



## **Regular Board Meeting Agenda**

**Tuesday, July 9, 2024 | 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. The meeting room will be open to the public fifteen minutes prior to the beginning of the meeting.*

### **1. PUBLIC HEARING**

#### **1.A. FY 2024-25 Proposed Budget**

Individuals may comment on the proposed budget. A complete copy of the proposed 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 June 11,2024 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, June 11, 2024**

**Members present**

Karsten Flake; Dayton Flake, Clerk; Andrew Bushman, Cat Hansen

**Administrators present**

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

**Others present**

4 Community members

**1. OPENING ITEMS**

**1.A. Call to Order**

**1.B. Roll Call**

**1.C. Pledge of Allegiance**

**1.D. Invocation**

**1.E. Adoption of Agenda**

Motion to adopt the agenda by Karsten Flake; second by Andrew Bushman

Final Resolution: Motion passed.

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

**1.F. Approve Minutes of the May 14, 2024 Regular Board Meeting**

Motion to Approve April Board Meeting minutes by Dayton Flake; second by Andrew Bushman

Final Resolution: Motion passed.

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

**1.G. Superintendent's Report**

Current Events and Updates

**2. CALL TO THE PUBLIC**

None

**3. CONSENT AGENDA**

Motion to Approve Consent Agenda, removing 3. L. to be considered separately by Karsten Flake; second by Andrew Bushman

Final Resolution: Motion passed.

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

**3.A. Approve Expense Vouchers**

Action to ratify district vouchers for the period 5/1/2024 through 5/31/2024.

**General and Special Funds:** ##23 \$176,470.16; #24 \$171,706.7; #25 \$373,352.78; #26 \$103,445.90; #1041 \$48,799.82; #1042 \$31,192.27; #1043 \$75,182.53

**Auxiliary Operations Funds:** #1073 \$153.61; #1077 \$10,399.74; #1080 \$2,061.02

**Student Activities Fund:** #1074 \$3,092.86; #1075 \$869.71; #1076 \$750.00; #1078 \$706.70; #1081 \$827.29

**3.B. Student Activities Fund Report**

Revenues, expenditures and charges in the Student Activities Fund Report; period of 5/1/2024 through 5/31/2024.

**3.C. Approve Intergovernmental Agreement with Holbrook Unified School District**

Renewal of agreement for shared services

**3.D. Appoint Student Activities Treasurer**

Approve annual appointment of Student Activities Treasurer and Assistant Student Activities Treasurer

**3.E. Authorization to Operate Revolving Funds**

Approval of continuing the operation of the District's revolving accounts for the coming year.

**3.F. Resolution to Approve Voucher Ratification**

Approve continuing resolution to authorize voucher certification between Governing Board meetings.

**3.G. Delegation of Authority to Hire**

Approve the delegation of limited authority to the Superintendent to hire temporary, student, and event workers and other critical staff between Governing Board meetings.

**3.H. Approve Authorized Bank Account, Purchasing and Contract Signers**

Renew and approve authorized signers for bank accounts, purchasing and contracts on behalf of the District.

**3.I. Approve Sole Source Vendors for FY 2024-25**

**3.J. Approve Fee Schedule for 2024-25**

**3.K. Reimbursements for Vehicle Use**

Approval of vehicle use reimbursements for employees who use personal vehicles for authorized school business.

**3.L. Accept U.S. Environmental Protection Agency (EPA) Bus Grant and Approve Purchase of School Bus Utilizing Grant Funds Grant awarded in the amount of \$395,000 (removed, to be considered separately)**

**3.M. Disposal of Surplus Property**

Approve the disposal of unused surplus furniture, equipment, and other items in compliance with Arizona statutes and administrative code via our online auction web service.

**Item 3.L. Accept U.S. Environmental Protection Agency (EPA) Bus Grant and Approve Purchase of School Bus Utilizing Grant Funds Grant awarded in the amount of \$395,000**

Motion by Karsten Flake to table this item until a future meeting; second by Dayton Flake

Final Resolution: Motion passed.

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

**4. POSSIBLE EXECUTIVE SESSION**

None

**5. ACTION ITEMS**

**5.A. Personnel Requests**

Name	Assignment	Action
Beatty, Kristen	Coach II (Asst) - HS Volleyball	Appointment
Bowler, Felicia	Tutor - Summer School (Noncertified)	Assignment
Case, Melanie	Tutor - Summer School (Noncertified)	Assignment
Chapman, Sonya	Instructional Aide	Resignation
Fischer, Brad	Seasonal Worker	Assignment
Fish, T.C.	Coach (Head) - HS Varsity Baseball	Appointment
Grant, Ashley	Instructional Aide	Resignation

Name	Assignment	Action
Hutchens, Brenlee	Seasonal Worker	Appointment
Jensen, Loucinda	Seasonal Worker	Ratification
Johnstun, Anna	Seasonal Worker	Renewal
Johnstun, Spencer	Transportation Coordinator	Appointment
Kinlicheenie, Tawnya	Instructional Assistant - Elementary PE	Appointment
Miller, Ammon	Student Worker	Appointment
Price, Andrea	Instructional Aide	Resignation
Randles, Chalene	Instructional Aide	Resignation
Redfearn, Traci	Instructional Aide	Appointment
Redfearn, Traci	Preschool Teacher	Resignation
Smith, Tyson	Skilled Seasonal Worker	Assignment
Taylor, Dallasandra	Substitute Teacher	Appointment

Motion by Karsten Flake to accept the Personnel requests as presented; second by Andrew Bushman  
Final Resolution: Motion passed.

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

**5.B. Possible Approval of Increase in Beginning Base Pay for Transportation Coordinator Position**

Motion by Karsten Flake to increase the base pay for the Transportation Coordinator position to \$23.00 per hour; second by Andrew Bushman

Final Resolution: Motion passed.

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

**5.C. Approve the Proposed Fiscal Year 2024-25 Budget**

Motion by Karsten Flake to approve the proposed fiscal year 2024-25 budget; second by Dayton Flake

Final Resolution: Motion passed.

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

**5.D. Cell Phone Use Stipends for Supervisory Staff**

Motion by Karsten Flake to discontinue cell phone use stipends for supervisory staff and add the \$660 stipend to the base pay for each position affected, effective July 1, 2024; second by Cat Hansen

Final Resolution: Motion passed.

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

**5.E. Discussion and Possible Award of Food Service Management Contract**

Motion by Karsten Flake to award the food service management contract to Southwest Foodservice Excellence, LLC effective July 1, 2024, renewable annually for five years, pending Arizona Department of Education approval; second by Dayton Flake

Final Resolution: Motion passed.

Yes: Dayton Flake, Karsten Flake, Cat Hansen

No: Andrew Bushman

**6. INFORMATION ITEMS**

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

UNDB - Use of Technology Resources In Instruction

**6.B. Joseph City Schools Audit and Compliance Reports for Fiscal Year 2022-23**

**6.C. Requests for Future Agenda Items**

Discuss Acceptance of U.S. Environmental Protection Agency (EPA) Bus Grant and Approve Purchase of School Bus Utilizing Grant Funds in the amount of \$395,000.

**6.D. Upcoming Meetings and Events Calendar**

- Next Regular Board Meeting - July 9, 2024; 6:00 p.m.

**7. ADJOURNMENT**

Motion to adjourn by Karsten Flake; second by Dayton Flake

Final Resolution: Motion passed.

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

Time: 7:02 p.m.

APPROVED:

---

Board Clerk or President

**2.G. Superintendent's Report**  
Current Events and Updates

JCUSD Governing Board Meeting Report

Meeting Date: July 9, 2024

Prepared by: B. Fields, Superintendent

Subject: Updates and Current Events

- The summer is flying by and will be over before we know it. Some of the school’s summer programs have concluded and teachers officially report back on August 1<sup>st</sup>. The schools’ Open House programs are scheduled for August 5<sup>th</sup>, which is the day before students return. We still need to hire one instructional aide (Title One/Reading Helper) for next year. There is at least one applicant for this position and interviews are planned for the week of July 15<sup>th</sup>. We will probably ask that this person be allowed to start working before the August Board Meeting and then ratified (officially hired) at that meeting.
- Our High School Girls’ Basketball team was invited to a WNBA (Mercury) game on June 28<sup>th</sup> and watched the game from the APS luxury booth.
- I was recently notified that our District was awarded a “Utilities Grant” worth \$25,000 that can be used towards our electric bus program.
- We are considering the implementation an online tutoring program called Varsity Tutors to assist struggling students, and students preparing for the ACT. The plan is to utilize the features that they offer at no-cost and then look to expand to their additional features that do cost.
- A summary of the standardized tests achievement scores for our students are attached to my report.
- See some basic electric bus information below:
  - Round 1 Electric Bus Award Amount - \$315,000
  - Round 1 Electric Bus Cost to the District - \$30,531
  - Additional Charger Cost to the District - \$11,000
  - Round 2 Electric Bus Award Amount - \$396,000
  - Round 2 Electric Bus Cost to the District - \$163,237
  - **Total** District Expense for 2 Buses- **\$204,768**
- I wanted to publically thank Bob Martineau and Robert Larsen for some recent work at the High School campus with our mechanical HVAC equipment. They took on a big job of replacing large system valves that had failed. It is good to use local people when possible and in this case it looks like they saved the District a significant amount of money.
- A plaque is currently being installed at the entrance of the BG Bennett Auditorium that says a little bit about Mr. Bennett and the contributions that he’s made to our schools and youth over the years.



**Summary of Financial Operations (Unaudited)**  
**June 30, 2024**

Fund		Budget	YTD Expenses	Encumbrances	Budget Balance
001	Maintenance & Operation	\$5,910,156	\$5,647,961	\$ 215,138	\$ 47,057
010-013	Classroom Site Funds	\$1,282,491	\$ 370,158	\$ -	\$ 912,333
100-130	Title I	\$ 180,000	\$ 175,291	\$ 133	\$ 4,576
140-150	Title II - Profesional Development	\$ 40,000	\$ 4,026	\$ -	\$ 35,974
200-209	Title VII - Indian Education	\$ 15,000	\$ 11,657	\$ -	\$ 3,343
220-229	IDEA/Special Education Grants	\$ 230,000	\$ 136,905	\$ 1,286	\$ 228,669
230	Johnson-O'Malley (JOM) - Indian Ed.	\$ 4,500	\$ 45	\$ -	\$ 4,455
260-270	Career & Technical Ed (CTE) - Federal	\$ 16,000	\$ 13,347	\$ 1,510	\$ 1,144
290-291	Medicare Reimbursement (Spec Ed services)	\$ 60,000	\$ 1,443	\$ -	\$ 58,557
301	Az School Nurse Access Program	\$ 85,000	\$ 55,006	\$ -	\$ 29,994
326-346	ESSER / CARES / ESG	\$ 836,646	\$ 542,781	\$ 17,095	\$ 276,770
374	E-Rate	\$ 75,000	\$ 26,004	\$ 27,996	\$ 21,000
390-396	REAP (Federal rural assistance grant)	\$ 45,000	\$ 5,375	\$ 30,050	\$ 9,575
400	Career & Technical Ed (CTE) - State	\$ 6,000	\$ 5,809	\$ -	\$ 191
467	DES Childcare Stabilization Grant	\$ 14,406	\$ 14,266	\$ -	\$ 140
469	First Things First	\$ 1,940	\$ 1,940	\$ -	\$ -
500	School Plant (Proceeds from surplus equip sales)	\$ 45,000	\$ 31,311	\$ 5,773	\$ 7,916
510	Food Service	\$ 350,000	\$ 268,093	\$ 72,579	\$ 9,329
515	Civic Center (Swimming pool community use)	\$ 60,000	\$ 2,727	\$ 773	\$ 56,500
520	Preschool Tuition	\$ 15,000	\$ 7,001	\$ 826	\$ 7,172
525	Auxiliary Operations (Bookstore, athletics, fees)	\$ 175,000	\$ 169,547	\$ 203	\$ 5,250
526	Extracurricular Activities Tax Credit	\$ 50,000	\$ 6,855	\$ -	\$ 43,145
530	Gifts & Donations	\$ 550,000	\$ 4,927	\$ -	\$ 545,073
535-539	CTE & Vocational Education Projects	\$ 15,000	\$ 10,079	\$ -	\$ 4,921
550	Insurance Proceeds (from claims)	\$ 60,000	\$ 21,199	\$ -	\$ 38,801
565	Litigation Recovery	\$ 35,000	\$ -	\$ -	\$ 35,000
570	Indirect Costs (Grant administration costs)	\$ 75,000	\$ 7,571	\$ 5,720	\$ 61,710
585	Insurance Refunds (premium discounts)	\$ 10,000	\$ -	\$ -	\$ 10,000
596	NAVIT	\$ 45,000	\$ 14,908	\$ -	\$ 30,092
597	CTE Credentials	\$ 1,149	\$ -	\$ -	\$ 1,149
610	Capital Outlay	\$ 445,215	\$ 388,623	\$ 52,178	\$ 4,414
620	Adjacent Ways	\$ 50,000	\$ 29,951	\$ -	\$ 20,049
665	Energy and Water Savings	\$ 48,000	\$ -	\$ -	\$ 48,000
686	SFB Emergency Deficiency Correction	\$ 90,000	\$ -	\$ -	\$ 90,000
691	SFB Building Renewal Grant	\$2,000,000	\$ 568,226	\$ -	\$1,431,774
850	Student Activities (clubs and classes)	\$ 60,000	\$ 35,218	\$ 115	\$ 24,667
TOTAL		\$ 12,981,502	\$ 8,578,251	\$ 431,373	\$ 4,108,738

### 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 the period 6/1/2024 through 6/30/2024.

**General and Special Funds:** #27 \$53,864.82; #28 \$81,102.97; #29 \$99,209.26; #1044 \$39,355.66; #1045 \$70,533.03; #1046 \$37,193.07; #1047 \$149,217.87

**Auxiliary Operations Funds:** #1084 \$3,767.62; #1085 \$1,487.21; #1087 \$2,415.40; #1090 \$48,750.13

**Student Activities Fund:** #1083 \$3,105.37; #1086 \$875; #1089 \$484.70

#### 4.B. Student Activities Fund Report

Revenues, expenditures and charges in the Student Activities Fund Report; period of 6/1/2024 through 6/30/2024.

## Joseph City USD External Funds

### Student Activities Summary Report

Fiscal Year: 2023-2024

From: 6/1/2024 To: 6/30/2024

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	847.23	.00	(421.50)	425.73	421.50	847.23
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	.00	.00	.00	.00	.00	.00
102.639 Joseph City Jr High School Class of 2026	1,237.79	.00	.00	1,237.79	.00	1,237.79
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	499.64	.00	.00	499.64	.00	499.64
102.642 Joseph City Jr High School Class of 2029	477.74	.00	.00	477.74	.00	477.74
102.643 Joseph City Jr High School Class of 2030	173.50	.00	.00	173.50	.00	173.50
102.644 Joseph City Jr High School Class of 2031	.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	896.94	.00	.00	896.94	.00	896.94
203.604 Joseph City High School Disc Golf Club	485.50	445.50	.00	931.00	.00	931.00
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	91.56	.00	.00	91.56	.00	91.56
203.609 Joseph City High School Girls Basketball	1,765.68	.00	(375.00)	1,390.68	.00	1,390.68
203.610 Joseph City High School Student Council	5,472.65	.00	(258.08)	5,214.57	285.12	5,499.69
203.611 Joseph City High School National Honor Society	567.88	.00	.00	567.88	.00	567.88

## Joseph City USD External Funds

### Student Activities Summary Report

Fiscal Year: 2023-2024

From: 6/1/2024

To: 6/30/2024

Print Detail

Page Break by Activity

Exclude Encumbrances

Reverse Signs

Subtotal By Journal

	Range Beg. Balance	Range Revenue	Range Expenditures	Balance	Encumbrances	Available Balance
203.612 Joseph City High School Softball	1,701.50	.00	.00	1,701.50	.00	1,701.50
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	3,652.01	.00	.00	3,652.01	.00	3,652.01
203.615 Joseph City High School Cheerleaders	2,326.53	1,826.00	(650.00)	3,502.53	650.00	4,152.53
203.616 Joseph City High School Welding	136.33	.00	.00	136.33	.00	136.33
203.617 Joseph City High School Woods	104.72	.00	.00	104.72	.00	104.72
203.618 Joseph City High School Boys Basketball	473.49	.00	.00	473.49	.00	473.49
203.619 Joseph City High School Volleyball	12,957.28	174.00	.00	13,131.28	.00	13,131.28
203.620 Joseph City High School FACS	35.74	.00	.00	35.74	.00	35.74
203.621 Joseph City High School Hotrod Club	24.00	.00	.00	24.00	.00	24.00
203.624 Joseph City High School Basketball Cheerleaders	.00	.00	.00	.00	.00	.00
203.625 Joseph City High School FFA	665.07	34.00	.00	699.07	.00	699.07
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	321.04	.00	.00	321.04	.00	321.04
203.630 Joseph City High School Football	515.69	.00	.00	515.69	.00	515.69
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

## Joseph City USD External Funds

### Student Activities Summary Report

Fiscal Year: 2023-2024

From: 6/1/2024

To: 6/30/2024

Print Detail

Page Break by Activity

Exclude Encumbrances

Reverse Signs

Subtotal By Journal

	Range Beg. Balance	Range Revenue	Range Expenditures	Balance	Encumbrances	Available Balance
203.636 Joseph City High School Class of 2023	780.48	.00	.00	780.48	.00	780.48
203.637 Joseph City High School Class of 2024	2,960.49	.00	(2,760.49)	200.00	2,838.22	3,038.22
203.638 Joseph City High School Class of 2025	1,888.42	.00	.00	1,888.42	.00	1,888.42
203.639 Joseph City High School Class of 2026	1,296.15	.00	.00	1,296.15	.00	1,296.15
203.640 Joseph City High School Class of 2027	367.64	.00	.00	367.64	.00	367.64
203.641 Joseph City High School Class of 2028	.00	.00	.00	.00	.00	.00
500.300 Districtwide UNDESIGNATED	.00	.00	.00	.00	.00	.00
500.600 Districtwide UNDESIGNATED	(25.34)	.37	(5.64)	(30.61)	.00	(30.61)
<b>GRAND TOTALS</b>	47,949.38	2,479.87	(4,470.71)	45,958.54	4,194.84	50,153.38

End of Report

**4.C. Preschool Tuition Fee Schedule for FY2024-25**

**4.D. Accept Grant Award from APS Utilities Grant Funding Program in the amount of \$25,000**

**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 (\*)**

<b>Name</b>	<b>Assignment</b>	<b>Action</b>
Batala, Bonita	Intructional Aide II	Appointment
Brawley, Micah	JH Head Track Coach	Renewal
Brawley, Micah	HS JV Girls Basketball Coach	Renewal
Burgess, Abigail	Lifeguard	Appointment
Bushman, Ashlee	Seasonal Worker	Ratify
Bushman, Dan	HS Girls Basketball Coach	Renewal
Davis, Kylie	Substitute Custodian	Appointment
DeWitt, Alexis	Athletic Volunteer	Renewal
Edwards, Jeri	8th Grade Volleyball Coach	Renewal
Fischer, Brad	HS Wrestling Coach1	Renewal
Fish, Dustin	JH Assistant Football Coach	Renewal
Fish, Dustin	Coach II - JV Boys Basketball	Appointment
Fish, T.C	JH Head Football Coach	Renewal
Frost, Katherine	Athletic Volunteer	Renewal
Gayer, Lisa	HS JV Wrestling Coach	Renewal
Hansen, Marijo	Substitute Teacher	Appointment
Hendricks, TJ	Athletic Volunteer	Renewal
Hutchens, Daniel	Athletic Volunteer - HS Girls Basketball	Renewal
Hutchens, Daniel	HS Softball Coach	Renewal
Hutchens, Seth	Athletic Volunteer	Renewal
Jensen, Loucinda	Substitute Custodian	Appointment
Keams, Margaret	Substitute Custodian	Renewal
Kelley, Dayna	7th Grade Girls Basketball Coach	Renewal
Kelley, Dayna	Athletic Volunteer HS Volleyball	Renewal
Krebs, Gerard	JH Wrestling Coach	Renewal
Larsen, Eldon	Athletic Volunteer	Renewal
Larsen, Robert	Athletic Volunteer	Renewal
McLaws, Cory	Lifeguard	Ratification
Miller, Cambria	Substitute Custodian	Appointment
Miller, Charlsye	Athletic Volunteer - HS Softball	Renewal
Miller, Charlsye	HS Volleyball Coach	Renewal
Miller, Eric	HS Boys Basketball Coach	Renewal
Miller, Layne	Athletic Volunteer	Renewal
Miller, Mariah	Seasonal Worker	Appointment

<b>Name</b>	<b>Assignment</b>	<b>Action</b>
Morris, Charmayne	Substitute Custodian	Renewal
Morris, Patrick	Bus Driver	Appointment
Neill, Aaron	Athletic Volunteer	Renewal
Petersen, Wiley	Seasonal Worker	Ratify
Rindlisbacher, John	Substitute Custodian	Appointment
Randles, Chalene	Substitutue Teacher	Appointment
Rice, Eric	JV Football Coach	Appointment
Rush, Hailey	Substitute Custodian	Appointment
Sander, Jorge	Athletic Volunteer	Renewal
Searle, Cove	Lifeguard	Ratify
Smith, Gayla	HS Cross Country Coach	Renewal
Smith, Talon	Athletic Volunteer	Renewal
Spurlock, Mary	HS JV Softball Coach	Renewal
Tenney, Britney	Athletic Volunteer	Renewal
Young, Judy	Substitute Custodian	Renewal

**6.B. Adopt the Joseph City Schools FY 2024-25 Budget**

Adopt the Joseph City Unified School District budget as proposed at the June 11, 2024 board meeting.



**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	623-237-7957	
	Sarah	Hancock	sarahhancock@jcusd.org	928-288-3307	
	Julie	Strong	julies@jcusd.org	928-288-3307	
	Julie	Mills	juliem@jcusd.org	928-288-3307	
	Spencer	Johnstun	spencerj@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	jehswoodsman@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

InfiniteCampus (InfiniteCampus)
Infinite Visions
InTouch
www.jcusd.org

--

**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 2024	Budget FY 2025	
100 Regular education											
1000 Instruction	1.	23.86	25.18	1,323,073	371,652	11,545	27,825	5,567	1,864,339	1,739,662	-6.7%
2000 Support services											
2100 Students	2.	3.58	3.15	188,792	42,458	958	8,604	756	232,161	241,568	4.1%
2200 Instructional staff	3.	3.64	2.81	137,700	42,156	18,116	4,608	1,716	229,769	204,296	-11.1%
2300 General administration	4.	1.27	1.30	70,657	59,851	23,635	0	9,007	209,248	163,150	-22.0%
2400 School administration	5.	3.48	3.48	199,424	44,832	802	15,962	2,070	280,634	263,090	-6.3%
2500 Central services	6.	3.90	4.90	209,489	53,556	63,655	7,147	28,381	442,894	362,228	-18.2%
2600 Operation & maintenance of plant	7.	7.74	11.98	275,274	71,500	446,076	250,062	559	1,288,277	1,043,471	-19.0%
2900 Other	8.	0.00	0.00	0	0	0	0	0	0	0	0.0%
3000 Operation of noninstructional services	9.	0.19	0.19	10,000	2,000	0	84	0	11,079	12,084	9.1%
610 School-sponsored cocurricular activities	10.	0.00	0.00	24,144	3,814	0	720	4,219	32,208	32,897	2.1%
620 School-sponsored athletics	11.	0.00	0.00	89,577	13,520	18,099	9,322	21,640	178,242	152,158	-14.6%
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	19,217	1,032	0	194	0	22,119	20,443	-7.6%
Regular education subsection subtotal (lines 1-13)	14.	47.66	52.99	2,547,347	706,371	582,886	324,528	73,915	4,790,970	4,235,047	-11.6%
200 and 300 Special education											
1000 Instruction	15.	9.68	12.57	318,509	40,599	0	1,316	0	396,132	360,424	-9.0%
2000 Support services											
2100 Students	16.	2.32	2.12	105,873	15,165	154,768	811	0	276,617	276,617	0.0%
2200 Instructional staff	17.	0.50	0.50	24,617	813	785	1,190	97	27,502	27,502	0.0%
2300 General administration	18.	0.00	0.00	0	0	0	0	0	0	0	0.0%
2400 School administration	19.	0.00	0.00	0	0	0	0	0	0	0	0.0%
2500 Central services	20.	0.00	0.00	0	0	1,058	0	0	1,058	1,058	0.0%
2600 Operation & maintenance of plant	21.	0.00	0.00	0	0	0	0	0	0	0	0.0%
2900 Other	22.	0.00	0.00	0	0	0	0	0	0	0	0.0%
3000 Operation of noninstructional services	23.	0.00	0.00	0	0	0	0	0	0	0	0.0%
Subtotal (lines 15-23)	24.	12.50	15.19	448,999	56,577	156,611	3,317	97	701,309	665,601	-5.1%
400 Pupil transportation	25.	4.78	6.75	156,997	37,122	41,257	86,110	0	398,575	321,486	-19.3%
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	0	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	0.00	14,709	3,678	0	0	0	19,302	18,387	-4.7%
Total expenditures (lines 14, and 24-29) (Cannot exceed page 7, line 11)	30.	65.27	74.93	3,168,052	803,748	780,754	413,955	74,012	5,910,156	5,240,521	-11.3%

The district has budgeted an amount in the M and 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	629,309	570,752	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)	72,000	94,849	8.
9. Total (lines 1 through 8. Must equal total of line 24, page 1)	701,309	665,601	9.
10. IEP required pupil transportation costs coded within Program 400	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

**Expenditures budgeted for audit services**

M&O Fund - Nonfederal	6350	22000
All funds - Federal	6330	0

**FY 2025 performance pay (A.R.S. Section 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) \$ 10,500  
 (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 2024	Budget FY 2025	
1000 Instruction	1.	998,074	151,250					1,272,196	1,149,324	-9.7%
2100 Support services - students	2.	30,964	6,000	228,081				10,295	265,045	2474.5%
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 Ooerations	6.							0	0	0.0%
4000 Facilities acquisition and construction	7.							0	0	
5000 Debt service	8.							0	0	
Total Expenditures (lines 1-8)	9.	1,029,038	157,250	228,081	0	0	0	1,282,491	1,414,369	10.3%

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 2024 Classroom Site Fund Budget Limit (from FY 2024 latest revised Budget, page 3, line 16)	10.	1,282,491
FY 2024 Actual expenditures (For budget adoption use actual expenditures to date plus estimated expenditures through fiscal year-end.)	11.	324068
Unexpended Budget Balance (line 10 minus 11)	12.	958,423
Interest earned in the Classroom Site Fund in FY 2024	13.	2000
FY 2025 Classroom Site Fund allocation (provided by ADE, based on \$792)	14.	453946
Adjustments to FY 2025 Classroom Site Fund Budget Limit (1)	15.	
FY 2025 Classroom Site Fund Budget Limit (Sum of lines 10 through 15) (2)	16.	1414369

(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	Library books, textbooks, & instructional aids (2)	Short-term noninstructional software subscription	Property (2)	Redemption of principal (3)	Interest (4)	All other object codes (excluding 6900)	Totals		% Increase/Decrease
								Prior FY	Budget FY	
	6440	6641-6643	6655	6700	6831, 6832, 6833	6841, 6842, 6843, 6850		2024	2025	
<b>Unrestricted Capital Outlay Override (1)</b>								0	0	0.0%
<b>Unrestricted Capital Outlay Fund 610 (6)</b>										
1000 Instruction		20,481		16,662				102,879	37,143	-63.9%
2000 Support services										
2100, 2200 Students and instructional staff		1,613	20,000	17,154				77,957	38,767	-50.3%
2300, 2400, 2500, 2900 Administration			0	8,926				62,754	8,926	-85.8%
2600 Operation & maintenance of plant			20,000	11,684				21,539	31,684	47.1%
2700 Student transportation			20,000	101,069				0	121,069	
3000 Operation of noninstructional services (5)				0				292	0	-100.0%
4000 Facilities acquisition and construction				0				3,090	0	-100.0%
5000 Debt service					37,737	9,972		66,634	47,709	-28.4%
Total unrestricted capital outlay fund (lines 2-9)	0	22,094	60,000	155,495	37,737	9,972	0	335,145	285,298	-14.9%

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	\$ 2,000
6642 Textbooks	2,000
6643 Instructional Aids	18,094
673X Furniture and Equipment	70,000
673X Vehicles	50,000
675X Tech Hardware & Software	35,495

(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. 815-211

(3) Includes principal on Capital Equity Fund loans of \_\_\_\_\_, principal on leases of \$ 37,737, and principal on bonds of \_\_\_\_\_.

(4) Includes interest on Capital Equity Fund loans of \_\_\_\_\_, interest on leases of \$ 9,972, 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		
<b>Total Fund Expenditures</b>	1.	335,145	285,298	0		0		50,000	178,368	1.
<b>Select Object Codes Detail (1)</b>										
6150 Classified Salaries	2.	0		0		0		0	0	2.
6200 Employee Benefits	3.	0		0		0		0	0	3.
6450 Construction Services	4.	0		0		0		50,000	178,368	4.
6710 Land and Improvements	5.	0		0		0		0	0	5.
6720 Buildings and Improvements	6.	0		0		0		0	0	6.
673X Furniture and Equipment	7.	27,000	70,000	0		0		0	0	7.
673X Vehicles	8.	27,000	50,000	0		0		0	0	8.
673X Technology Hardware & Software	9.	61,624	35,495	0		0		0	0	9.
6831, 6832, 6833 Redemption of Principal	10.	0		0		0		0	0	10.
6841, 6842, 6843, 6850, 6860 Interest and Debt-Issuance Costs	11.	0		0		0		0	0	11.
Total (lines 2-11)	12.	115,624	155,495	0	0	0	0	50,000	178,368	12.
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.	115,624	155,495	0		0		50,000	178,368	15.
Total (lines 13-15, must equal line 12)	16.	115,624	155,495	0	0	0	0	50,000	178,368	16.

(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 2025 \$ 50,000

**Districts that are levying any amount for adjacent ways must fill in the Truth in Taxation Worksheet and follow the requirements of A.R.S. Sec. 15-905.01. The amount reported in footnote 2 above pulls to the Truth in Taxation Worksheet, Line 12.**

Special projects

Federal projects FTE & expenditures

1. 100-130 ESEA Title I - Helping Disadvantaged Children
2. 140-150 ESEA Title II - Prof. Dev. and Technology
3. 160 ESEA Title IV - 21st Century Schools
4. 170-180 ESEA Title V - Promote Informed Parent Choice
5. 190 ESEA Title III - Limited Eng. & Immigrant Students
6. 200 ESEA Title VII - Indian Education
7. 210 ESEA Title VI - Flexibility and Accountability
8. 220 IDEA Part B
9. 230 Johnson-O'Malley
10. 240 Workforce Investment Act
11. 250 AEA - Adult Education
12. 260-270 Vocational Education - Basic Grants
13. 280 ESEA Title X - Homeless Education
14. 290 Medicaid Reimbursement
15. 349 National Forest Fees
16. 353 Taylor Grazing Fees
17. 374 E-Rate
18. 378 Impact Aid
19. 300-399 Other Federal Projects
20. 699 Federal Impact Aid (Construction)
21. Total Federal Project Funds (lines 1-20)

State projects FTE & expenditures

22. 400 Vocational Education
23. 410 Early Childhood Block Grant
24. 420 Ext. School Yr. - Pupils with Disabilities
25. 425 Adult Basic Education
26. 430 Chemical Abuse Prevention Programs
27. 435 Academic Contests
28. 450 Gifted Education
29. 456 College Credit Exam Incentives
30. 460 Environmental Special Plate
31. Other State Projects
32. Total State Project Funds (lines 22-31)
33. Total Special Projects (lines 21 and 32)

Instructional Improvement Fund Expenditures (020)

1. Teacher compensation increases
2. Class size reduction
3. Dropout prevention programs (M&O purposes)
4. Instructional improvement programs (M&O purposes)
5. Total instructional improvement Fund (lines 1-4)

FTE		Total all functions	
Prior FY	Budget FY	Prior FY	Budget FY
2.50	2.57	215,000	215,000
0.20	0.00	73,000	73,000
0.00	0.00	1,000	1,000
0.00	0.00	0	0
0.00	0.00	0	0
0.00	0.00	0	0
0.00	0.00	0	0
1.80	2.80	229,000	229,000
0.00	0.02	4,500	4,500
0.00	0.00	0	0
0.00	0.00	0	0
0.00	0.00	16,000	16,000
0.00	0.00	0	0
0.00	0.00	125,000	125,000
	0		0
	0		0
0.00	0.00	75,000	75,000
0.00	0.00	0	0
0.00	1.95	800,000	500,000
	0		0
4.50	7.34	1,538,500	1,238,500
0.00	0.05	6,000	6,000
0.00	0.00	0	0
0.00	0.00	0	0
0.00	0.00	0	0
0.00	0.00	0	0
0.00	0.00	0	0
0.00	0.00	0	0
0.00	0.00	0	0
0.00	0.00	60,000	60,000
0.00	0.05	66,000	66,000
4.50	7.39	1,604,500	1,304,500

	Prior FY	Budget FY
	90,000	130,000
	0	0
	0	0
	0	0
	90,000	130,000

Other funds expenditures

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

Internal Service Funds 950-989

1. 9\_\_ Self-Insurance
2. 955 Intergovernmental Agreements
3. 9\_\_ OPEB
4. 9\_\_ \_\_\_\_\_

	Prior FY	Budget FY	
	0	0	1.
	0	0	2.
	0	0	3.
	40,000	40,000	4.
	300,000	300,000	5.
	80,000	80,000	6.
	35,000	35,000	7.
	100,000	100,000	8.
	50,000	50,000	9.
	550,000	550,000	10.
	20,000	30,000	11.
	0	0	12.
	0	0	13.
	75,000	75,000	14.
	3,000	3,000	15.
	30,000	30,000	16.
	90,000	90,000	17.
	0	0	18.
	0	0	19.
	10,000	10,000	20.
	0	0	21.
	0	0	22.
	190,000	200,000	23.
	500	0	24.
	0	0	25.
	0	0	26.
	0	0	27.
	48,000	48,000	28.
	90,000	60,000	29.
	2,000,000	2,000,000	30.
	1,000	1,000	31.
	0	0	32.
	60,000	60,000	33.
	0	0	34.
	0	0	1.
	0	0	2.
	0	0	3.
	0	0	4.

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

**Calculation of FY 2025 General Budget Limit  
(A.R.S. §15-947.C)**

		<u>A.</u> <u>Maintenance</u> <u>and Operation</u>	<u>B.</u> <u>Unrestricted</u> <u>Capital Outlay</u>
*1. FY 2025 Revenue Control Limit (RCL) (from BSA55 tab, page 3)	\$ <u>4,460,674</u>	\$ <u>4,460,674</u>	\$ <u>0</u>
*2. (a) FY 2025 District Additional Assistance (DAA) (from BSA55 tab, page 4)	\$ <u>285,298</u>		
(b) DAA Adjustment (from BSA55 tab, page 4)	\$ <u>0</u>		
(c) Total DAA (line 2.a plus 2.b)	\$ <u>285,298</u>		<u>285,298</u>
*3. FY 2025 Override Authorization (A.R.S. Sections 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		<u>690,428</u>	
(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) (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			
(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)			
* Budget Balance Carryforward (from Calculations page, Calculation of M&O Fund Budget Balance Carryforward, line 13) (A.R.S. § 15-943.01)		<u>54,833</u>	
(b) Dropout prevention programs (Laws 1992, Ch. 305, §32 and Laws 2000, Ch. 398, §2)			
(d) Registered warrant or tax anticipation note interest expense incurred in FY 2023 (A.R.S. Section 15-910.N, as amended by Laws 2022, Ch. 285, §3)			
(e) Joint Career and Technical Education and Vocational Education Center (A.R.S. § 15-910.01)			
* (f) FY 2024 Performance pay unexpended budget carryforward (from Calculation page, Calculation of M&O Fund Budget Balance Carryforward, line 10.f) (A.R.S. § 15-920)		<u>0</u>	
(g) Excessive property tax assessed valuation judgments (A.R.S. §§ 42-16213 and 42-16214)			
* (h) 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)		<u>34,586</u>	
11. FY 2025 General Budget Limit (column A, lines 1 through 10) (A.R.S. § 15-905.F) (page 1, line 30 cannot exceed this amount)		\$ <u>5,240,521</u>	
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)			\$ <u>285,298</u>

\* 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 2025 Unrestricted Capital Budget Limit  
(A.R.S. Section 15-947.D)**

**Unrestricted Capital Budget Limit**

1. FY 2024 Unrestricted Capital Budget Limit (UCBL) (from FY 2024 latest revised Budget, page 8, line 12)	\$ <u>335,145</u>
2. Total UCBL adjustment for prior years as notified by ADE on BUDG75 report (For budget adoption, use zero.)	\$ _____
3. Adjusted amount available for FY 2024 Capital expenditures (line 1 + 2)	\$ <u>335,145</u>
4. Amount budgeted in Fund 610 in FY 2024 (from FY 2024 latest revised Budget, page 4, line 10)	\$ <u>335,145</u>
5. Lesser of line 3 or the sum of line 4 and any positive adjustment on line 2	\$ <u>335,145</u>
6. FY 2024 Fund 610 actual expenditures (For budget adoption use actual expenditures to date plus estimated expenditures through fiscal year-end.)	\$ <u>335,145</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>0</u>
8. Interest earned in Fund 610 in FY 2024	\$ _____
9. Monies deposited in Fund 610 from Division of School Facilities for donated land (A.R.S. §41-5741.F)	\$ _____
10. Adjustment to UCBL for FY 2025 (A.R.S. Section 15-905.M) Include year(s) and descriptions, as applicable.	
(a) Prior year over expenditures/resolutions:	\$ _____
(b) ADM/Transportation audit adjustment	\$ _____
(c) Other:	\$ _____
11. Amount to be used for capital expenditures (from page 7, line 12)	\$ <u>285,298</u>
12. FY 2025 Unrestricted Capital Budget Limit (lines 7 through 11) (1)	\$ <u><u>285,298</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 2024	Budget FY 2025	
<b>Expenditures</b>			6100	6200		6600	6700	6800			
<b>English Language Learner Fund 071 (A.R.S. §15-756.04)</b>											
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%
<b>Total (lines 1-9) (to Budget, page 6, Other Funds, line 2)</b>	10.	0.00	0.00	0	0	0	0	0	0	0	0.0%
<b>Compensatory Instruction Fund 072 (A.R.S. §15-756.11)</b>											
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%
<b>Total (lines 11-19) (to Budget, page 6, Other Funds, line 3)</b>	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 2025 was officially adopted by the Governing Board on, July 9, 2024, and that the complete Adopted 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

<b>1. Average Daily Membership:</b>		Prior year	Budget year	<b>4. Average teacher salaries (A.R.S. §15-903.E)</b>	
	<b>2023 ADM</b>	<b>2024 ADM</b>	<b>2025 ADM</b>	1. Average salary of all teachers employed in FY 2025 (budget year)	59,445
Attending	426,1048	407,3951	395,5450	2. Average salary of all teachers employed in FY 2024 (prior year)	58,279
				3. Increase in average teacher salary from the prior year	1,166
				4. Percentage increase	2%
<b>2. Tax Rates:</b>		Prior FY	Est. Budget FY	Comments on average salary calculation (Optional): FY25 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)		4.5502	4.3101		
Secondary rate (voter-approved overrides, bonds, and Career Technical Education Districts, and desegregation, if applicable)		0.7494	0.7392		
<b>3. Budgeted expenditures and budget limits:</b>		Budgeted Expenditures	Budget Limit		
Maintenance & Operation Fund		5,240,521	5,240,521		
Classroom Site Fund		1,414,369	1,414,369		
Unrestricted Capital Outlay Fund		285,298	285,298		

	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	
<b>100 Regular education</b>							
1000 Instruction	1,827,342	1,694,725	36,997	44,937	1,864,339	1,739,662	-6.7%
2000 Support services							
2100 Students	219,751	231,250	12,410	10,318	232,161	241,568	4.1%
2200 Instructional staff	205,694	179,856	24,075	24,440	229,769	204,296	-11.1%
2300, 2400, 2500 Administration	765,890	637,809	166,886	150,659	932,776	788,468	-15.5%
2600 Oper./Maint. of plant	486,020	346,774	802,257	696,697	1,288,277	1,043,471	-19.0%
2900 Other	0	0	0	0	0	0	0.0%
3000 Oper. of noninstructional services	10,675	12,000	404	84	11,079	12,084	9.1%
610 School-sponsored cocurric. activities	30,828	27,958	1,380	4,939	32,208	32,897	2.1%
620 School-sponsored athletics	115,024	103,097	63,218	49,061	178,242	152,158	-14.6%
630, 700, 800, 900 Other programs	22,119	20,249	0	194	22,119	20,443	-7.6%
Regular education subsection subtotal	3,683,343	3,253,718	1,107,627	981,329	4,790,970	4,235,047	-11.6%
<b>200 and 300 Special education</b>							
1000 Instruction	394,816	359,108	1,316	1,316	396,132	360,424	-9.0%
2000 Support services							
2100 Students	121,038	121,038	155,579	155,579	276,617	276,617	0.0%
2200 Instructional staff	25,430	25,430	2,072	2,072	27,502	27,502	0.0%
2300, 2400, 2500 Administration	0	0	1,058	1,058	1,058	1,058	0.0%
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	541,284	505,576	160,025	160,025	701,309	665,601	-5.1%
400 Pupil transportation	220,273	194,119	178,302	127,367	398,575	321,486	-19.3%
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	19,302	18,387	0	0	19,302	18,387	-4.7%
<b>Total Expenditures</b>	<b>4,464,202</b>	<b>3,971,800</b>	<b>1,445,954</b>	<b>1,268,721</b>	<b>5,910,156</b>	<b>5,240,521</b>	<b>-11.3%</b>

Summary of School District Adopted Expenditure Budget (Concl'd)

CTD number 090202000  
Version Adopted

Total expenditures by fund				
Fund	Budgeted Expenditures		\$ Increase/(Decrease) from Prior FY	% Increase/(Decrease) from Prior FY
	Prior FY	Budget FY		
Maintenance & Operation	5,910,156	5,240,521	(669,635)	-11.3%
Instructional Improvement	0	0	0	0.0%
English Language Learner	0	0	0	0.0%
Compensatory Instruction	0	0	0	0.0%
Classroom Site	1,282,491	1,414,369	131,878	10.3%
Federal Projects	1,538,500	1,238,500	(300,000)	-19.5%
State Projects	66,000	66,000	0	0.0%
Unrestricted Capital Outlay	335,145	285,298	(49,847)	-14.9%
New School Facilities	0	0	0	0.0%
Adjacent Ways	50,000	178,368	128,368	256.7%
Debt Service	1,000	1,000	0	0.0%
School Plant Fund	40,000	40,000	0	0.0%
Auxiliary Operations	100,000	100,000	0	0.0%
Bond Building	0	0	0	0.0%
Food Service	300,000	300,000	0	0.0%
Other	3,331,500	3,321,000	(10,500)	-0.3%

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	629,309	570,752
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)	72,000	94,849
TOTAL	701,309	665,601

Proposed staffing summary				
Staff Type	Purchased Services Personnel FTE	Employee FTE	Total FTE	Staff-Pupil Ratio
Certified --				
Superintendent, principals, other administrators	0	3	3	1 to 131.8
Teachers	0	25	25	1 to 15.8
Other	0	2	2	1 to 197.8
Subtotal	0	30	30	1 to 13.2
Classified --				
Managers, supervisors, directors	0	5	5	1 to 79.1
Teachers aides	0	17	17	1 to 23.3
Other	0	21	21	1 to 18.8
Subtotal	0	43	43	1 to 9.2
TOTAL	0	73	73	1 to 5.4
Special education --				
Teacher		1	1	1 to 22.0
Staff		7	7	1 to 16.5

**FY 2025 Truth in Taxation Work Sheet (A.R.S. Section 15-905.01)**

1.	FY 2025 Truth in Taxation Base Limit (from FY 2024 TNT work sheet, line 3 + line 11)	\$ <u>0</u>	
2.	Deduction for discontinued programs	<u>0</u>	
3.	Adjusted FY 2025 TNT Base Limit	<u><u>0</u></u>	
<b>FY 2025 Budgeted Expenditures</b>			
4.	Desegregation (no longer a primary levy, must be zero)	\$ <u>0</u>	<b>Primary property tax rate</b>
5.	Dropout prevention (from page 1, line 27)	<u>0</u>	<b>related to budgeted</b>
6.	Joint Career and Technical Education and Vocational Education Center	<u>0</u>	<b>expenditures</b>
7.	Small school adjustment (from page 7, line 4, columns A and B)	<u>0</u>	<u>0.0000</u>
<b>Adjustments for FY 2024 Expenditures</b>			
8.	Desegregation, dropout prevention, and Joint Career and Technical Education and Vocational Education Center		
a.	FY 2024 Total actual expenditures for programs above	\$ _____	
b.	Sum of FY 2024 original budget amounts for programs above (from FY 2024 TNT work sheet, sum of lines 4, 5, and 6)	<u>0</u>	
c.	Expenditures over/(under) original budget (line 8.a minus line 8.b)	\$ <u>0</u>	
9.	Small school adjustment		
a.	FY 2024 final budget for small school adjustment	\$ _____	
b.	FY 2024 original budget for small school adjustment (from FY 2024 TNT work sheet, line 7)	<u>0</u>	
c.	Amount over/(under) budget for small school adjustment (line 9.a minus line 9.b)	\$ <u>0</u>	
10.	Total (add lines 4 through 7 and line 8.c. and line 9.c.)	<u><u>0</u></u>	
11.	Excess over Truth in Taxation Limit (1) (Line 10 minus line 3. If negative, enter zero.)	<u><u>0</u></u>	
12.	Amount to be levied in FY 2025 for Adjacent Way pursuant to A.R.S. §15-995 (from page 5, footnote 2) (1)	\$ <u>50,000</u>	<u>0.0005</u>
13.	Amount to be levied in FY 2025 for liabilities in excess of the Budget pursuant to A.R.S. §15-907 (1)	<u>0</u>	<u>0.0000</u>
<b>Calculations for Truth in Taxation Notice</b>			
A.	Sum of lines 11, 12, and 13	\$ <u>50,000</u>	
B.1.	Current assessed value	\$ <u>93,402,264</u>	
B.2.	(Line 3 divided by line B.1) x \$10,000	\$ <u>0.0000</u> (2)	
C.1.	Sum of lines 3, 11, 12, and 13	\$ <u>50,000</u>	
C.2.	(Line C.1 divided by line B.1) x \$10,000	\$ <u>5.3532</u> (2)	
(1)	If an amount on line 11, 12, or 13 is greater than zero, the district must publish a Truth in Taxation Hearing Notice as described in A.R.S. §15-905.01.		
(2)	\$10,000 is used in these calculations to determine the amounts to include on the truth in taxation hearing notice for a \$100,000 home, as property taxes on residential properties are levied at 10% of the assessed valuation per A.R.S. §42-15003.		

This tab presents information on the amount and planned use of the District's fund balance to increase transparency and provide decision-makers, other stakeholders, and the public more complete financial information. Other than the FY 2023 ending fund balance amounts, all amounts included on this tab are estimates.

A. Estimated FY 2024 fund balances and planned uses in FY 2025 and thereafter	Funds									
	General			Capital Projects				Special Revenue		
	Maintenance and Operations	Unrestricted Capital Outlay (if included in the General Fund)	Other funds reported in the General Fund	Unrestricted Capital Outlay (if not included in the General Fund)	Bond Building	Adjacent Ways	Other capital projects	Classroom Site	Federal and State Grant	Other special revenue
1. <b>FY 2023 final ending fund balance</b>	331,767	0	847,519	7,463	0	126,035	(1,016,186)	815,897	(1,245,300)	433,266
If the final ending fund balance reported above does not agree with the submitted FY 2023 AFR, revise the AFR and resubmit to ADE.										
2. <b>FY 2024 activity, year-to-date and estimated through June 30</b>										
(a) FY 2024 revenues and other financing sources	3,109,970	0	249,758	178,298	0	0	498,593	350,673	1,546,984	54,617
(b) FY 2024 expenditures and other financing uses	5,839,920	0	461,494	814,237	0	0	568,226	274,068	886,974	10,986
3. <b>Estimated FY 2024 ending fund balance</b>	(2,398,183)	0	635,783	(628,476)	0	126,035	(1,085,819)	892,502	(585,290)	476,897
(a) Nonspendable	0	0	0	0	0	0	0	0	0	0
(b) Restricted	0	0	0	0	0	0	0	0	0	0
(c) Committed	0	0	0	0	0	0	0	0	0	0
(d) Assigned	0	0	0	0	0	0	0	0	0	0
(e) Unassigned	(2,398,183)	0	635,783	(628,476)	0	126,035	(1,085,819)	892,502	(585,290)	476,897
(f) Total (amount must agree to line 3 above)	(2,398,183)	0	635,783	(628,476)	0	126,035	(1,085,819)	892,502	(585,290)	476,897
4. <b>FY 2024 estimated ending fund balance details and planned uses</b>										
(a) Fund deficit	(398,183)	0	0	(628,476)	0	0	(1,085,819)	0	(585,290)	0
(b) Fund balance exceeding budget capacity in budget controlled funds	0	0	0	0	0	0	0	0	0	0
(c) Planned to be spent in FY 2025	0	0	381,470	0	0	75,621	0	535,501	0	286,138
(d) Maintained for spending after FY 2025	0	0	254,313	0	0	50,414	0	357,001	0	190,759
(e) Total (amount must agree to line 3 above)	(398,183)	0	635,783	(628,476)	0	126,035	(1,085,819)	892,502	(585,290)	476,897

**B. Total budgeted expenditures compared to planned spending**  
 Districts often budget expenditures up to their calculated budget limits in budget-controlled funds each year to avoid losing budget capacity, even if they do not plan to spend up to their budget limit and will carryforward unspent current year budget capacity to future years. This section provides details on planned spending in budget-controlled funds to provide clarity on FY 2025 estimated budget balance carryforwards that will be available for spending after FY 2025.

Total budgeted expenditures compared to planned spending	Maintenance and Operation Fund	Unrestricted Capital Outlay Fund	Classroom Site Fund
1. FY 2025 total budgeted expenditures (from budget pages 1, 3, and 4)	5,240,521	285,298	1,414,369
2. FY 2025 planned spending (include any applicable amount from line A.4(c) above)	0	0	267,751
3. Estimated unspent budget capacity carried forward for spending after FY 2025	5,240,521	285,298	1,146,618

**6.C. Accept U.S. Environmental Protection Agency (EPA) Bus Grant and Approve Purchase of School Bus Utilizing Grant Funds**

Grant awarded in the amount of \$395,000

**6.D. Discussion and Possible Approval of Changes to Governing Board Policies**

These policies and possible changes were presented for public and board review at the previous regular board meeting and on the District website. See the attached Policy Advisory for policy changes to be considered. See the Link section of this agenda item to view the current policy manual. Policies affected:

UNDB - Use of Technology Resources In Instruction



**IJNDB ©  
USE OF TECHNOLOGY RESOURCES  
IN INSTRUCTION**

**Appropriate use of Electronic  
Information Services**

The District may provide electronic information services (EIS) to qualified students, teachers, and other personnel who attend or who are employed by the District. Electronic information services include networks (e.g., LAN, WAN, Internet), databases, cloud-based systems, and any computer-accessible source of information, whether from hard drives, ~~tapes, compact disks (CDs), floppy disks,~~ or other electronic sources. The use of the services shall be in support of education, research, and the educational goals of the District. To assure that the EIS is used in an appropriate manner and for the educational purposes intended, the District will require anyone who uses the EIS to follow its guidelines and procedures for appropriate use. Anyone who misuses, abuses, or chooses not to follow the EIS guidelines and procedures will be denied access to the District's EIS and may be subject to disciplinary and/or legal action.

The Superintendent shall determine steps, including the use of an Internet filtering mechanism, that must be taken to promote the safety and security of the use of the District's online computer network when using electronic mail, chat rooms, instant messaging, and other forms of direct electronic communications. Technology protection measures shall protect against Internet access by both adults and minors to visual depictions that are obscene, child pornography or, with respect to use of computers by minors, harmful to minors. Safety and security mechanisms shall include online monitoring activities.

As required by the Children's Internet Protection Act, the prevention of inappropriate network usage includes unauthorized access, including "hacking," and other unlawful activities; unauthorized disclosure, use and dissemination of personal identification information regarding minors.

It is the policy of the Board to:

- A. prevent user access over the District's computer network, or transmissions of, inappropriate material via Internet, electronic mail, or other forms of direct electronic communications;
- B. prevent unauthorized access and other unlawful online activity;
- C. prevent unauthorized online disclosure, use, or dissemination of personal identification information of minors; and
- D. comply with the Children's Internet Protection Act [P.L. No. 106-554 and 47 U.S.C. 254(h)].

<p><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.</p>
---

Each user will be required to sign an EIS user's agreement. The District may log the use of all systems and monitor all system utilization. Accounts may be closed and files may be deleted at any time. The District is not responsible for any service interruptions, changes, or consequences. The District reserves the right to establish rules and regulations as necessary for the efficient operation of the electronic information services.

The District does not assume liability for information retrieved via EIS, nor does it assume any liability for any information lost, damaged, or unavailable due to technical or other difficulties.

### **Generative Artificial Intelligence Programs**

The proper use of Artificial Intelligence (AI) programs can be effective at enhancing student learning and can prepare students with the competencies and knowledge needed in the digital age. Its use should also be guided by responsible and ethical considerations, including mitigating bias, promoting transparency, and providing AI benefits to all students. Use of AI programs in the classroom should be approved by the site or District administrator, and teachers' instructions and expectations should guide the classroom use of AI. Teachers should include relevant lessons on correct and responsible use of AI, and students should be taught standards regarding plagiarism and source citation and should use these guidelines if AI is used for a school assignment. AI use should be guided and monitored by teachers and/or administrators and should align with the District's guidelines and policies, including any relevant student rules/responsibilities. AI resources should be available to all students, including those with disabilities and English language learners. Use of an AI system should comply with the Family Educational Rights and Privacy Act (FERPA) and should support data privacy and security.

### **Filtering and Internet Safety**

As required by the Children's Internet Protection Act, the District shall provide for technology protection measures that protect against Internet access by both adults and minors to visual depictions that are obscene, child pornography, or, with respect to use of the computers by students, harmful to students. The protective measures shall also include monitoring the online activities of students.

Limits, controls, and prohibitions shall be placed on student:

- A. Access to inappropriate matter.
- B. Safety and security in direct electronic communications.
- C. Unauthorized online access or activities.
- D. Unauthorized disclosure, use and dissemination of personal information.

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

## **Education, Supervision and Monitoring**

It shall be the responsibility of all District employees to be knowledgeable of the Board's policies and administrative guidelines and procedures. Further, it shall be the responsibility of all employees, to the extent prudent to an individual's assignment to educate, supervise, and monitor appropriate usage of the online computer network and access to the Internet in accordance with this policy, the Children's Internet Protection Act, and the Protecting Children in the 21st Century Act.

The Superintendent shall provide for appropriate training for District employees and for students who use the District's computer network and have access to the Internet. Training provided shall be designed to promote the District's commitment to:

- A. the standards and acceptable use of the District's network and Internet services as set forth in District policy;
- B. student safety in regards to use of the Internet, appropriate behavior while using, but not limited to, such things as social networking Web sites, online opportunities and chat rooms; and cyberbullying awareness and response; and compliance with E-rate requirements of the Children's Internet Protection Act.

While training will be subsequently provided to employees under this policy, the requirements of the policy are effective immediately. Employees will be held to strict compliance with the requirements of the policy and the accompanying regulation, regardless of whether training has been given.

The Superintendent is responsible for the implementation of this policy and for establishing and enforcing the District's electronic information services guidelines and procedures for appropriate technology protection measures (filters), monitoring, and use.

## **Parent Notification**

Parents will be notified of the policies regarding the use of technology and the Internet while at school. Parents will also be notified of their ability to prohibit the student from the use of technology and the Internet while at school in which covered information may be shared with an operator pursuant to A.R.S. 15-1046. This does not apply to software or technology that is used for the daily operations or administration of a local education agency or Arizona Online instruction programs authorized pursuant to A.R.S. 15-808.

Adopted: \_\_\_\_\_

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

LEGAL REF.:

A.R.S.

13-2316

13-3506.01

13-3509

15-341

15-808

15-1046

34-501

34-502

20 U.S.C. 1232g, the Family Educational Rights and Privacy Act

20 U.S.C. 1232h, the Protection of Pupil Rights Amendment

20 U.S.C. 1400 *et seq.*, Individuals with Disabilities Education Act

20 U.S.C. 6301 *et seq.*, Every Student Succeeds Act of 2015

20 U.S.C. 9134, The Children's Internet Protection Act

47 U.S.C. 254, Communications Act of 1934 (The Children's  
Internet Protection Act)

16 CFR Part 312, Children's Online Privacy Protection Rule (COPPA)

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

**6.E. Accept the Joseph City Unified School District Audit issued on May 7, 2024 for the Fiscal Year Ended June 30, 2023**

---

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

---

**ANNUAL FINANCIAL REPORT**  
**FISCAL YEAR ENDED JUNE 30, 2023**



**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2**  
**TABLE OF CONTENTS**  
**YEAR ENDED JUNE 30, 2023**

---

**FINANCIAL SECTION**

Independent Auditors' Report	1
Management's Discussion and Analysis	4
Basic Financial Statements:	
Governmental-wide Financial Statements	
Statement of Net Position	12
Statement of Activities	13
Fund Financial Statements	
Governmental Funds - Balance Sheet	14
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	15
Governmental Funds - Statement of Revenues, Expenditures, and Changes in Fund Balances	16
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	17
Notes to the Basic Financial Statements	18

**REQUIRED SUPPLEMENTARY INFORMATION**

Schedule of the Proportionate Share of the Net Pension Liability and Contributions	36
Budgetary Comparison Schedule for the General Fund (Budgetary Basis)	37
Budgetary Comparison Schedule for the Classroom Site Fund	38
Budgetary Comparison Schedule for the Special Projects Fund	39
Notes to Required Supplementary Information	40

---

## **FINANCIAL SECTION**

---



## 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 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, 2023, 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 accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Joseph City Unified School District No. 2, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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***

The District'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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with 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, pension schedules, and budgetary comparison information, as listed within 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 issued our report dated May 7, 2024 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*

Mesa, Arizona  
May 7, 2024

---

## **REQUIRED SUPPLEMENTARY INFORMATION**

---

## **JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2 MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2023**

---

As management of the Joseph City Unified School District No. 2 (District), we offer the readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2023.

### **FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$7.2 million (net position). The District's total net position increased by \$0.3 million.
- At the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$1.7 million, an increase of \$0.2 million in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$1.3 million, or 22% of total General Fund expenditures.
- The District's net capital assets increased only \$32,725 in the current year, which was not significant.
- The District's long-term liabilities increased \$1.0 million, or 25% during the current year. The increase was primarily the result of an increase in the net pension liability in the current year due to changes within the actuarial valuation.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

### **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private sector business.

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

The *Statement of Activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes to 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 vacation leave).

The government-wide financial statements distinguish functions of the District that are principally supported by property taxes and intergovernmental revenues (governmental activities). The governmental activities of the District are for public education.

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

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

---

**Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are governmental funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund *Balance Sheet* and the governmental fund *Statement of Revenues, Expenditures, and Changes in Fund Balances* provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains eleven individual governmental funds. Information is presented separately in the governmental fund *Balance Sheet* and in the governmental fund *Statement of Revenues, Expenditures, and Changes in Fund Balances* for the General Fund, the Classroom Site Fund, the Special Projects Fund, and the School Facilities Board Grant Fund, the four of which are considered to be major funds. Data from the other seven governmental funds are combined into a single aggregated presentation.

An operating budget for expenditures is prepared and adopted by the District each fiscal year for the General, Special Revenue, Debt Service, and Capital Projects Funds. Budgetary control is ultimately exercised at the fund level. Budgetary control is maintained through the use of periodic reports that compare actual expenditures against budgeted amounts. The expenditure budget can be revised annually, per Arizona Revised Statutes. The District also maintains an encumbrance accounting system as one technique of maintaining budgetary control. Encumbered amounts lapse at year-end. An annual budget of revenue from all sources is not prepared.

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

The basic governmental fund financial statements can be found on pages 14 - 17 of this report.

**Notes to the Basic Financial Statements**

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 18 - 35 of this report.

**Required Supplementary Information Other than MD&A**

The District reports a multi-year schedule of the District's proportionate share of net pension liability and contributions to its cost-sharing pension plan on page 36.

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

---

**Required Supplementary Information Other than MD&A (Continued)**

Governments have the option of presenting the General Fund and major special revenue budgetary statements as part of the basic financial statements or as required supplementary information (RSI) other than the MD&A. The District has elected to present the General Fund, Classroom Site Fund, and Special Projects Fund budgetary comparison schedules as RSI other than the MD&A which can be found starting on page 37. Notes to the RSI are presented after the budgetary comparison schedules.

**Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as useful indicators 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 \$7.2 million at the close of the most recent fiscal year.

A summary of the District's *Statement of Net Position* is presented below:

	<b>Governmental Activities</b>		
	<b>2023</b>	<b>2022</b>	<b>Net Change</b>
<b>ASSETS</b>			
Current and other assets	\$ 2,298,605	\$ 2,179,230	\$ 119,375
Capital assets	9,803,604	9,770,879	32,725
<b>Total Assets</b>	<b>12,102,209</b>	<b>11,950,109</b>	<b>152,100</b>
<b>DEFERRED OUTFLOWS</b>	<b>907,226</b>	<b>833,414</b>	<b>73,812</b>
<b>Total Assets and Deferred Outflows</b>	<b>13,009,435</b>	<b>12,783,523</b>	<b>225,912</b>
<b>LIABILITIES</b>			
Current liabilities	397,035	475,092	(78,057)
Long-term liabilities	5,132,823	4,117,132	1,015,691
<b>Total Liabilities</b>	<b>5,529,858</b>	<b>4,592,224</b>	<b>937,634</b>
<b>DEFERRED INFLOWS</b>	<b>259,832</b>	<b>1,258,693</b>	<b>(998,861)</b>
<b>Total Liabilities and Deferred Inflows</b>	<b>5,789,690</b>	<b>5,850,917</b>	<b>(61,227)</b>
<b>NET POSITION</b>			
Net investment in capital assets	8,822,971	8,810,270	12,701
Restricted	1,609,087	1,341,253	267,834
Unrestricted	(3,212,313)	(3,218,917)	6,604
<b>Total Net Position</b>	<b>\$ 7,219,745</b>	<b>\$ 6,932,606</b>	<b>\$ 287,139</b>

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

**Government-Wide Financial Analysis (Continued)**

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

At the end of the current fiscal year, the District was able to report positive balances in the net investment in capital assets and restricted net position. The District reported a negative balance in unrestricted net position due to the District's reporting of its proportionate share of the net pension liability for its cost-sharing pension plan required under Governmental Accounting Standards Board (GASB) Statement No. 68. Additional information on the District's net pension liability can be found in Note 10 of this report.

Overall, net position increased \$0.3 million, or 4%. Key elements of this increase are indicated as follows:

	<b>Governmental Activities</b>		
	<b>2023</b>	<b>2022</b>	<b>Net Change</b>
<b>REVENUES</b>			
Program revenues:			
Charges for services	\$ 351,104	\$ 377,421	\$ (26,317)
Operating grants and contributions	1,561,720	2,680,063	(1,118,343)
Capital grants and contributions	624,161	375,289	248,872
General revenues:			
Property taxes	5,003,426	4,927,100	76,326
State equalization and additional state aid	838,676	133,390	705,286
Federal aid unrestricted	23,408	-	23,408
County equalization	572	511	61
Interest and other	15,897	4,152	11,745
<b>Total Revenues</b>	<b>8,418,964</b>	<b>8,497,926</b>	<b>(78,962)</b>
<b>EXPENSES</b>			
Instruction	3,407,415	3,004,551	402,864
Support Services:			
Students and instructional staff	1,085,833	1,007,129	78,704
Administration	1,054,385	889,169	165,216
Operation and maintenance of plant	1,695,364	1,598,941	96,423
Operation of noninstructional services	454,953	429,204	25,749
Student transportation	399,923	344,050	55,873
Interest on long-term debt	33,952	39,027	(5,075)
<b>Total Expenses</b>	<b>8,131,825</b>	<b>7,312,071</b>	<b>819,754</b>
<b>Change in net position</b>	<b>287,139</b>	<b>1,185,855</b>	<b>(898,716)</b>
<b>Net Position - Beginning</b>	<b>6,932,606</b>	<b>5,746,751</b>	<b>1,185,855</b>
<b>Net Position - Ending</b>	<b>\$ 7,219,745</b>	<b>\$ 6,932,606</b>	<b>\$ 287,139</b>

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

---

**Program Revenues**

The District reported a decrease in charges for services of only \$26,317 (7%), which was not considered significant.

Operating grants and contributions decreased \$1.1 million (42%) due to decreases in federal funding.

Capital grants and contributions increased \$0.2 million due to the increase in School Facilities Board projects in the current year.

**General Revenues**

The District experienced a 2% increase in property tax revenue as a result of an increase in the tax levy and property values.

State equalization and additional state aid increased \$0.7 million (529%) due to increases in the state funding formula.

Unrestricted federal aid increased only \$23,408 (100%), which was not significant.

Interest and other income increased \$11,745 (283%), which was not significant.

The District incurred an 11% increase in expenses in the current year. The District's mission is to provide an appropriate and outstanding educational experience for every student served within budget constraints. The increase was mainly due to increases in salaries and related benefits, repairs and maintenance, fuel, textbooks, instructional aids, and technology supplies.

**FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS**

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

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

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$1.7 million, an increase of \$0.2 million in comparison with the prior year. Approximately 15% of this total amount (\$0.3 million) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remaining fund balance is restricted to indicate that it is not available for new spending.

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

---

Fund balances as of June 30, 2023, and the changes in fund balances from prior year are summarized below:

	<b>Balance</b>	<b>Increase (Decrease) From 2021-22</b>
<b>GOVERNMENTAL FUND</b>		
General Fund	\$ 1,349,733	\$ (143,552)
Classroom Site Fund	815,898	272,125
Special Projects Fund	96,241	144,270
School Facilities Board Grant Fund	(1,048,889)	(31,319)
Nonmajor Governmental Funds	516,855	(47,894)
Total Governmental Fund Balances	<u>\$ 1,729,838</u>	<u>\$ 193,630</u>

The General Fund continues to experience a negative net change in fund balance. For the fiscal year ended June 30, 2023 the General Fund had a decrease in fund balance of \$0.1 million. This decrease is due to increases in salaries and benefits expenditures in the current year.

The increase of \$0.3 million in Classroom Site Fund was due to increases in state funding relative to current year spending.

The increase of only \$0.1 million in the Special Projects Fund was due to an increase in federal grants received during the fiscal year. This funding will be spent in future periods.

The decrease of only \$31,319 in the School Facilities Board Grant Fund was not considered significant.

The decrease of only \$47,894 in the Nonmajor Governmental Funds was not considered significant.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Differences between the original budget and the final amended budget totaled only \$36,968. In Arizona, school districts build their original “adopted” budget based on a projection of the coming fiscal year’s 100th day average daily attendance. In May, the District is allowed to increase or decrease its budget for differences between expected and actual student growth. The budget decrease was allocated among the instruction costs in regular education. Budgetary basis General Fund expenditures were \$0.4 million less than budget during the fiscal year. Budgetary basis expenditures were 7% less than budget.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

The District’s investment in capital assets for its governmental activities as of June 30, 2023, amounts to \$9.8 million (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings and improvements, vehicles, furniture, and equipment. The net increase in the District’s investment in capital assets for the current fiscal year was only \$32,725.

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

---

**Capital Assets (Continued)**

Major capital asset events during the current fiscal year included the following projects:

- Roofing projects
- Heater and HVAC projects
- Copiers
- Fencing projects

Additional information on the District's capital assets can be found in Note 5 of this report.

Capital asset activity as of June 30, 2023 is summarized below:

	<b>Governmental Activities</b>		
	<b>2023</b>	<b>2022</b>	<b>Net Change</b>
<b>CAPITAL ASSETS</b>			
Land	\$ 22,800	\$ 22,800	\$ -
Construction in progress	1,416,037	1,496,309	(80,272)
Land improvements	84,987	79,875	5,112
Buildings & improvements	7,061,736	6,852,685	209,051
Vehicles, equipment, and furniture	1,218,044	1,319,210	(101,166)
<b>Total Capital Assets</b>	<b>\$ 9,803,604</b>	<b>\$ 9,770,879</b>	<b>\$ 32,725</b>

**Long-Term Debt**

At end of the current fiscal year, the District's debt included financed purchases, compensated absences, and the net pension/OPEB liabilities. Financed purchase decreased \$0.1 million due to the scheduled payment made during the fiscal year. The change in the net OPEB liability was not considered significant. Compensated absences decreased only \$4,862 due to the accrual and use of available leave balances by employees. The net pension liability increased \$1.2 million due to various changes and assumptions made within the actuarial valuation as explained in Note 12 of this report.

The change in the long-term liabilities are as follows:

	<b>Governmental Activities</b>		
	<b>2023</b>	<b>2022</b>	<b>Net Change</b>
<b>LONG-TERM LIABILITIES</b>			
Financed purchase	\$ 826,364	\$ 960,609	\$ (134,245)
Compensated absences	94,619	99,481	(4,862)
Net pension liability	4,209,501	3,052,319	1,157,182
Net OPEB liability	2,339	4,723	(2,384)
<b>Total Long-term Liabilities</b>	<b>\$ 5,132,823</b>	<b>\$ 4,117,132</b>	<b>\$ 1,015,691</b>

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

---

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

- Continued spending of federal funding.
- Inflationary factors and increases in operating expenses.
- Continued roofing projects.
- Stable enrollment.

The above factors were considered in preparing the District's budget for the 2023-2024 fiscal year.

**REQUEST FOR INFORMATION**

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Fiscal Services Department, Joseph City Unified School District No. 2, 8176 North Westover, Joseph City, Arizona 86032. More information about the District can be found on the District's website at [www.jcusd.org](http://www.jcusd.org).

---

## **BASIC FINANCIAL STATEMENTS**

---

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and investments	\$ 538,952
Property taxes receivable	38,628
Intergovernmental receivable	1,582,672
Net OPEB asset	138,353
Capital assets, not depreciated	1,438,837
Capital assets, net of accumulated depreciation	<u>8,364,767</u>
<b>Total Assets</b>	<u>12,102,209</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to pensions	893,179
Deferred outflows related to OPEB	<u>14,047</u>
<b>Total Deferred Outflows of Resources</b>	<u>907,226</u>
<b>LIABILITIES</b>	
Accounts payable	369,891
Accrued wages and benefits	27,144
Long-term liabilities:	
Due within one year	116,866
Due in more than one year	<u>5,015,957</u>
<b>Total Liabilities</b>	<u>5,529,858</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows related to pensions	169,202
Deferred inflows related to OPEB	<u>90,630</u>
<b>Total Deferred Inflows of Resources</b>	<u>259,832</u>
<b>NET POSITION</b>	
Net investment in capital assets	8,822,971
Restricted:	
Net OPEB asset	138,353
Teacher compensation and other qualified programs (A.R.S. 15-977)	815,898
Instructional improvement programs	109,545
Federal and state instructional programs	96,241
Food service	13,486
Community programs	14,947
Vocational educational programs	155,060
Insurance refund	41,677
Extracurricular activities	8,605
Student activities	36,219
Other special revenues	53,016
Capital projects	126,035
Debt service	5
Unrestricted	<u>(3,212,313)</u>
<b>Total Net Position</b>	<u>\$ 7,219,745</u>

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2023**

Function/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary Government:</b>					
Governmental Activities:					
Instruction	\$ 3,407,415	\$ 211,051	\$ 936,924	\$ -	\$ (2,259,440)
Support services:					
Students	668,495	26,182	96,541	-	(545,772)
Instructional staff	417,338	10,826	163,310	-	(243,202)
General administration	213,888	6,863	927	-	(206,098)
School administration	286,533	9,166	1,239	-	(276,128)
Business and other support services	553,964	15,842	78,131	-	(459,991)
Operation and maintenance of plant	1,695,364	40,734	51,828	624,161	(978,641)
Student transportation	399,923	11,096	4,517	-	(384,310)
Operation of noninstructional services	454,953	19,344	228,303	-	(207,306)
Interest on long-term debt	33,952	-	-	-	(33,952)
<b>Total</b>	<b>\$ 8,131,825</b>	<b>\$ 351,104</b>	<b>\$ 1,561,720</b>	<b>\$ 624,161</b>	<b>\$ (5,594,840)</b>
<b>General revenues:</b>					
Property taxes					5,003,426
Grants and contributions not restricted to specific programs:					
State equalization and additional state aid					838,676
County equalization					572
Federal aid not restricted					23,408
Investment earnings (loss)					(1,025)
Other					16,922
Total general revenues					5,881,979
Change in net position					287,139
Net position - beginning					6,932,606
Net position - ending					\$ 7,219,745

See accompanying Notes to the Basic Financial Statements

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2023**

	General Fund	Classroom Site Fund	Special Projects Fund	School Facilities Board Grant Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and investments	\$ -	\$ 3,968	\$ -	\$ -	\$ 534,984	\$ 538,952
Receivables:						
Property taxes	38,628	-	-	-	-	38,628
Intergovernmental	107,649	-	1,404,186	-	70,837	1,582,672
Due from other funds	1,383,122	811,930	-	-	-	2,195,052
<b>Total Assets</b>	<b>\$ 1,529,399</b>	<b>\$ 815,898</b>	<b>\$ 1,404,186</b>	<b>\$ -</b>	<b>\$ 605,821</b>	<b>\$ 4,355,304</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 127,200	\$ -	\$ 41,196	\$ 154,269	\$ 47,226	\$ 369,891
Accrued wages	19,087	-	8,057	-	-	27,144
Due to other funds	-	-	1,258,692	894,620	41,740	2,195,052
<b>Total Liabilities</b>	<b>146,287</b>	<b>-</b>	<b>1,307,945</b>	<b>1,048,889</b>	<b>88,966</b>	<b>2,592,087</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenues	33,379	-	-	-	-	33,379
<b>FUND BALANCES</b>						
Restricted	-	815,898	96,241	-	558,595	1,470,734
Unassigned	1,349,733	-	-	(1,048,889)	(41,740)	259,104
<b>Total Fund Balances</b>	<b>1,349,733</b>	<b>815,898</b>	<b>96,241</b>	<b>(1,048,889)</b>	<b>516,855</b>	<b>1,729,838</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 1,529,399</b>	<b>\$ 815,898</b>	<b>\$ 1,404,186</b>	<b>\$ -</b>	<b>\$ 605,821</b>	<b>\$ 4,355,304</b>

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL**  
**FUNDS TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

---

**Total Fund Balance - Governmental Funds** \$ 1,729,838

Amounts reported for assets and liabilities for governmental activities in the *Statement of Net Position* are different from amounts reported in governmental funds because:

Capital assets:

In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation:

Capital assets	\$ 29,224,339	
Accumulated depreciation	<u>(19,420,735)</u>	9,803,604

Property tax revenue not collected within 60 days subsequent to fiscal year end are reported as deferred inflows of resources in the governmental funds:		33,379
--	--	--------

Net OPEB asset:

In governmental funds, postretirement benefits costs are recognized as expenditures in the period they are paid. In the government-wide statements, they are recognized in the period they are incurred. The net OPEB asset at the end of the period was:

138,353

Long-term liabilities:

In governmental funds, only current liabilities are reported. In the *Statement of Net Position*, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:

Financed purchase liability	(826,364)	
Net pension liability	(4,209,501)	
Net OPEB liability	(2,339)	
Compensated absences	<u>(94,619)</u>	(5,132,823)

Deferred outflows and inflows of resources relating to pensions:

In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the *Statement of Net Position*, deferred outflows and inflows of resources relating to pensions are reported:

Deferred outflows of resources relating to pensions:	893,179	
Deferred inflows of resources relating to pensions:	(169,202)	
Deferred outflows of resources relating to OPEB ASRS:	14,047	
Deferred inflows of resources relating to OPEB ASRS:	<u>(90,630)</u>	647,394

**Total Net Position - Governmental Activities** \$ 7,219,745

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2023**

	General Fund	Classroom Site Fund	Special Projects Fund	School Facilities Board Grant Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Property taxes	\$ 4,998,756	\$ -	\$ -	\$ -	\$ 51	\$ 4,998,807
Intergovernmental	863,656	439,322	781,294	624,161	342,689	3,051,122
Food sales	-	-	-	-	16,426	16,426
Student activities	-	-	-	-	38,849	38,849
Contributions and donations	26,379	-	-	-	13,737	40,116
Investment earnings (loss)	13,002	-	(10,230)	-	(3,797)	(1,025)
Other	16,199	-	-	-	723	16,922
<b>Total Revenues</b>	<b>6,114,986</b>	<b>439,322</b>	<b>771,064</b>	<b>624,161</b>	<b>493,776</b>	<b>8,443,309</b>
<b>EXPENDITURES</b>						
Current						
Instruction	2,576,992	165,278	285,987	-	135,024	3,163,281
Support services:						
Students	568,091	1,919	85,204	-	8,521	663,735
Instructional staff	335,202	-	121,428	-	-	456,630
General administration	212,495	-	-	-	-	212,495
School administration	283,805	-	-	-	-	283,805
Business and other support services	487,784	-	56,986	-	93	544,863
Operations and maintenance of plant	1,216,939	-	34,309	174,862	29,520	1,455,630
Student transportation	343,563	-	2,264	-	-	345,827
Operations of noninstructional services	57,590	-	-	-	356,027	413,617
Capital outlay:						
Facilities acquisition	22,765	-	-	480,618	3,825	507,208
<b>Total Expenditures</b>	<b>6,273,423</b>	<b>167,197</b>	<b>586,178</b>	<b>655,480</b>	<b>533,010</b>	<b>8,215,288</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(158,437)</b>	<b>272,125</b>	<b>184,886</b>	<b>(31,319)</b>	<b>(39,234)</b>	<b>228,021</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	40,616	-	-	-	-	40,616
Transfers out	-	-	(40,616)	-	-	(40,616)
<b>Net Financing Sources (Uses)</b>	<b>40,616</b>	<b>-</b>	<b>(40,616)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(117,821)</b>	<b>272,125</b>	<b>144,270</b>	<b>(31,319)</b>	<b>(39,234)</b>	<b>228,021</b>
<b>Fund Balance - Beginning, as restated</b>	<b>1,493,285</b>	<b>543,773</b>	<b>(48,029)</b>	<b>(1,017,570)</b>	<b>564,749</b>	<b>1,536,208</b>
<b>Change in inventories</b>	<b>(25,731)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8,660)</b>	<b>(34,391)</b>
<b>Fund Balance - Ending</b>	<b>\$ 1,349,733</b>	<b>\$ 815,898</b>	<b>\$ 96,241</b>	<b>\$ (1,048,889)</b>	<b>\$ 516,855</b>	<b>\$ 1,729,838</b>

See accompanying Notes to the Basic Financial Statements 57

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2023**

---

**Net Change in Fund Balances - Governmental Funds** \$ 228,021

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

In governmental funds, the costs of capital assets are reported as expenditures in the period when the assets are acquired. In the *Statement of Activities*, costs of capital assets are allocated over their estimated useful lives as depreciation expense.

Expenditures for capital outlay:	\$ 767,692	
Depreciation expense:	<u>(734,967)</u>	32,725

Revenues reported in the governmental funds that did not provide current financial resources in prior years have been recognized previously in the *Statement of Activities* and therefore are not reported as revenues in the *Statement of Activities*.

Property taxes		4,619
Intergovernmental revenues		<u>(28,964)</u>

Governmental funds report pension contributions as expenditures when made. However, in the *Statement of Activities*, pension expense is the cost of benefits earned, adjusted for member contributions, the recognition of changes in deferred outflows and inflows of resources related to pensions.

Pension contributions		390,573
Pension expense		(472,364)
OPEB contributions		7,803
OPEB expense		<u>20,010</u>

The repayment of principal of long-term debt consumes the current financial resources of governmental funds. The transaction, however, has no effect on net position. The repayment of principal on long-term debt reduces long-term debt on the *Statement of Net Position*.

Principal payment on financed purchases	134,245
---	---------

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

Change in compensated absences	4,862
Change in inventories balances	<u>(34,391)</u>

<b>Change in Net Position of Governmental Activities</b>	<b><u>\$ 287,139</u></b>
--	--------------------------

---

## **NOTES TO BASIC FINANCIAL STATEMENTS**

---

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

---

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

The accompanying financial statements of the Joseph City Unified School District No. 2 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America applicable to governmental units adopted by the Governmental Accounting Standards Board (GASB). A summary of the District's more significant accounting policies follows.

**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 funds of those organizational entities for which its elected governing board is financially accountable.

**Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the *Statement of Net Position* and the *Statement of Activities*) report information on all of the nonfiduciary activities of the primary government. The effect of interfund activity has been removed from these statements. *Governmental activities*, which are normally supported by taxes and intergovernmental revenues are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The District had no business-type activities during the fiscal year.

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

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available.

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting, except expenditures related to compensated absences and claims and judgments, which are recorded only when payment is due. However, since debt service resources are provided during the current year for payment of long-term principal and interest due early in the following year (within one month), the expenditures and related liabilities have been recognized in the Debt Service Fund.

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

Amounts reported as program revenues include 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes. When both restricted and unrestricted resources are available for use for governmental activities, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

The District reports the following major governmental funds:

*Major Governmental Funds*

The *General Fund* is the District's primary operating fund. It accounts for all resources used to finance District maintenance and operation except those required to be accounted for in other funds. For budget purposes, it is described as the Maintenance and Operation Fund by Arizona Revised Statutes (A.R.S.) and is budgeted within four subsections titled regular education programs, special education programs, pupil transportation, and K-3 reading program.

The *Special Projects Fund* accounts for the revenues and expenditures of state and federally funded projects.

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

The *School Facilities Board Grant Fund* accounts for building renewal grant monies requested from the Arizona Department of Administration's School Facilities Division 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.

**Deposits and Investments**

Arizona Revised Statutes (A.R.S.) requires the District to deposit certain cash with the County Treasurer. That cash is pooled for investment purposes, except for cash in the Debt Service and Bond Building Funds, which are invested separately. As required by statute, interest earned by the Bond Building Fund is recorded in the Debt Service Fund.

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**Deposits and Investments (Continued)**

A.R.S. authorize the District to invest public monies in the State and County Treasurer’s investment pools; U.S. Treasury obligations; specified state and local government bonds; and interest-earning investment contracts such as savings accounts, certificates of deposit, and repurchase agreements in eligible depositories. Statute authorizes the District to deposit monies for Auxiliary Operations and Student Activities in bank accounts. Monies in these funds may also be invested. In addition, statute authorizes the District to maintain various bank accounts such as clearing accounts to temporarily deposit receipts before they are transmitted to the County Treasurer; revolving accounts to pay minor disbursements; and withholding accounts for taxes, employee insurance programs, and federal savings bonds. Some of these bank accounts may be interest bearing.

Statute does not include any requirements for credit risk, concentration of credit risk, interest rate risk, or foreign currency risk. Statute requires collateral for deposits of monies at 102% of all deposits not covered by federal depository insurance.

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

**Property Taxes Receivables**

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.

**Intergovernmental Receivable**

Intergovernmental receivables are comprised of state aid (\$107,649), instructional improvement funding (\$22,762), federal grants (\$1,431,741), and career and technical education (\$20,520).

**Capital Assets**

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

Property, plant, and equipment purchased or acquired is carried at historical cost or estimated historical cost. Contributed assets are recorded at acquisition value. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**Capital Assets**

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

<b>Asset Class</b>	<b>Years</b>
Land improvements	5 - 50 years
Building and improvements	2 - 50 years
Vehicles, equipment, and furniture	5 - 20 years

**Deferred Outflows**

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

**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.

**Deferred Inflows of Resources**

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

**Pension and Other Postemployment Benefits**

For purposes of measuring the net pension and other postemployment benefit (OPEB) liabilities, related deferred outflows of resources and deferred inflows of resources, and related expenses, information about the pension and OPEB 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.

**Long-term Obligations**

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities on the *Statement of Net Position*. In the fund financial statements, the issuance of debt is recorded as other financing source.

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**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.

**Net Position**

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

**Fund Balance**

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

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

Restricted fund balances are those that have externally imposed restrictions on their usage by creditors (such as through debt covenants), grantors, contributors, or laws and regulations. The committed fund balances are self-imposed limitations approved by the District's Governing Board, which is the highest level of decision-making authority within the District. Only the District's Governing Board can remove or change the constraints placed on committed fund balances through formal board action at a public meeting. Fund balances must be committed prior to fiscal year-end. Assigned fund balances are resources constrained by the District's intent to be used for specific purposes but are neither restricted nor committed. The District's Governing Board has not authorized any management officials to make assignments of resources for a specific purpose.

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

The District has not adopted a spending priority policy. When an expenditure is incurred that can be paid from either restricted or unrestricted fund balances, in accordance with GASB 54, the District uses restricted fund balance first. For the disbursement of unrestricted fund balances, the District follows the spending policy described in GASB 54 to use committed amounts first, followed by assigned amounts, and lastly unassigned amounts.

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**Fund Balance (Continued)**

The District has classified its fund balances as follows:

	General Fund	Classroom Site Fund	Special Projects Fund	School Facilities Board Grant Fund	Non-Major Governmental Funds	Total Governmental Activities
<b>Restricted</b>						
Teacher compensation and other qualified programs (A.R.S. 15-977)	\$ -	\$ 815,898	\$ -	\$ -	\$ -	\$ 815,898
Instructional improvement programs	-	-	-	-	109,545	109,545
Federal and state instructional programs	-	-	96,241	-	-	96,241
Food service	-	-	-	-	13,486	13,486
Community programs	-	-	-	-	14,947	14,947
Vocational educational programs	-	-	-	-	155,060	155,060
Extracurricular activities	-	-	-	-	41,677	41,677
Insurance refund	-	-	-	-	8,605	8,605
Student activities	-	-	-	-	36,219	36,219
Other special revenues	-	-	-	-	53,016	53,016
Capital projects	-	-	-	-	126,035	126,035
Debt service	-	-	-	-	5	5
Total restricted	-	815,898	96,241	-	558,595	1,470,734
<b>Unassigned</b>	1,349,733	-	-	(1,048,889)	(41,740)	259,104
<b>Total</b>	\$ 1,349,733	\$ 815,898	\$ 96,241	\$ (1,048,889)	\$ 516,855	\$ 1,729,838

**NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

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

The District did not have any over-expenditures during the current year.

**Deficit Fund Balances**

The District reported deficit fund balances of \$1,048,889 and \$41,740 within the School Facilities Board Grant Fund and Nonmajor Governmental Funds Emergency Deficiencies Correction Fund, respectively. The District had positive balances in other funds to offset the deficit balances. The District is expecting state revenues to be deposited in future periods to offset the deficits that were reported.

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

---

**NOTE 3 – DEPOSITS AND INVESTMENTS**

Deposits and investments at June 30, 2023 consist of the following:

Deposits:		
Cash in bank	\$	216,005
Investments:		
Cash on deposit with county treasurer		322,947
Total deposits and investments	\$	<u>538,952</u>

**Deposits**

*Custodial Credit Risk* – This is the risk that, in the event of a failure by a counterparty, the District will not be able to recover its deposits or collateralized securities that are in the possession of an outside party. The District had a carrying value of \$216,005 for cash on deposit with a local financial institution and a bank balance of \$239,170 at June 30, 2023. The District does not have a formal policy regarding custodial credit risk. However, of the bank balance, the entire balance was insured by federal depository insurance.

**Investments**

At June 30, 2023, the District’s investments were reported at fair value. The District’s investments consisted of only cash on deposit with the County Treasurer.

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

*Interest Rate Risk* – The District does not have a formal investment policy regarding interest rate risk; however, the District manages its exposure to declines in fair values by limiting the average maturity of its investment portfolio to one year or less.

*Credit Risk* – The District does not have a formal investment policy regarding credit risk. However, the District is prohibited by state law from investing in investments other than State and County Treasurer’s investment pools, U.S. Treasury obligations, specified state and local government bonds and interest-earning investment contracts such as savings accounts, certificates of deposit, and repurchase agreements. The District’s investment in the County Treasurer’s investment pool did not receive a credit quality rating from a national rating agency.

**NOTE 4 – UNAVAILABLE REVENUES**

Property taxes are recognized as revenues in the fiscal year levied in the government-wide financial statements and represent a reconciling item between the government-wide and fund financial statements. In the fund financial statements property taxes are recognized as revenues in the fiscal year they are levied and collected or if they are collected within 60 days subsequent to fiscal year-end. Property taxes not collected within 60 days subsequent to fiscal year-end or collected in advance of the fiscal year for which they are levied are reported as deferred inflows of resources. Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also record unearned revenue in connection with resources that have been received, but not yet earned. At fiscal year-end, the District reported \$33,379 of unavailable revenue within the General Fund related to delinquent property taxes.

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 5 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2023 was as follows:

	Balance		Balance	
	July 01, 2022	Additions	Deductions	June 30, 2023
Capital assets not being depreciated				
Land	\$ 22,800	\$ -	\$ -	\$ 22,800
Construction in progress	1,496,309	488,018	(568,290)	1,416,037
Total capital assets not being depreciated	1,519,109	488,018	(568,290)	1,438,837
Capital assets being depreciated				
Land improvements	1,870,635	22,090	-	1,892,725
Buildings and improvements	21,416,504	743,152	-	22,159,656
Vehicles, equipment, and furniture	3,916,333	82,722	(265,934)	3,733,121
Total capital assets being depreciated	27,203,472	847,964	(265,934)	27,785,502
Less accumulated depreciation				
Land improvements	(1,790,760)	(16,978)	-	(1,807,738)
Buildings and improvements	(14,563,819)	(534,101)	-	(15,097,920)
Vehicles, equipment, and furniture	(2,597,123)	(183,888)	265,934	(2,515,077)
Total accumulated depreciation	(18,951,702)	(734,967)	265,934	(19,420,735)
Total capital assets, being depreciated, net	8,251,770	112,997	-	8,364,767
Governmental activities capital assets, net	\$ 9,770,879	\$ 601,015	\$ (568,290)	\$ 9,803,604

Depreciation expenses was charged to governmental functions as follows:

Governmental Activities:	
Instruction	\$ 236,416
Support Services:	
Students	283
Business and Other Support Services	15,567
Operations and Maintenance of Plant	398,459
Student Transportation	51,755
Operation of Noninstructional Services	32,487
	<u>\$ 734,967</u>

As of June 30, 2023, the District reported the following construction commitments:

Project	Governmental activities	
	Spent-to-date	Estimated remaining
Roofing projects	\$ 1,396,390	\$ -
District office renovations	7,400	-
HVAC project	12,247	79,129
Total	<u>\$ 1,416,037</u>	<u>\$ 79,129</u>

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

---

**NOTE 6 – INTERFUND TRANSFERS**

Interfund transfers for the year ended June 30, 2023, consisted of the following:

<b>Transfer to</b>	<b>Transfer from</b>
General Fund	Special Projects Fund
	\$ 40,616

Transfers were made to record indirect costs transferred to the indirect cost pool for various federal grants.

**NOTE 7 – INTERFUND RECEIVABLE AND PAYABLES**

As of June 30, 2023, interfund receivables and payables were as follows:

<b>Due to other funds</b>	<b>Due from other funds</b>		
	General Fund	Classroom Site Fund	Total
Special Projects Fund	\$ 1,258,692	\$ -	\$ 1,258,692
School Facilities Board Grant Fund	82,690	811,930	894,620
Nonmajor Governmental Funds	41,740	-	41,740
Total	\$ 1,383,122	\$ 811,930	\$ 2,195,052

The above interfund receivable and payable are due to cash shortfalls on June 30, 2023. Cash will be received subsequent to June 30, 2023, to repay the short-term borrowings.

**NOTE 8 – LINE OF CREDIT**

The line of credit balance is maintained by the Navajo County Treasurer and is a short-term borrowing used by the District to provide cash flows for District operations until tax revenues are received. The interest rate was calculated using the average investment portfolio rate at the Treasurer. The following is a summary of the current year line of credit activity:

	Balance July 01, 2022	Increases	Decreases	Balance June 30, 2023
Line of credit	\$ -	\$ 2,300,000	\$ (2,300,000)	\$ -

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

---

**NOTE 9 – LONG-TERM OBLIGATIONS**

**Compensated Absences**

Compensated absences are paid from various funds in the same proportion that those funds pay payroll costs. During fiscal year ended June 30, 2023, the District paid for compensated absences from the General Fund.

**Financed Purchases**

The District entered financed agreements for energy saving equipment with a total purchase price of \$1,513,615. The financed purchase carried an interest rate of 3.06% per annum and will be paid off through September 1, 2029.

The following schedule details debt service requirements to maturity for the District's financed purchases on June 30, 2023.

Year ended, June 30,	Governmental Activities	
	Principal	Interest
2024	\$ 107,355	\$ 28,803
2025	114,020	24,880
2026	121,038	20,713
2027	128,424	16,290
2028	136,195	11,598
2029-2030	219,332	7,972
Total	\$ 826,364	\$ 110,256

Changes in long-term liabilities for the year ended June 30, 2023 are summarized as follows:

	Balance			Balance June 30, 2023	Due Within One Year
	July 01, 2022	Additions	Deductions		
Financed purchases	\$ 960,609	\$ -	\$ (134,245)	\$ 826,364	\$ 107,355
Compensated absences	99,481	71,369	(76,231)	94,619	9,511
Net pension liability	3,052,319	1,157,182	-	4,209,501	-
Net OPEB liability	4,723	-	(2,384)	2,339	-
Total	\$ 4,117,132	\$ 1,228,551	\$ (212,860)	\$ 5,132,823	\$ 116,866

**NOTE 10 – CONTINGENT LIABILITIES**

*Compliance* – Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds.

*Arbitrage* – Under the Tax Reform Act of 1986, interest earned on the debt proceeds in excess of interest expense or expenditure prior to the disbursement of the proceeds must be rebated to the Internal Revenue Service (IRS). Management believes there is no tax arbitrage rebate liability at year end.

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

---

**NOTE 10 – CONTINGENT LIABILITIES (CONTINUED)**

*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 ensure 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* Yearly, 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.

*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.

**NOTE 11 – 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.

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

---

**NOTE 12 – PENSION AND OTHER POSTEMPLOYMENT BENEFITS PLANS**

**Cost Sharing Pension Plan**

At June 30, 2023, the District reported the following related to pension/OPEB plans to which it contributes:

	Net Pension Liability (Asset)	Net OPEB Liability (Asset)
Net assets	\$ -	\$ (138,353)
Net liability	4,209,501	2,339
Deferred outflows of resources	893,179	14,047
Deferred inflows of resources	169,202	90,630
Expense	472,364	(20,010)
Contributions	390,573	7,803

**Arizona State Retirement System**

**Plan Description**

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

**Benefits Provided**

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

	Retirement Initial Membership Date:	
	Before July 1, 2011	On or After July 1, 2011
Years of service and age required to receive benefit	Sum of years and age equals 80 10 years, age 62 5 years, age 50* Any years, age 65	30 years, age 55 25 years, age 60 10 years, age 62 5 years, age 50* Any years, age 65
Final average salary is based on	Highest 36 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 BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

---

**NOTE 12 – PENSION AND OTHER POSTEMPLOYMENT BENEFITS PLANS (CONTINUED)**

**Arizona State Retirement System (Continued)**

**Benefits Provided (Continued)**

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, 2023, statute required active ASRS members to contribute at the actuarially determined rate of 12.17% (12.03% for retirement and 0.14% for long-term disability) of the members' annual covered payroll, and statute required the District to contribute at the actuarially determined rate of 12.17% (11.92% for retirement, 0.11% for health insurance premium benefit, and 0.14% for long term disability) of the active members' annual covered payroll. In addition, the District was required by statute to contribute at the actuarially determined rate of 9.68% (9.62% for retirement and 0.06% for long-term disability) of annual covered payroll of retired members who worked for the District in positions that 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, 2023, were \$390,573, \$3,359, and \$4,444, respectively.

During fiscal year 2023, the District paid for pension and OPEB contributions as follows: 88% from the General Fund, 4% from Classroom Site Fund, 6% from Special Projects Fund, and 2% from nonmajor governmental funds.

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

---

**NOTE 12 – PENSION AND OTHER POSTEMPLOYMENT BENEFITS PLANS (CONTINUED)**

**Arizona State Retirement System (Continued)**

**Liability**

On June 30, 2023, the District reported the following asset and liabilities for its proportionate share of the ASRS' net pension/OPEB asset or liability:

	Net (Assets) Liability	District % Proportion	Increase (Decrease)
Pension	\$ 4,209,501	0.02579%	0.00256%
Health insurance premium benefit	(138,353)	0.02479%	0.00217%
Long-term disability	2,339	0.02532%	0.00244%

The net asset and net liabilities were measured as of June 30, 2022. The total liability used to calculate the net asset or net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2021, to the measurement date of June 30, 2022. The District's proportion of the net asset or 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, 2022, and the change from its proportions measured as of June 30, 2021, were noted above.

**Expense**

For the year ended June 30, 2023, the District recognized the following pension and OPEB expense:

	Pension/OPEB Expense
Pension	\$ 472,364
Health insurance premium benefit	(20,762)
Long-term disability	752
Total Pension/OPEB expense:	<u>\$ 452,354</u>

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 12 – PENSION AND OTHER POSTEMPLOYMENT BENEFITS PLANS (CONTINUED)**

**Arizona State Retirement System (Continued)**

**Deferred Outflows/Inflows of Resources**

On June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Deferred Outflows of Resources		
	Pension	Health Insurance	Long-Term
		Premium Benefit	Disability
Differences between expected and actual experience	\$ 35,867	\$ -	\$ 1,217
Changes of assumptions or other inputs	208,926	2,245	1,274
Changes in proportion and differences between contributions and proportionate share of contributions	257,813	427	1,081
Contributions subsequent to the measurement date	390,573	3,359	4,444
<b>Total</b>	<b>\$ 893,179</b>	<b>\$ 6,031</b>	<b>\$ 8,016</b>

  

	Deferred Inflows of Resources		
	Pension	Health Insurance	Long-Term
		Premium Benefit	Disability
Differences between expected and actual experience	\$ -	\$ 70,607	\$ 2,179
Changes of assumptions or other inputs	-	3,773	5,708
Net difference between projected and actual earnings on pension plan investments	110,882	4,660	73
Changes in proportion and differences between contributions and proportionate share of contributions	58,320	2,520	1,110
<b>Total</b>	<b>\$ 169,202</b>	<b>\$ 81,560</b>	<b>\$ 9,070</b>

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 an increase of the net asset or a reduction of the net liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions and OPEB will be recognized in expenses as follows:

Year Ending June 30:	Deferred Outflows (Inflows) of Resources		
	Pension	Health Insurance Premium Benefit	Long-Term Disability
2024	276,766	(21,569)	\$ (546)
2025	71,684	(23,425)	(675)
2026	(192,518)	(25,651)	(1,226)
2027	177,472	(4,305)	(218)
2028	-	(3,938)	(1,146)
Thereafter	-	-	(1,687)
<b>Total</b>	<b>\$ 333,404</b>	<b>\$ (78,888)</b>	<b>\$ (5,498)</b>

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

---

**NOTE 12 – PENSION AND OTHER POSTEMPLOYMENT BENEFITS PLANS (CONTINUED)**

**Arizona State Retirement System (Continued)**

**Actuarial Assumptions**

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

	Pensions	Health Insurance Premium Benefit	Long-Term Disability
Actuarial valuation date	June 30, 2021	June 30, 2021	June 30, 2021
Actuarial roll forward date	June 30, 2022	June 30, 2022	June 30, 2022
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal
Investment rate of return	7.0%	7.0%	7.0%
Projected salary increases	2.9-8.4%	Not applicable	Not applicable
Inflation rate	2.3%	2.3%	2.3%
Permanent base increases	Included	Not applicable	Not applicable
Mortality rates	2017 SRA Scale U-MP	2017 SRA Scale U-MP	Not applicable
Recovery rates	Not applicable	Not applicable	2012 GLDT

Actuarial assumptions used in the June 30, 2021, 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 pension plan investments was determined to be 7.0% using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	50%	3.90%
Fixed income - credit	20%	5.30%
Fixed income - interest rate sensitive	10%	-0.20%
Real Estate	20%	6.00%
Total	100%	

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

---

**NOTE 12 – PENSION AND OTHER POSTEMPLOYMENT BENEFITS PLANS (CONTINUED)**

**Arizona State Retirement System (CONTINUED)**

**Discount Rate**

On June 30, 2022, the discount rate used to measure the ASRS total pension/OPEB liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board’s funding policy, which establishes the contractually required rate under Arizona statutes. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. The long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the District’s Proportionate Share of the ASRS Net Pension Liability to Changes in the Discount Rate**

The following table presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0%) or 1 percentage point higher (8.0%) than the current rate.

	<u>Proportionate share of the net liability (asset)</u>		
	Current		
	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Pension	\$ 6,210,993	\$ 4,209,501	\$ 2,540,569
Health insurance premium benefit	(99,483)	(138,353)	(171,333)
Long-term disability	3,877	2,339	848

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

**Contributions Payable**

The District’s accrued payroll and employee benefits included \$2,170 of outstanding pension and OPEB contributions payable to ASRS for the year ended June 30, 2023.

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

---

**NOTE 13 – RESTATEMENTS**

As of June 30, 2023, the District recorded a restatement of fund balance to better align its fund balance classifications with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* and the Uniform System of Financial Records (USFR). In the previous year, Unrestricted Capital Outlay, School Plant, Career Technical, Insurance Proceeds, and Litigation Recovery were recorded as special revenue or capital projects funds whereas they should have been recorded in the General Fund as they were not subject to third party restriction or internal commitment. In addition, Civic Center, Community School, Textbook, and E-Rate were recorded as unrestricted within the General Fund but are restricted per the USFR, and should have been recorded within a Special Revenue Fund.

The net effects of the reclassifications within the Governmental Funds are as follows:

**Governmental Funds**

	Fund balance as previously stated	Fund balance reclassification	Fund balance as restated
General Fund	\$ 1,259,527	\$ 233,758	\$ 1,493,285
Classroom Site Fund	543,773	-	543,773
Special Projects Fund	(28,962)	(19,067)	(48,029)
School Facilities Board Grant Fund	(1,017,570)	-	(1,017,570)
Non-Major Governmental Funds	779,440	(214,691)	564,749
Total governmental funds	\$ 1,536,208	\$ -	\$ 1,536,208

---

**REQUIRED SUPPLEMENTARY INFORMATION OTHER  
THAN MD&A**

---

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY AND CONTRIBUTIONS**  
**COST SHARING PENSION PLAN**  
**JUNE 30, 2023**

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

	Reporting Fiscal Year (Measurement Date)									
	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
Proportion of the net pension liability	0.02579%	0.02000%	0.02000%	0.03000%	0.03000%	0.03000%	0.03000%	0.03000%	0.03000%	0.03000%
Proportionate share of the net pension liability	\$ 4,209,501	\$ 3,052,319	\$ 4,234,601	\$ 3,784,758	\$ 3,658,162	\$ 4,115,721	\$ 4,269,296	\$ 4,059,595	\$ 4,146,115	
Covered payroll	\$ 3,323,796	\$ 2,837,675	\$ 2,779,630	\$ 2,837,486	\$ 2,777,201	\$ 2,760,379	\$ 2,683,100	\$ 2,608,341	\$ 2,820,520	
Proportionate share of the net pension liability as a percentage of its covered payroll	126.65%	107.56%	152.34%	133.38%	131.72%	149.10%	159.12%	155.64%	147.00%	
Plan fiduciary net position as a percentage of the total pension liability	74.26%	78.58%	69.33%	73.24%	73.40%	69.92%	67.06%	68.35%	69.49%	

**SCHEDULE OF CONTRIBUTIONS**

	Reporting Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	
Actuarially determined contribution	\$ 390,573	\$ 363,655	\$ 304,685	\$ 302,763	\$ 307,356	\$ 283,915	\$ 278,564	\$ 269,015	\$ 263,770	
Contributions in relation to the actuarially determined contribution	390,573	363,655	304,685	302,763	307,356	283,915	278,564	269,015	263,770	
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 3,643,441	\$ 3,323,796	\$ 2,837,675	\$ 2,779,630	\$ 2,837,486	\$ 2,777,201	\$ 2,760,379	\$ 2,683,100	\$ 2,608,341	
Contributions as a percentage of covered payroll	10.72%	10.94%	10.74%	10.89%	10.83%	10.22%	10.09%	10.03%	10.11%	

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

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL GENERAL FUND – BUDGETARY BASIS**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Budgetary Basis	Variances - Final to Actual
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ 4,724,300	\$ 4,724,300
Intergovernmental	-	-	789,689	789,689
Investment earnings	-	-	5,422	5,422
Other	-	-	6,624	6,624
<b>Total Revenues</b>	-	-	5,526,035	5,526,035
<b>EXPENDITURES</b>				
Regular education:				
Instruction	2,377,767	2,340,799	1,660,695	680,104
Support services - students	203,045	203,045	283,142	(80,097)
Support services - instructional staff	192,819	192,819	269,850	(77,031)
Support services - general administration	164,517	164,517	188,016	(23,499)
Support services - school administration	231,875	231,875	282,651	(50,776)
Support services - central services	333,503	333,503	406,975	(73,472)
Operations and maintenance of plant	1,168,657	1,168,657	1,186,557	(17,900)
Operation of noninstructional services	10,771	10,771	10,330	441
School-sponsored cocurricular activities	34,065	34,065	50,230	(16,165)
School-sponsored athletics	199,313	199,313	179,812	19,501
Other programs	16,286	16,286	42,262	(25,976)
<b>Total regular education</b>	4,932,618	4,895,650	4,560,520	335,130
Special education:				
Instruction	406,229	406,229	380,467	25,762
Support services - students	250,599	250,599	220,774	29,825
Support services - instructional staff	21,769	21,769	19,553	2,216
Support services - central services	6,197	6,197	-	6,197
<b>Total special education</b>	684,794	684,794	620,794	64,000
Pupil transportation:				
Student transportation services	346,914	346,914	343,563	3,351
K-3 reading program:				
Instruction	26,900	26,900	17,219	9,681
<b>Total Expenditures</b>	5,991,226	5,954,258	5,542,096	412,162
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	(5,991,226)	(5,954,258)	(16,061)	5,938,197
<b>Fund Balance - Beginning</b>	-	-	492,809	492,809
<b>Increase in inventories</b>	-	-	(25,731)	(25,731)
<b>Fund Balance - Ending</b>	\$ (5,991,226)	\$ (5,954,258)	\$ 451,017	\$ 6,405,275

See accompanying Notes to Required Supplementary Information

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL CLASSROOM SITE FUND  
YEAR ENDED JUNE 30, 2023**

---

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances -</u>
	<u>Original</u>	<u>Final</u>		<u>Final to Actual</u>
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 439,322	\$ 439,322
<b>EXPENDITURES</b>				
Regular education:				
Instruction	910,985	924,359	156,876	767,483
Special education:				
Instruction	48,791	49,507	8,402	41,105
Support services - students	11,144	11,307	1,919	9,388
Total special education	59,935	60,814	10,321	50,493
<b>Total Expenditures</b>	970,920	985,173	167,197	817,976
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(970,920)	(985,173)	272,125	1,257,298
<b>Fund Balance - Beginning</b>	-	-	543,773	543,773
<b>Fund Balance - Ending</b>	\$ (970,920)	\$ (985,173)	\$ 815,898	\$ 1,801,071

See accompanying Notes to Required Supplementary Information

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL SPECIAL PROJECTS FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variances -
	Original	Final		Final to Actual
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 781,294	\$ 781,294
Investment earnings (loss)	-	-	(10,230)	(10,230)
<b>Total Revenues</b>	-	-	771,064	771,064
<b>EXPENDITURES</b>				
Regular education:				
Instruction	897,539	909,292	264,980	644,312
Support services - students	3,909	3,960	1,154	2,806
Support services - instructional staff	388,298	393,383	114,637	278,746
Support services - central services	193,023	195,550	56,986	138,564
Operations and maintenance of plant	116,211	117,733	34,309	83,424
Total regular education	1,598,980	1,619,918	472,066	1,147,852
Special education:				
Instruction	71,155	72,087	21,007	51,080
Support services - students	284,694	288,422	84,050	204,372
Support services - instructional staff	23,002	23,304	6,791	16,513
Total special education	378,851	383,813	111,848	271,965
Pupil transportation:				
Student transportation services	7,669	7,769	2,264	5,505
<b>Total Expenditures</b>	1,985,500	2,011,500	586,178	1,425,322
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	(1,985,500)	(2,011,500)	184,886	2,196,386
<b>Other Financing Sources (Uses):</b>				
Transfers out	-	-	(40,616)	(40,616)
<b>NET CHANGE IN FUND BALANCE</b>	(1,985,500)	(2,011,500)	144,270	2,155,770
<b>Fund Balance - Beginning, as restated</b>	-	-	(48,029)	(48,029)
<b>Fund Balance - Ending</b>	\$ (1,985,500)	\$ (2,011,500)	\$ 96,241	\$ 2,107,741

See accompanying Notes to Required Supplementary Information

**JOSEPH CITY UNIFIED SCHOOL DISTRICT NO. 2**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**YEAR ENDED JUNE 30, 2023**

---

**NOTE 1 – AVAILABILITY OF PRIOR YEAR PENSION INFORMATION**

Information prior to the measurement date of June 30, 2014, was not available. GASB Statement No. 68 requires the District to present 10 years of pension information as required supplementary information. However, until a full 10 years of trend data is compiled, the District will present information for only those years for which information is available.

Information related to the OPEB plans was not presented as the activity was not significant to the District.

**NOTE 2 – BUDGETARY BASIS OF ACCOUNTING**

The District’s adopted budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America, with the following exception:

- 1) The General Fund as reported in the Statement of Revenues, Expenditures, and Changes in Fund Balances includes the District’s Maintenance and Operation Fund in addition to several other District funds as required by GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*; however, for budgetary purposes, the District prepares a separate Maintenance and Operation Fund budget.

The following adjustments are necessary to present actual revenues, expenditures, other financing sources and uses, beginning fund balance and ending fund balance on a budgetary basis in order to present only the activity of the District’s Maintenance and Operation Fund for budgetary purpose.

	General Fund				
	Total Revenues	Total Expenditures	Other Financing Sources and Uses	Fund Balance Beginning of Year	Fund Balance End of Year
Statement of revenues, expenditures and changes in fund balance	\$ 6,114,986	\$ 6,273,423	\$ 14,885	\$ 1,493,285	\$ 1,349,733
Non-maintenance and operation activity included in the General Fund	(588,951)	(731,327)	(40,616)	(1,000,476)	(898,716)
Schedule of revenues, expenditures, and changes in fund balance - budget to actual	\$ 5,526,035	\$ 5,542,096	\$ (25,731)	\$ 492,809	\$ 451,017

## **7. INFORMATION ITEMS**

### **7.A. Requests for Future Agenda Items**

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

### **7.B. Upcoming Meetings and Events Calendar**

- Next Regular Board Meeting - August 13, 2024; 6:00 p.m.
- Arizona School Boards Association Law Conference - September 4-6, 2024; Scottsdale, AZ

## **8. ADJOURNMENT**