**

Students are entitled to possess and self-administer medications under the following limited circumstances:

<i>Note:</i> This material is written for informational purposes only, and not as legal advice. You may wish to consult an attorney for further explanation.
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A. Emergency Epinephrine – Students who have been diagnosed with anaphylaxis may carry and self-administer emergency medications including epinephrine auto-injectors. The student is entitled to possess and self-administer this medication if the student's name is on the prescription label, on the medication container or device, and annual written documentation from the student's parent is provided that authorizes possession and self-administration. The student shall notify the school office as soon as practicable following the use of the medication.

B. Handheld Inhalers – ~~Students may possess and self-administer prescription medication~~ For breathing disorders in handheld inhaler devices if prescribed by a health care professional. The pupil's student's name must be on the prescription label, on the medication container, or on the handheld inhaler device and annual written documentation from the pupil's student's parent or guardian is must be provided to the school health office that authorizes possession and self-administration.

C. Diabetes Management – Students with diabetes who have a diabetes medical management plan provided by the student's parent ~~or guardian~~, signed by a licensed health professional or nurse practitioner as specified by A.R.S. 15-344.01, may carry appropriate medications and monitoring equipment and self-administer the medication. Specific requirements of this policy are listed in Regulation JLCD-R.

~~District employees may volunteer to be a student's diabetes care assistant, subject to approval by the student's parent or guardian, in an emergency situation as described in 15-344.01. The Superintendent may develop regulations for implementing this provision.~~

~~The District reserves the right, in accordance with procedures established by the Superintendent, to circumscribe or disallow the use or administration of any medication on school premises if the threat of abuse or misuse of the medicine may pose a risk of harm to a member or members of the student population.~~

Emergency Administration of Medicines by Trained Employees

Auto-Injectable Epinephrine

If the Governing Board elects to stock auto-injectable epinephrine, the Governing Board directs the Superintendent to prescribe and enforce regulations and procedures for the emergency administration of auto-injectable epinephrine by a trained employee of the School District pursuant to section A.R.S. 15-157 and R-7-2-809.

If auto-injectable epinephrine is in stock, the Superintendent shall designate at least two (2) school personnel for each school site who shall be required to receive annual training in the proper administration of auto-injectable epinephrine pursuant to R-7-2-809. The Superintendent shall maintain and make available upon request a list of those school personnel authorized and trained to administer auto-injectable epinephrine.

Inhalers

A trained school employee, or trained nurse under contract, may administer, or assist in the administration of, an inhaler to a pupil or an adult whom the individual believes in good faith to be exhibiting symptoms of respiratory distress while at school or a school-sponsored activity.

Naloxone Hydrochloride (NARCAN)

The Governing Board directs the Superintendent to prescribe and enforce regulations and procedures for the emergency administration of naloxone hydrochloride, or any other opioid antagonist approved by the United States Food and Drug Administration, by an employee of a school district pursuant to Section 36-2267, ~~Administration of opioid antagonist; exemption from civil liability; definition, which, in part states the following:~~

Seizure Management Plans

The Superintendent shall create procedures to administer seizure management plans for students diagnosed with a seizure disorder. The procedures shall comply with A.R.S. 15-160.02. The District shall:

- A. Verify and accept student seizure management plans developed by student's parents and physicians or nurse practitioners.
- B. Assign a nurse, employed or under contract, to review the plan. If no nurse is available, the Superintendent shall designate an employee to be responsible for reviewing seizure management and treatment plans.
- C. Confirm that nurses, and non-nurse staff required by statute, are trained as according to law.
- D. Require at least one (1) school official, in addition to the nurse, to meet the training requirements listed in 15-160.02(H).
- E. Seizure management plans shall be submitted to the school health office or District office for review; a template for health plans can be found in Exhibit JLCD-EB.

Required Trainings

Training on Anaphylactic Shock

If the Governing Board elects to stock auto-injectable epinephrine, the Superintendent shall require all school site personnel to receive an annual training on the recognition of anaphylactic shock symptoms and procedures to follow when anaphylactic shock occurs.

Training on Recognition of Symptoms of Respiratory Distress and Administration of Inhalers

If the Governing Board elects to administer inhalers, the Superintendent must designate at least two (2) personnel at each school site who shall be trained in the recognition of respiratory distress symptoms, the procedures to follow when respiratory distress occurs, and the administration of inhalers, as directed on the prescription protocol. R-7-2-810. The Superintendent must maintain and make available upon request a list of school personnel authorized to administer inhalers. The Superintendent will review and implement all the regulatory items listed in R-7-2-810, if applicable, as set forth in Regulation JLCD-R.

Training on Seizure Management Plans

The Superintendent will require that nurses, non-nurse staff listed in A.R.S.15-160.02, and at least one additional employee, be trained in the awareness of seizure disorders and/or the ability to administer or assist with the self-administration, where applicable, as implemented by the State Board of Education. Specific training requirements listed in JLCD-R.

Termination of Medication Administration Policy

The District reserves the right, in accordance with procedures established by the Superintendent, to circumscribe or disallow the use or administration of any medication on school premises if the threat of abuse or misuse of the medicine may pose a risk of harm to a member or members of the student population.

~~A. A person may administer an opioid antagonist that is prescribed or dispensed pursuant to section 32-1979 or 36-2266 in accordance with the protocol specified by the physician, nurse practitioner, pharmacist or other health professional to a person who is experiencing an opioid-related overdose.~~

~~B. A person who in good faith and without compensation administers an opioid antagonist to a person who is experiencing an opioid-related overdose is not liable for any civil or other damages as the result of any act or omission by the person rendering the care or as the result of any act or failure to act to arrange for further medical treatment or care for the person experiencing the overdose, unless the person while rendering the care acts with gross negligence, willful misconduct or intentional wrongdoing.~~

~~C. "Person" includes an employee of a school district or charter school who is acting in the person's official capacity.~~

~~This policy and any related policies or amendments to such policies shall be forwarded to the District liability insurance carrier for review.~~

Adopted: _____

LEGAL REF.:

A.R.S.

15-157

15-158

15-160.02

15-203

15-341

15-344

15-344.01

32-1601

32-1901

R-7-2-809

R-7-2-810

JLCD-R ©

REGULATION

**MEDICINES / ADMINISTERING
MEDICINES TO STUDENTS**

(Medication Procedures)

Prescription Drugs

For occasions when it is necessary for a student to receive a prescription drug during the school day, the following procedure has been established to ensure the protection of the school and the student and to assure compliance with existing rules and regulations:

Administration by school personnel:

- A. The medication must be prescribed by a physician.
- B. The parent or guardian must provide written permission to administer the medicine to the student. Appropriate forms are available from the school office.
- C. The medication must come to the school office in the prescription container as put up by the pharmacist. Written directions from the physician or pharmacist must state the name of the patient, the name of the medicine, the dosage, and the time it is to be given.
- D. An administrator may designate a school employee to administer the medication.
- E. Any medication administration services specified in the child's diabetes medical management plan shall be provided.
- F. Two (2) or more school employees, subject to final approval by the student's parent or guardian, may volunteer to serve as diabetes care assistants. Voluntary diabetes care assistants are allowed to administer insulin, assist the pupil with self-administration of insulin, administer glucagon in an emergency situation to a pupil or perform any combination of these actions if all of the following conditions exist:
 - 1. A school nurse or another health professional who is licensed pursuant to statute or a nurse practitioner who is licensed pursuant to statute is not immediately available to attend to the pupil at the time of the emergency.

2. If the voluntary diabetes care assistant is authorized to administer glucagon, the parent or guardian must provide to the school an unexpired glucagon kit prescribed for the student by an appropriately licensed health care professional or nurse practitioner.
 3. The volunteer diabetes care assistant has provided to the school a written statement signed by an appropriately licensed health professional that the voluntary diabetes care assistant has received proper training in the administration of glucagon, including the training specified in A.R.S. 15-344.01.
 4. If the voluntary diabetes care assistant is authorized to administer insulin, the parent or guardian of the pupil has provided insulin and all equipment and supplies that are necessary for insulin administration by voluntary diabetes care assistants.
 5. The training provided by an appropriately licensed health professional must include all of the following:
 - a. An overview of all types of diabetes.
 - b. The symptoms and treatment of hyperglycemia and hypoglycemia.
 - c. Techniques for determining the proper dose of insulin in a specific situation based on instructions provided in the orders submitted by the pupil's physician.
 - d. Techniques for recognizing the symptoms that require the administration of glucagon.
 - e. Techniques on administering glucagon.
 6. A District employee shall not be subject to any penalty or disciplinary action for refusing to serve as a voluntary diabetes care assistant.
 7. The District, employees of the District, and properly licensed volunteer health professionals and nurse practitioners are immune from civil liability for the consequences of the good faith adoption and implementation of policies and procedures pursuant to District policy and this regulation.
- G. Each administration of prescription drugs must be documented, making a record of the student having received the medication.
- H. Drugs must be kept in their original containers in a locked medicine cabinet.

Self-administration:

A. When the physician feels it is necessary for the student to carry and self-administer the medication, the physician shall provide written recommendations, to be attached to the signed parent permission form except in the case of medication for diagnosed anaphylaxis and breathing disorders requiring handheld inhaler devices. In these cases the student's name on the prescription label is sufficient for the physician's recommendation.

B. The student's diabetes medical management plan provided by the parent or guardian shall be signed by the appropriately licensed health professional or nurse practitioner and shall state that the student is capable of self-monitoring blood glucose and shall list the medications, monitoring equipment, and nutritional needs that are medically appropriate for the pupil to self-administer and that have been prescribed or authorized for that student. The student must be able to practice proper safety precautions for the handling and disposal of the equipment and medications that the student is authorized to use under these provisions. The pupil's diabetes medical management plan shall specify a method to dispose of equipment and medications in a manner agreed on by the parent or guardian and the school.

C. The parent or guardian must provide written permission for the student to self-administer and carry the medication. Appropriate forms are available from the school office.

D. The medication must come in the prescription container as put up by the pharmacist.

Over-the-Counter Medication

When it is necessary for a student to receive a medicine that does not require a prescription order but is sold, offered, promoted, and advertised to the general public, the following procedure has been established to ensure the protection of the school and the student:

Administration by school personnel:

A. Written permission must be provided by the parent or guardian for the administration of specific over-the-counter drugs.

B. Any over-the-counter drug or medicine sent by the parent to be administered to a student must come to the school office in the original manufacturer's packaging with all directions, dosages, compound contents, and proportions clearly marked.

C. An administrator may designate a school employee to administer a specific over-the-counter drug.

D. Each instance of administration of an over-the-counter drug must be documented in the daily log.

E. Over-the-counter drugs must be kept in their original containers in a locked medicine cabinet.

Self-administration:

A. Written permission must be provided by the parent or guardian for the administration of specific over-the-counter drugs by the student.

B. Over-the-counter drugs or medicine sent by the parent to be administered by the student must be kept by the student in the original manufacturer's packaging, with all directions, dosages, compound contents, and proportions clearly marked.

C. *Necessity* for self-administration of an over-the-counter drug or medicine shall be determined by the student's physician and must be verified by a signed physician's statement attached to the parent or guardian permission form, indicating the specific drug or medicine.

Protection of Students

Use or administration of medication on school premises may be disallowed or strictly limited if it is determined by the Superintendent, in consultation with medical personnel, that a threat of abuse or misuse of the medicine may pose a risk of harm to a member of the student population.

The student shall take extraordinary precautions to keep secure any medication or drug, and under no circumstances shall make available, provide, or give the item to another person. The student shall immediately report the loss or theft of any medication brought onto school campus. Violation of this regulation may subject the student to disciplinary action.

Inhalers

Administration by school personnel:

School personnel administering inhalers will do the following:

A. Determine if symptoms indicate possible respiratory distress or emergency and determine if the use of an inhaler will properly address the respiratory distress or emergency.

B. Administer the correct dose of inhaler medication, as directed by the prescription protocol, regardless of whether the individual who is believed to be experiencing respiratory distress has a prescription for an inhaler and spacer or holding chamber or has been previously diagnosed with a condition requiring an inhaler.

- C. Restrict physical activity, encourage slow breaths, and allow the individual to rest.
- D. Assure that trained personnel stay with the subject who has been administered inhaler medication until it is determined whether the medication alleviates symptoms.
- E. If applicable, instruct office staff to notify the school nurse if the inhaler is administered by a trained but non-licensed person.
- F. Instruct school staff to notify the parent or guardian.
- G. Call 911 if severe respiratory distress continues. Advise that inhaler medication was administered and stay with the person until emergency medical responders arrive.
- H. If the individual shows improvement, keep the individual under supervision until breathing returns to normal, with no more chest tightness or shortness of breath, and the individual can walk and talk easily.
- I. Allow a student to return to class if breathing has returned to normal and all symptoms have resolved.
- J. Notify a parent or guardian once the inhaler has been administered and the student has returned to class.
- K. Document the incident detailing who administered the inhaler, the approximate time of the incident, notifications made to the school administration, emergency responders, and parents/guardians.
- L. Retain the incident data on file at the school pursuant to the general records retention schedule regarding health records for school districts and charter schools established by the Arizona State Library, Archives and Public Records.
- M. Order replacement inhalers, spacers and holding chambers as needed.

Seizure Management Plans

The School District will verify and accept student seizure management plans as follows:

- A. Before or at the beginning of the school year, at enrollment, or as soon as practicable following diagnosis of the student's seizure disorder.
- B. The school will annually request up-to-date management plans from parents or guardians.

The District will not accept seizure management plans unless the plan includes the following:

- A. An outline of procedures recommended by the physician or registered nurse practitioner responsible for the student's seizure treatment plan.
- B. An outline of other health care services available at school that the student may receive to help manage the student's seizure disorder at school.
- C. A signature by the student's parent or guardian AND the physician or registered nurse practitioner responsible for the student's seizure treatment.

Seizure management plans must be provided to the school health office.

Individuals that Must be Trained

The following individuals must receive statutorily required training approved by the State Board of Education and available here: <https://azsbe.az.gov/resources/seizure-training>.

Nurses, under contract or employed by the school:

If they receive a seizure management and treatment plan, they must complete an online course of instruction for school nurses regarding managing students with seizure disorders.

Nurses and at least one (1) other school employee:

Training to administer or assist with the self-administration of both 1) as seizure rescue medication or a medication prescribed to treat seizure disorder symptoms; and 2), a manual dose of prescribed electrical stimulation using a vagus nerve stimulator magnet.

Principals, guidance counselors, teachers, bus drivers or classroom aides whose duties include regular contact with students who have submitted a seizure management and treatment plan:

An online course of instruction for school personnel regarding awareness of students with seizure disorders.

JLCD-EB ©

EXHIBIT

**MEDICINES / ADMINISTERING
MEDICINES TO STUDENTS**

ARIZONA SEIZURE ACTION PLAN

To view the District's Seizure Action Plan form, click here.

Arizona Seizure Action Plan

Student's Name: _____ Date of Birth: _____ Allergies: _____
 Emergency Contact: _____ Best Phone Number: _____

Seizure Information

Seizure Type	Length	Frequency	Description
Seizure triggers or warnings			
Student's response to seizure			
Care after seizure			

Green Zone (Less than 2 minutes):

- Stay CALM and track duration
- Keep SAFE - Protect head, do not restrain
- Turn on SIDE if not awake (do not place anything in mouth)
- TIME seizure length
- Swipe VNS magnet x 1 if present
- Contact family about seizure
- May return to class per parent approval

Yellow Zone (2 to _____ minutes):

- Stay with student. Call for assistance
- Prepare rescue treatments

Red Zone (Greater than _____ minutes):

- Give rescue medication (Below)
- Call 911 if seizure does not end 5 minutes after rescue medication is given

Rescue medications:

- For **prolonged** seizure give:
 - Diazepam _____ mg rectally
 - Clonazepam ODT _____ mg between cheek/gums
 - Midazolam/diazepam _____ mg in the nose
 - Other: _____
- For **cluster** of _____ seizures in _____ minute give:
 - Diazepam _____ mg rectally
 - Clonazepam ODT _____ mg between cheek/gum
 - Midazolam/diazepam _____ mg in the nose
 - Other: _____

(Potential adverse effects include sedation, confusion, respiratory depression)

Medical emergencies (Call 911):

- Difficulty breathing after seizure
- Serious injury or seizure in water
- Seizure does not end 5 minutes after rescue medication is administered

Other: _____

Always take seizure action plan and emergency medication for school activities, sports, and field trips. Close adult supervision when swimming or climbing.

Health Care Provider Signature _____	Printed Name _____	Office Phone _____	Date _____
Parent/Guardian Signature _____	Student Signature (when applicable) _____	Date _____	

SAP V1.2022 The School Nurse Seizure Action Plan Committee schoolsafety.socialwellness@azed.gov

Parent complete →

Provider completes →

The following documents are “clean” versions of the JLCD documents from Policy Advisory 747.

Policy Advisory No. 747 Policy JLCD — Medicines / Administering Medicines
to Students

Regulation JLCD-R — Medicines / Administering Medicines
to Students

NEW - Regulation JLCD-EB — Medicines / Administering Medicines
to Students (Arizona Seizure Action Plan)

**JLCD ©
MEDICINES / ADMINISTERING
MEDICINES TO STUDENTS**

**Staff Administration of Medication
to Students – In General**

When it is necessary for a student to take medicine during school hours, the District will cooperate with the health care practitioner and the parents if the following requirements are met:

- A. There must be a written order from the prescribing health care practitioner stating the name of the medicine, the dosage, and the time it is to be given.
- B. There must be written permission from the parent, or written authorization from the student if eighteen (18) years old, to allow the school or the student to administer the medicine. See JLCD-EA.
- C. The medicine must come to the school office in the prescription container or, if it is over-the-counter medication, in the original container with all warnings and directions intact.

**Staff Administration of Medication by
Students – Limited Circumstances**

Students are entitled to possess and self-administer medications under the following limited circumstances:

A. ***Emergency Epinephrine*** – Students who have been diagnosed with anaphylaxis may carry and self-administer emergency medications including epinephrine auto-injectors. The student is entitled to possess and self-administer this medication if the student's name is on the prescription label, on the medication container or device, and annual written documentation from the student's parent is provided that authorizes possession and self-administration. The student shall notify the school office as soon as practicable following the use of the medication.

B. ***Handheld Inhalers*** – Students may possess and self-administer prescription medication for breathing disorders in handheld inhaler devices if prescribed by a health care professional. The student's name must be on the prescription label, on the medication container, or on the handheld inhaler device and annual written documentation from the student's parent must be provided to the school health office that authorizes possession and self-administration.

C. ***Diabetes Management*** – Students with diabetes who have a diabetes medical management plan provided by the student's parent, signed by a licensed health professional or nurse practitioner as specified by A.R.S. 15-344.01, may carry appropriate medications and monitoring equipment and self-administer the medication. Specific requirements of this policy are listed in Regulation JLCD-R.

Emergency Administration of Medicines by Trained Employees

Auto-Injectable Epinephrine

If the Governing Board elects to stock auto-injectable epinephrine, the Governing Board directs the Superintendent to prescribe and enforce regulations and procedures for the emergency administration of auto-injectable epinephrine by a trained employee of the School District pursuant to section A.R.S. 15-157 and R-7-2-809.

If auto-injectable epinephrine is in stock, the Superintendent shall designate at least two (2) school personnel for each school site who shall be required to receive annual training in the proper administration of auto-injectable epinephrine pursuant to R-7-2-809. The Superintendent shall maintain and make available upon request a list of those school personnel authorized and trained to administer auto-injectable epinephrine.

Inhalers

A trained school employee, or trained nurse under contract, may administer, or assist in the administration of, an inhaler to a pupil or an adult whom the individual believes in good faith to be exhibiting symptoms of respiratory distress while at school or a school-sponsored activity.

Naloxone Hydrochloride (NARCAN)

The Governing Board directs the Superintendent to prescribe and enforce regulations and procedures for the emergency administration of naloxone hydrochloride, or any other opioid antagonist approved by the United States Food and Drug Administration, by an employee of a school district pursuant to Section 36-2267.

Seizure Management Plans

The Superintendent shall create procedures to administer seizure management plans for students diagnosed with a seizure disorder. The procedures shall comply with A.R.S. 15-160.02. The District shall:

- A. Verify and accept student seizure management plans developed by student's parents and physicians or nurse practitioners.
- B. Assign a nurse, employed or under contract, to review the plan. If no nurse is available, the Superintendent shall designate an employee to be responsible for reviewing seizure management and treatment plans.
- C. Confirm that nurses, and non-nurse staff required by statute, are trained as according to law.
- D. Require at least one (1) school official, in addition to the nurse, to meet the training requirements listed in 15-160.02(H).
- E. Seizure management plans shall be submitted to the school health office or District office for review; a template for health plans can be found in Exhibit JLCD-EB.

Required Trainings

Training on Anaphylactic Shock

If the Governing Board elects to stock auto-injectable epinephrine, the Superintendent shall require all school site personnel to receive an annual training on the recognition of anaphylactic shock symptoms and procedures to follow when anaphylactic shock occurs.

Training on Recognition of Symptoms of Respiratory Distress and Administration of Inhalers

If the Governing Board elects to administer inhalers, the Superintendent must designate at least two (2) personnel at each school site who shall be trained in the recognition of respiratory distress symptoms, the procedures to follow when respiratory distress occurs, and the administration of inhalers, as directed on the prescription protocol. R-7-2-810. The Superintendent must maintain and make available upon request a list of school personnel authorized to administer inhalers. The Superintendent will review and implement all the regulatory items listed in R-7-2-810, if applicable, as set forth in Regulation JLCD-R.

Training on Seizure Management Plans

The Superintendent will require that nurses, non-nurse staff listed in A.R.S.15-160.02, and at least one additional employee, be trained in the awareness of seizure disorders and/or the ability to administer or assist with the self-administration, where applicable, as implemented by the State Board of Education. Specific training requirements listed in JLCD-R.

Termination of Medication Administration Policy

The District reserves the right, in accordance with procedures established by the Superintendent, to circumscribe or disallow the use or administration of any medication on school premises if the threat of abuse or misuse of the medicine may pose a risk of harm to a member or members of the student population.

Adopted: _____

LEGAL REF.:

A.R.S.
15-157
15-158
15-160.02
15-203
15-341
15-344
15-344.01
32-1601
32-1901
R-7-2-809
R-7-2-810

JLCD-R ©

REGULATION

**MEDICINES / ADMINISTERING
MEDICINES TO STUDENTS**

(Medication Procedures)

Prescription Drugs

For occasions when it is necessary for a student to receive a prescription drug during the school day, the following procedure has been established to ensure the protection of the school and the student and to assure compliance with existing rules and regulations:

Administration by school personnel:

- A. The medication must be prescribed by a physician.
- B. The parent or guardian must provide written permission to administer the medicine to the student. Appropriate forms are available from the school office.
- C. The medication must come to the school office in the prescription container as put up by the pharmacist. Written directions from the physician or pharmacist must state the name of the patient, the name of the medicine, the dosage, and the time it is to be given.
- D. An administrator may designate a school employee to administer the medication.
- E. Any medication administration services specified in the child's diabetes medical management plan shall be provided.
- F. Two (2) or more school employees, subject to final approval by the student's parent or guardian, may volunteer to serve as diabetes care assistants. Voluntary diabetes care assistants are allowed to administer insulin, assist the pupil with self-administration of insulin, administer glucagon in an emergency situation to a pupil or perform any combination of these actions if all of the following conditions exist:
 - 1. A school nurse or another health professional who is licensed pursuant to statute or a nurse practitioner who is licensed pursuant to statute is not immediately available to attend to the pupil at the time of the emergency.
 - 2. If the voluntary diabetes care assistant is authorized to administer glucagon, the parent or guardian must provide to the school an unexpired glucagon kit prescribed for the student by an appropriately licensed health care professional or nurse practitioner.

3. The volunteer diabetes care assistant has provided to the school a written statement signed by an appropriately licensed health professional that the voluntary diabetes care assistant has received proper training in the administration of glucagon, including the training specified in A.R.S. 15-344.01.

4. If the voluntary diabetes care assistant is authorized to administer insulin, the parent or guardian of the pupil has provided insulin and all equipment and supplies that are necessary for insulin administration by voluntary diabetes care assistants.

5. The training provided by an appropriately licensed health professional must include all of the following:

a. An overview of all types of diabetes.

b. The symptoms and treatment of hyperglycemia and hypoglycemia.

c. Techniques for determining the proper dose of insulin in a specific situation based on instructions provided in the orders submitted by the pupil's physician.

d. Techniques for recognizing the symptoms that require the administration of glucagon.

e. Techniques on administering glucagon.

6. A District employee shall not be subject to any penalty or disciplinary action for refusing to serve as a voluntary diabetes care assistant.

7. The District, employees of the District, and properly licensed volunteer health professionals and nurse practitioners are immune from civil liability for the consequences of the good faith adoption and implementation of policies and procedures pursuant to District policy and this regulation.

G. Each administration of prescription drugs must be documented, making a record of the student having received the medication.

H. Drugs must be kept in their original containers in a locked medicine cabinet.

Self-administration:

A. When the physician feels it is necessary for the student to carry and self-administer the medication, the physician shall provide written recommendations, to be attached to the signed parent permission form except in the case of medication for diagnosed anaphylaxis and breathing disorders requiring handheld inhaler devices. In these cases the student's name on the prescription label is sufficient for the physician's recommendation.

B. The student's diabetes medical management plan provided by the parent or guardian shall be signed by the appropriately licensed health professional or nurse practitioner and shall state that the student is capable of self-monitoring blood glucose and shall list the medications, monitoring equipment, and nutritional needs that are medically appropriate for the pupil to self-administer and that have been prescribed or authorized for that student. The student must be able to practice proper safety precautions for the handling and disposal of the equipment and medications that the student is authorized to use under these provisions. The pupil's diabetes medical management plan shall specify a method to dispose of equipment and medications in a manner agreed on by the parent or guardian and the school.

C. The parent or guardian must provide written permission for the student to self-administer and carry the medication. Appropriate forms are available from the school office.

D. The medication must come in the prescription container as put up by the pharmacist.

Over-the-Counter Medication

When it is necessary for a student to receive a medicine that does not require a prescription order but is sold, offered, promoted, and advertised to the general public, the following procedure has been established to ensure the protection of the school and the student:

Administration by school personnel:

A. Written permission must be provided by the parent or guardian for the administration of specific over-the-counter drugs.

B. Any over-the-counter drug or medicine sent by the parent to be administered to a student must come to the school office in the original manufacturer's packaging with all directions, dosages, compound contents, and proportions clearly marked.

C. An administrator may designate a school employee to administer a specific over-the-counter drug.

D. Each instance of administration of an over-the-counter drug must be documented in the daily log.

E. Over-the-counter drugs must be kept in their original containers in a locked medicine cabinet.

Self-administration:

A. Written permission must be provided by the parent or guardian for the administration of specific over-the-counter drugs by the student.

B. Over-the-counter drugs or medicine sent by the parent to be administered by the student must be kept by the student in the original manufacturer's packaging, with all directions, dosages, compound contents, and proportions clearly marked.

C. *Necessity* for self-administration of an over-the-counter drug or medicine shall be determined by the student's physician and must be verified by a signed physician's statement attached to the parent or guardian permission form, indicating the specific drug or medicine.

Protection of Students

Use or administration of medication on school premises may be disallowed or strictly limited if it is determined by the Superintendent, in consultation with medical personnel, that a threat of abuse or misuse of the medicine may pose a risk of harm to a member of the student population.

The student shall take extraordinary precautions to keep secure any medication or drug, and under no circumstances shall make available, provide, or give the item to another person. The student shall immediately report the loss or theft of any medication brought onto school campus. Violation of this regulation may subject the student to disciplinary action.

Inhalers

Administration by school personnel:

School personnel administering inhalers will do the following:

A. Determine if symptoms indicate possible respiratory distress or emergency and determine if the use of an inhaler will properly address the respiratory distress or emergency.

B. Administer the correct dose of inhaler medication, as directed by the prescription protocol, regardless of whether the individual who is believed to be experiencing respiratory distress has a prescription for an inhaler and spacer or holding chamber or has been previously diagnosed with a condition requiring an inhaler.

C. Restrict physical activity, encourage slow breaths, and allow the individual to rest.

D. Assure that trained personnel stay with the subject who has been administered inhaler medication until it is determined whether the medication alleviates symptoms.

E. If applicable, instruct office staff to notify the school nurse if the inhaler is administered by a trained but non-licensed person.

F. Instruct school staff to notify the parent or guardian.

G. Call 911 if severe respiratory distress continues. Advise that inhaler medication was administered and stay with the person until emergency medical responders arrive.

- H. If the individual shows improvement, keep the individual under supervision until breathing returns to normal, with no more chest tightness or shortness of breath, and the individual can walk and talk easily.
- I. Allow a student to return to class if breathing has returned to normal and all symptoms have resolved.
- J. Notify a parent or guardian once the inhaler has been administered and the student has returned to class.
- K. Document the incident detailing who administered the inhaler, the approximate time of the incident, notifications made to the school administration, emergency responders, and parents/guardians.
- L. Retain the incident data on file at the school pursuant to the general records retention schedule regarding health records for school districts and charter schools established by the Arizona State Library, Archives and Public Records.
- M. Order replacement inhalers, spacers and holding chambers as needed.

Seizure Management Plans

The School District will verify and accept student seizure management plans as follows:

- A. Before or at the beginning of the school year, at enrollment, or as soon as practicable following diagnosis of the student's seizure disorder.
- B. The school will annually request up-to-date management plans from parents or guardians.

The District will not accept seizure management plans unless the plan includes the following:

- A. An outline of procedures recommended by the physician or registered nurse practitioner responsible for the student's seizure treatment plan.
- B. An outline of other health care services available at school that the student may receive to help manage the student's seizure disorder at school.
- C. A signature by the student's parent or guardian *AND* the physician or registered nurse practitioner responsible for the student's seizure treatment.

Seizure management plans must be provided to the school health office.

Individuals that Must be Trained

The following individuals must receive statutorily required training approved by the State Board of Education and available here: <https://azsbe.az.gov/resources/seizure-training>.

Nurses, under contract or employed by the school:

If they receive a seizure management and treatment plan, they must complete an online course of instruction for school nurses regarding managing students with seizure disorders.

Nurses and at least one (1) other school employee:

Training to administer or assist with the self-administration of both 1) as seizure rescue medication or a medication prescribed to treat seizure disorder symptoms; and 2), a manual dose of prescribed electrical stimulation using a vagus nerve stimulator magnet.

Principals, guidance counselors, teachers, bus drivers or classroom aides whose duties include regular contact with students who have submitted a seizure management and treatment plan:

An online course of instruction for school personnel regarding awareness of students with seizure disorders.

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EXHIBIT

**MEDICINES / ADMINISTERING
MEDICINES TO STUDENTS
ARIZONA SEIZURE ACTION PLAN**

To view the District's Seizure Action Plan form, [click here](#).

7.B. 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.

7.C. Upcoming Meetings and Events Calendar

- Kindergarten Promotion - May 16, 2023; 6:00 p.m.
- 8th Grade Promotion - May 17, 2023; 7:00 p.m.
- High School Graduation - May 18, 2023; 7:00 p.m.
- Next Regular Board Meeting - June 13, 2023; 6:00 p.m.

8. ADJOURNMENT