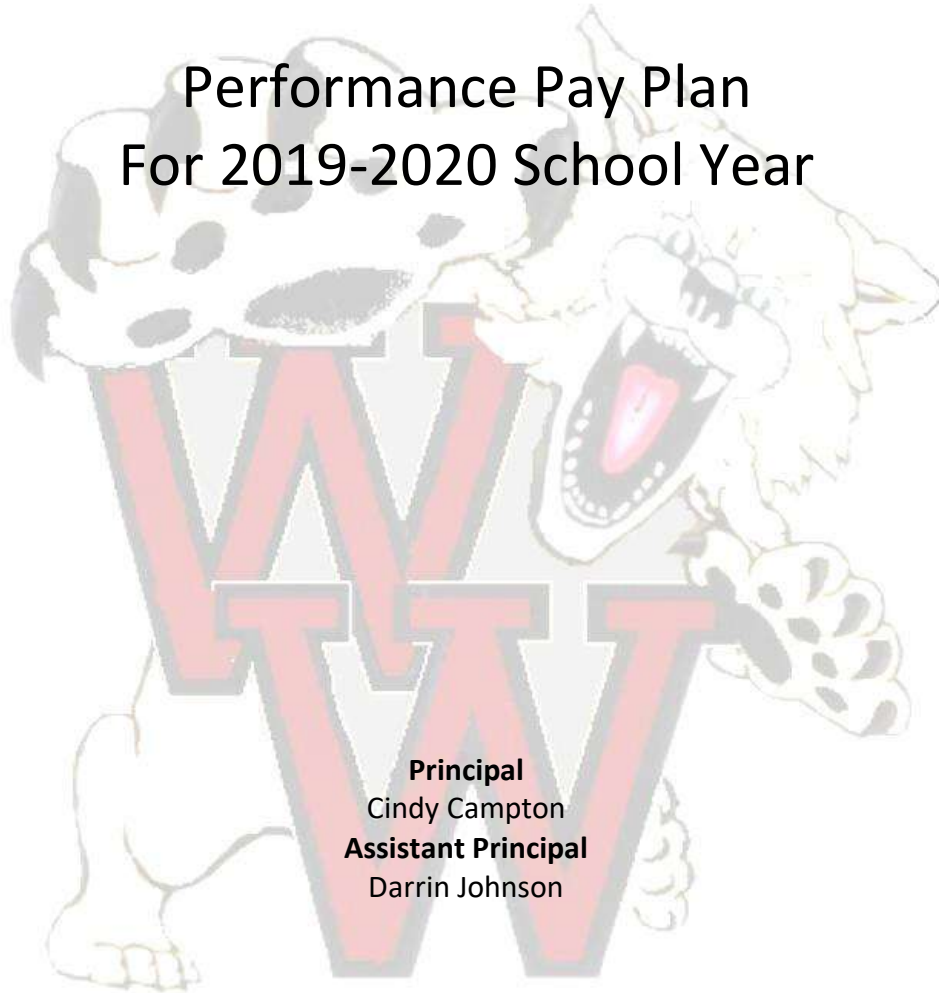


Wilson Elementary School District #7

4-8 Classroom Site Plan Funds

Performance Pay Plan For 2019-2020 School Year



Principal
Cindy Campton
Assistant Principal
Darrin Johnson

Superintendent
Antonio Sanchez

Background

The Wilson School District 301 plan was originally developed through an Interest Based process in the fall and spring of 2001 to comply with the requirements of the Classroom Site Fund (CSF) legislation, which became a statute following a vote of the public in November 2000. This legislation provided that each school district should allocate funding from the CSF as follows:

- 40% must be used for “teacher compensation increases based on performance”;
- 20% must be used for “teacher base salary increases”;
- 40% must be used for “maintenance and operations purposes”, which may include teacher compensation increases. This fund may be used to provide training and training stipends for staff with a developing label.

Qualifying Procedures for Performance Pay

Wilson School District will consider qualified employees as employees who: are contracted on the teachers’ salary schedule, hold a teaching certificate, and work primarily with students. Such employees will be eligible for participation in the performance pay plan.

Teachers who are under contract for one day longer than one full semester are eligible for performance pay. The amount of performance pay will be pro-rated based on the actual number of contract days. In order to receive performance pay, a qualifying employee must have completed the contract for which performance pay is awarded.

Examples: An employee, who resigns and leaves service during the school year, will not be eligible for performance pay for that year unless they have worked one day longer than the full semester. An employee, who takes a leave of absence after the first semester and does not return to work during that school year, will receive performance pay at a pro-rated rate. An employee, who takes a leave of absence during the school year and returns to work prior to the end of the school year, will receive performance pay at a pro-rated rate. No one may receive more than 100% of the allotted amount per person. Teachers remaining on an Improvement Plan for longer than the 90 day initial period will not receive Performance Pay.

Allocation of Funds

Performance Pay funds will be allocated among qualified employees in July following the year it was earned contingent upon the arrival of the test score data in time to prepare and distribute the checks. Pay amounts may vary annually based on the amount received.

Wilson Elementary School

301 Sections	SY17	SY18	SY19	SY20
Base Pay	\$ 804	\$804	\$804	\$804
Enhancement	\$1700	\$1700	\$2300*	\$2300*
Performance Pay (increase)	\$1608	\$2000	\$2500**	\$2500
TOTAL	\$4112	\$4504	\$5604	\$5604

*Certified staff will receive \$600 for participating in one full day training on July 30th prior to contract beginning in recognition of returning to Wilson School District (added to Enhancement).

Performance Pay

Professional Responsibilities	\$600
Measures of Academic Progress	Up to \$1062.50
Individual Teacher Performance	Up to \$837.50 (33%)
*Individual Teacher Performance based on the teacher's performance classification from the prior school year (18-19).	
TOTAL Performance Pay	Up to \$2500

1. Professional Responsibilities	\$600
<p>Teachers will select the following options from Engagement in Meaningful and Appropriate Professional Learning Opportunities, Collaboration with Colleagues, Engagement with Families, Communication with Families, and Leadership, or a combinations of events totaling the correct amount of "301 dollars" paid at \$20 per hour (or \$25 per hour for tutoring) earning up to \$600.00 (hourly amounts based on Schedule "F" as approved by the Governing Board). Documentation will be kept by the teacher throughout the year using the Professional Responsibilities log (found on Team's site). The principal will approve the professional responsibilities rubric. Payment will be generated for hours up to \$600.</p> <p>*Teacher Leaders will earn 30 hours of Professional Responsibilities by planning and facilitating weekly CTM, analyzing data, and providing grade level support. Agendas and minutes will be posted on Teams site. Products of Collaboration will completed as determined by the Principal. Teacher Leaders will participate in monthly Site Team meetings led by the Principal and at least twice per year coaching support from the TL trainer.</p> <p>**Due to COVID19 – all teacher activity hours will be included in this area. For example, online chats, phone calls, meetings, etc with students and parents after or before school hours.</p>	
Element	Activities & Evidence
Engagement in Meaningful and	<ul style="list-style-type: none"> ○ Online learning with PD certificate (ex. Sanford Inspire, AVID e-learning)- self-selected or as assigned

Appropriate Professional Learning Opportunities	<ul style="list-style-type: none"> ○ Book study (sign in sheets) ○ Participate in provided PD during lunch or afterschool hours (led by Coaches). ○ Attend PD outside the district (certificate & agenda) ○ Webinars completed outside the school day (certificate)
Collaboration with Colleagues	<ul style="list-style-type: none"> ○ AVID Site Team meetings (sign-in sheets and agenda) ○ Peer to Peer support documented by calendar meetings or reflections (<i>additional</i> lesson planning meeting, peer observations and reflective dialogue, etc). <p>*Does not include CTM's or grade level planning</p>
Engagement with Families	<ul style="list-style-type: none"> ○ Nighttime events related to academics (AVID nights, reading, math, etc) ○ Attend school or district events outside the school day- Fall Festival, Community Clean Up, Spring Health Fair, etc. ○ Attend after school events (sports, gifted, theater, band) ○ PTO meetings- attend at least 1 per year ○ AVID Parent meetings attend at least 1 per year
Communication with Families	<ul style="list-style-type: none"> ○ Communication log that demonstrates 2 way communication- above and beyond expectations ○ Documents communication with families regarding individual student learning and progress ○ Classroom newsletters
Leadership	<ul style="list-style-type: none"> ○ Committee Leadership roles ○ Organize and facilitate fund raising clubs ○ Mentoring interns or student teachers ○ Present at a PTO meeting or Board Meeting or staff meeting ○ Organize and facilitate events (awards, evening events, Spelling Bee, Career Day, pep and sports assemblies, fieldtrips to NAU or UofA) ○ Mentoring students- at least 2 throughout the year with documentation ○ Tutoring students- at least 6 with sign-in sheets and objectives ○ Writing grants, Donor's Choose, tax donations, and obtaining scholarships of at least \$2,000 ○ Provide leadership on overnight student trips

2. Measures of Academic Progress	Up to \$1062.50
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Content Area Teachers (Reading, Math, Science)

Goal: Teachers will increase the number of students who exceed expected CGA using ATI Q2 test and End of Year (Pre to Q2, Pre to End of Year).

Mid Year- measured Pre to Q2

- Expected CGA Exceeded- \$531.25
- Expected CGA Maintained- \$431.25

End of Year- measured Pre to Post

***If Teachers either Exceeded or Met Expected CGA at mid-year, teachers are eligible for the following amounts based on End of Year assessment:**

- Expected CGA Exceeded- \$531.25
- Expected CGA Maintained- \$431.25

****If Expected CGA is Not Maintained at Q2, Teachers will be eligible for full amount at the end of year if data indicates either Expected or Exceeded CGA on posttest- \$1062.50 (Expected CGA Exceeded) or \$862.50 (Expected CGA Maintained).**

SEI Classes- Teachers of SEI classes can earn 301 funds either through ATI data as noted above, or AZELLA- total amount not to exceed \$1062.50.

At least 70% of SEI students will move at least one category as measured by spring AZELLA reassessment (\$1062.50)

At least 60% of SEI students will move at least one category as measured by spring AZELLA reassessment (\$862.50)

*****DUE to COVID19 – For the end of the year measures, the 2nd semester will be split between 3rd quarter and 4th quarter. Teachers will utilize the 3rd quarter GGA as presented above. For 4th quarter, teachers will utilize data from our online programs with the following criteria: 65% of the students will pass with an overall score in the program of 60% or higher and the teachers will receive their funds.**

Special Education Teachers

- Brian- Students will show growth on math fact fluency skills as tracked and monitored by the school sponsored Fastt Math computer program and or XTRA math fluency program across basic operations. Each is based on mid year and end of year progress.
 - **\$531.25- At least 80% of assigned students will make a minimum of 10% growth on basic operation math fluency facts.**
 - **\$431.25- At least 70% of assigned students will make a minimum of 10% growth on basic operation math fluency facts.**
- Susie- Students will make expected progress on their IEP goals as reported at the expiration of the IEP with data collected at mid-year and end of year.
 - **\$531.25- At least 70% of assigned students will make progress on reading and/or math goals on their IEPs as reported at their IEP's with data collected at mid-year and end of year.**
 - **\$431.25- At least 60% of assigned students will make progress on reading and/or math goals on their IEPs as reported at their IEP's with data collected at mid-year and end of year.**
- Annie- Students will make expected progress on their IEP goals as reported at the expiration of the IEP with data collected at mid-year and end of year.
 - **\$531.25- At least 70% of assigned students will make progress on math goals on their IEPs as reported at their IEP's with data collected at mid-year and end of year.**
 - **\$431.25- At least 60% of assigned students will make progress on math goals on their IEPs as reported at their IEP's with data collected at mid-year and end of year.**
- Tracie- Students will achieve mid-year and end of year Lexile goals as set and measured by READ180.
 - **\$531.25- At least 70% of students will make 5 lexile point growth by mid year. 50% will meet their lexile growth by the end of the year.**
 - **\$431.25- At least 60% of students will make 5 lexile point growth by mid year. 40% will meet their lexile growth by the end of the year.**
- Amy & Beth- Speech/Language students will make progress on the communication goals on their IEP's as reported at the expiration of the IEP with data collected at mid-year and end of year.
 - **\$531.25- At least 70% of students will make progress on the communication goals on their IEPs.**

- \$431.25- At least 60% of students will make progress on the communication goals on their IEPs.

*****DUE to COVID19 – For the end of the year measures, the 2nd semester will be split between 3rd quarter and 4th quarter. Teachers will utilize the 3rd quarter scores as presented above. For 4th quarter, teachers will utilize data from our online programs with the following criteria: 65% of the students will pass with an overall score in the program of 60% or higher and the teachers will receive their funds.**

Measures of Progress- Elective Teachers

Music & Drama- Increase student participation in performances.

- \$531.25- 80% of students will participate at each performance (mid year and end of year).
- \$431.25- 70% of students will participate at each performance (mid year and end of year).

P.E.- Organize and monitor athletics serving as Athletic Director for the year (1 teacher)

Plan and facilitate 2 intermural tournaments during the school year (1 teacher), after school or on weekends (include single elimination tournaments with prizes)

- \$1,062.50- Met goal

Due to COVID19, Music and Drama will conduct online performances for the 2nd semester goal. PE will continue as AD. Megan will utilize scores from lifetime fitness and participation videos/pictures as follows: 65% of the students will pass with an overall score in the program of 60% or higher or 65% of the students will participate in online PE via video and/or pictures and the teachers will receive their funds.

3. Individual Teacher Performance	Up to \$837.50
As measured by the teacher’s performance classification from the 2017-2018 school year:	
Highly Effective	\$837.50
Effective	\$737.50

Additional Plan components:

1. School district performance and school performance.
Student achievement data resulting in school and district label will be reviewed by all staff, disaggregated and studied to find patterns and solutions for higher achievement. This is not part of the compensation plan.
2. Measures of academic progress toward the academic standards adopted by the state board of education.
AZMerit results are addressed by the Elementary goals above as part of the compensation plan.
3. Other measures of academic progress.
Chapter tests are measured by the Primary goals above as part of the compensation plan.
4. Dropout or graduation rates.

Student mobility and dropout rates are reviewed quarterly. The superintendent works closely with the Principals to monitor these rates. This is not part of the compensation plan.

5. Attendance rates.

Both schools address student attendance through the use of the Wilson Attendance Mandate. This is not part of the compensation plan.

6. Ratings of school quality by parents.

A survey of parents will be done in the spring annually from the district office. Goals for parent satisfaction will be set after spring of 2006. This is part of the overall district plan, but not part of the compensation plan.

7. Ratings of school quality by students.

Students in third grade and students at the Elementary school will be asked to fill out surveys of satisfaction each year. The surveys will be administered by the principal's offices. This is not part of the compensation plan.

8. The input of teachers and administrators.

Each year, goals are set by the teachers and administrators after reviewing the student data.

9. Approval of the performance based compensation system based on an affirmative vote of at least seventy per cent of the teachers eligible to participate in the performance based compensation system.

10. An appeals process for teachers who have been denied performance based compensation.

Teachers who have been denied performance based compensation will have the right to appeal the decision. They must notify the Human Resource department in writing of their appeal within 30 days of checks being issued. If a whole group wants to appeal, one or two representatives can be chosen to appeal for the group as a whole. Evidence of meeting the goal must be presented along with the appeal. The new evidence will be reviewed by a committee formed by the Human Resource Director. An appeal decision will be sent to the Superintendent's office within 15 days of receiving the appeal.

11. Regular evaluation for effectiveness.

Annually in September, each school staff will review the status of the performance plan and propose changes or edits to the written plan. The Governing Board will adopt the plan by December 31st each year.

Wilson Elementary School District #7

Classroom Site Plan Funds

Performance Pay Plan For 2019-2020 School Year

Principal

Lisa Norwood

Superintendent

Antonio Sanchez

Background

The Wilson School District 301 plan was originally developed through an Interest Based process in the fall and spring of 2001 to comply with the requirements of the Classroom Site Fund (CSF) legislation, which became a statute following a vote of the public in [November 2000](#). This legislation provided that each school district should allocate funding from the CSF as follows:

- 40% must be used for “teacher compensation increases based on performance”;
- 20% must be used for “teacher base salary increases”;
- 40% must be used for “maintenance and operations purposes”, which may include teacher compensation increases. This fund may be used to provide training and training stipends for staff with a developing label.

Each year the staff meets to update and revise the plan for Board approval by December.

Qualifying Procedures for Performance Pay

Wilson School District will consider qualified employees as employees who: are contracted on the teachers’ salary schedule, hold a teaching certificate, and work primarily with students. Such employees will be eligible for participation in the performance pay plan.

Teachers who are under contract for one day longer than one full semester are eligible for performance pay. The amount of performance pay will be pro-rated based on the actual number of contract days. In order to receive performance pay, a qualifying employee must have completed the contract for which performance pay is awarded.

Examples: An employee, who resigns and leaves service during the school year, will not be eligible for performance pay for that year unless they have worked one day longer than the full semester. An employee, who takes a leave of absence after the first semester and does not return to work during that school year, will receive performance pay at a pro-rated rate. An employee, who takes a leave of absence during the school year and returns to work prior to the end of the school year, will receive performance pay at a pro-rated rate. No one may receive more than 100% of the allotted amount per person. Teachers remaining on an Improvement Plan for longer than the 90 day initial period will not receive Performance Pay.

Allocation of Funds

Performance Pay funds will be allocated among qualified employees contingent upon the arrival of the test score data in time to prepare and distribute the checks. Pay for label designations may not be paid until final educator effectiveness labels are received. Pay amounts may vary annually based on the amount received.

Wilson Primary School

301 Sections	SY17	SY18	SY19`	SY20
Base Pay	\$ 804	\$804	\$804	\$804
Enhancement	\$1700	\$1700	\$2300*	\$2300*
Performance Pay (increase)	\$1608	\$2000	\$2500**	\$2500
TOTAL	\$4112	\$4504	\$5604	\$5604

*Certified staff will receive \$600 for participating in one full day training on July 29th prior to contract beginning in recognition of returning to Wilson School District (added to Enhancement).

Performance Pay

Professional Responsibilities	\$600
Measures of Academic Progress	Up to \$1062.50
Individual Teacher Performance *Individual Teacher Performance based on the teacher's performance classification from the prior school year (18-19).	Up to \$837.50 (33%)
TOTAL Performance Pay	Up to \$2500

1. Professional Responsibilities	Up to \$600
<p>Teachers will select the following options from Engagement in Meaningful and Appropriate Professional Learning Opportunities, Collaboration with Colleagues, Engagement with Families, Communication with Families, and Leadership, or a combinations of events totaling the correct amount of "301 dollars" paid at \$20 per hour (or \$25 per hour for tutoring) earning up to \$600.00 (hourly amounts based on Schedule "F" as approved by the Governing Board). Documentation will be kept throughout the year by the teacher using the PL binder and Professional Responsibilities log (found on Team's site). The principal will approve the professional responsibilities rubric. Payment will be generated for hours up to \$600.</p> <p>*Teacher Leaders will earn 30 hours of Professional Responsibilities by planning and facilitating weekly CTM, analyzing data, and providing grade level support. Agendas and minutes will be posted on Teams site. Products of Collaboration will completed as determined by the Principal. Teacher Leaders will participate in monthly Site Team meetings led by the Principal and at least twice per year coaching support from the TL trainer.</p> <p>**Due to COVID19 – all teacher activity hours will be included in this area. For example, online chats, phone calls, meetings, etc with students and parents after or before school hours.</p>	
Element	Activities & Evidence
Engagement in Meaningful and	<ul style="list-style-type: none"> ○ Online learning with PD certificate (ex. Sanford Inspire, AVID e-learning)- self selected or as assigned

Appropriate Professional Learning Opportunities	<ul style="list-style-type: none"> ○ Book study (sign in sheets) ○ Participate in provided PD afterschool hours (led by Coaches or Peer Evaluators). ○ Attend PD outside the district with pre-approval
Collaboration with Colleagues	<ul style="list-style-type: none"> ○ Committee participation- attendance and tasks (assigned roles) ○ Peer to Peer support documented by calendar meetings or reflections (<i>additional</i> lesson planning meeting, peer observations and reflective dialogue, etc). <p>*Does not include CTM's or grade level planning</p>
Engagement with Families	<ul style="list-style-type: none"> ○ Attend nighttime events related to academics- (Arts & Academic nights) ○ Attend school or district events outside the school day- Fall Festival, Community Clean Up, Spring Health Fair, etc. ○ PTO meetings- attend at least 1 per year ○ Grade level parent nights ○ Parent meetings attend at least 1 per year
Communication with Families	<ul style="list-style-type: none"> ○ Communication Log or Class Dojo – above and beyond expectations ○ Documents communication with families regarding individual student learning and progress (keep in PL binder) ○ Classroom newsletters
Leadership	<ul style="list-style-type: none"> ○ Committee leadership role ○ Leadership roles on district or school committees ○ Organize and facilitate fund raising clubs ○ Mentoring interns or student teachers ○ Present at a PTO meeting or Board Meeting ○ Organize and facilitate evening events ○ Writing grants, Donor's Choose, tax donations, and obtaining scholarships of at least \$2,000

2. Measures of Academic Progress	Up to \$1062.50 (up to \$531.25 mid year and end of year)
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Preschool

Preschool Goal- All students will make progress in Phonemic Awareness as measured by the PAST assessment.

- **\$531. 25- 70% of students will pass Concept of Spoken Word and Rhyme Recognition skill at mid-year, and Rhyme Completion and Syllable Blending skill at end of year.**
- **\$431.25- 60% of students will pass Concept of Spoken Word and Rhyme Recognition skill at mid-year, and Rhyme Completion and Syllable Blending skill at end of year.**

*****DUE to COVID19 – For the end of the year measures, the 2nd semester will be split between 3rd quarter and 4th quarter. Teachers will utilize the 3rd quarter scores as presented above. For See final page of the document for revised goals.**

Kindergarten-3 rd Grade Teachers
*Teachers will be rostered to both reading students and homeroom students.

<p>Measures of Academic Progress- Up to \$1062.50</p> <p>Goal: Teachers will increase the number of students who exceed expected CGA using ATI Q2 test and End of Year (Pre to Q2, Pre to End of Year).</p> <p>Mid Year- measured Pre to Q2</p>

- Expected CGA Exceeded- \$531.25
 - ELA- \$265, Math \$265
- Expected CGA Maintained- \$431.25
 - ELA- \$216, Math \$216

End of Year- measured Pre to Post

***If Teachers either Exceeded or Met Expected CGA at mid-year, teachers are eligible for the following amounts based on End of Year assessment:**

- Expected CGA Exceeded- \$531.25
 - ELA- \$265, Math \$265
- Expected CGA Maintained- \$431.25
 - ELA- \$216, Math \$216

****If Expected CGA is Not Maintained at Q2, Teachers will be eligible for full amount at the end of year if data indicates either Expected or Exceeded CGA on pretest to posttest- \$1062.50 (Expected CGA Exceeded) or \$862.50 (Expected CGA Maintained).**

SEI Classes- Teachers of SEI classes can earn 301 funds either through ATI data as noted above, or AZELLA- total amount not to exceed \$1062.50.

At least 40% of SEI students will move at least one category as measured by spring AZELLA reassessment (\$1062.50)

At least 30% of SEI students will move at least one category as measured by spring AZELLA reassessment (\$862.50)

*****DUE to COVID19 – For the end of the year measures, the 2nd semester will be split between 3rd quarter and 4th quarter. Teachers will utilize the 3rd quarter scores as presented above. For See final page of the document for revised goals.**

Expanded Impact Teachers

60% of students in intervention will demonstrate adequate progress (move up a category) in DIBELS or maintain benchmark status as indicated by DIBELS mid-year and EOY Correlation report.

- Correlation Report: Designed to trace student performance in particular measures over time (BOY to MOY, BOY to EOY).

*****DUE to COVID19 – For the end of the year measures, see final page of the document for revised goals.**

Mid-year & End of year award-

- \$531.25- Met both goals (ATI & DIBELS)
- \$431.25- met goal for either ATI or DIBELS

Special Education

Deborah- Following the IEPs (Individualized Education Plans) as directed, students that start in Ms. Brady's self-contained class in August 2018 will understand the relationship between numbers and quantities through counting objects and saying the number names in the standard order, pairing each object with one and only one number and each number with one and only one object for numbers up to 50; showing an improvement of a minimum of 10% growth over-all for the four grading quarters of the 2018-2019 school year. Students will be given a pretest, midyear test and post test that will be used to determine growth.

- \$531.25- At least 80% of students will meet the goal.

- **\$431.25- At least 70% of students will meet the goal.**

*****DUE to COVID19 – For the end of the year measures, the 2nd semester will be split between 3rd quarter and 4th quarter. Teachers will utilize the 3rd quarter scores as presented above. For See final page of the document for revised goals.**

Special Ed- Resource

Students will make at least 10% growth and 10% achievement as measured by ATI mid year and EOY assessments.

OR

60% of students in resource will move up a category in DIBELS or maintain benchmark status as indicated by DIBELS mid-year and EOY Correlation report.

- Correlation Report: Designed to trace student performance in particular measures over time (BOY to MOY, BOY to EOY).

Using Number Worlds mid-year and EOY assessment, at least 70% of students will achieve a passing score of at least 75%.

- **\$531. 25- Met goal for both reading and math**
- **\$431.25- Met goal for either reading or math**

*****DUE to COVID19 – For the end of the year measures, the 2nd semester will be split between 3rd quarter and 4th quarter. Teachers will utilize the 3rd quarter scores as presented above. For See final page of the document for revised goals.**

Measures of Progress- Special Areas

*****DUE to COVID19 – For the end of the year measures, see final page of the document for revised goals.**

PE- Plan and facilitate 2 school wide field days during the school year.

And/or

At least 70% of students will make growth on the ATI assessment (BOY to EOY).

Art- Plan and facilitate 2 school wide art exhibits during the school year.

And/or

At least 70% of students will make growth on the ATI assessment (BOY to EOY).

Music- Plan and facilitate 2 school wide music performances during the school year.

And/or

At least 70% of students will make growth on the ATI assessment (BOY to EOY).

STEM- Plan and facilitate at least two STEM related events this year

And/or

2nd grade students will meet or exceed CGA in math according to the ATI assessment.

- **\$1062.50- Met goal for both event and ATI assessment**
- **\$936.00- Met goal for either event or ATI assessment**

3. Individual Teacher Performance

Up to \$837.50

As measured by the teacher’s performance classification from the 2018-19 school year:

Highly Effective

\$837.50

Effective

\$737.50

Additional Plan components:

1. School district performance and school performance.

Student achievement data resulting in school and district AYP and AZLearns labels will be reviewed by all staff, disaggregated and studied to find patterns and solutions for higher achievement. This is not part of the compensation plan.

2. Measures of academic progress toward the academic standards adopted by the state board of education.

AzMerit results are addressed by the Elementary and Primary goals above as part of the compensation plan.

3. Dropout or graduation rates.

Student mobility and dropout rates are reviewed quarterly. The superintendent works closely with the Principals to monitor these rates. This is not part of the compensation plan.

4. Attendance rates.

Both schools address student attendance through the use of the Wilson Attendance Mandate. This is not part of the compensation plan.

5. Ratings of school quality by parents.

A survey of parents will be done in the spring annually from the district office. Goals for parent satisfaction will be set after spring of 2006. This is part of the overall district plan, but not part of the compensation plan.

6. Ratings of school quality by students.

Students in third grade and students at the Elementary school will be asked to fill out surveys of satisfaction each year. The surveys will be administered by the principal's offices. This is not part of the compensation plan.

7. The input of teachers and administrators.

Each year, goals are set by the teachers and administrators after reviewing the student data.

8. Approval of the performance based compensation system based on an affirmative vote of at least seventy per cent of the teachers eligible to participate in the performance based compensation system.

9. An appeals process for teachers who have been denied performance based compensation.

Teachers who have been denied performance based compensation will have the right to appeal the decision. They must notify the Human Resource department in writing of their appeal within 30 days of checks being issued. If a whole group wants to appeal, one or two representatives can be chosen to appeal for the group as a whole. Evidence of meeting the goal must be presented along with the appeal. The new evidence will be reviewed by a committee formed by the Human Resource Director. An appeal decision will be sent to the Superintendent's office within 15 days of receiving the appeal.

10. Regular evaluation for effectiveness.

Annually in September, each school staff will review the status of the performance plan and propose changes or edits to the written plan. The Governing Board will adopt the plan by December 31st each year.

***** Primary Prop 301 plan- 4th quarter (COVID-19 closure)**

Team	Revised goal
Deb Brady Crystal	1. 50% participation of students on WebEx or ClassDojo (if students/families are not connected, documentation of teacher trying to connect will be provided)
Preschool	1. 70% of the students tested in P.A.S.T. will increase scores for Concept in Spoken Words and Rhyme Recognition from pre-test administered in January. 2. Teachers will provide evidence of contacts with 70% of their students via WebEx, Class Dojo, phone calls and e-mails. They will provide evidence of standard-driven instruction that were completed during the school closure to at least 70% of their students.
Kindergarten	3. Communication with parents on Dojo, Daily schedule postings, provide feedback to student work posted: at least 50% of class 4. 50% of class: Daily participation in one form below: one lesson in math and reading: Webex, homework packet, math seeds, reading eggs, Zearn 5. Attend PD webinars - once every other week
1 st	1. 50% participation between ClassDojo and Webex for 4 th quarter 2. 3 hours weekly grade level collaboration on lesson plans, videos, technology support and resources, and articles.
2 nd	2. 50% participation of students on WebEx or ClassDojo (if students/families are not connected, documentation of teacher trying to connect will be provided) 3. 3 hours weekly grade level collaboration on lesson plans, videos, technology support and resources, and articles.
3 rd	1. 50% participation between ClassDojo and Webex for 4 th quarter. (3 rd grade had already marked what portfolio pages we wanted students to post when the second packet went out) 2. 5 hours weekly grade level collaboration on lesson plans, videos, technology support, grading using rubric/reviewing and responding to student work, and resources.
Special Areas	50% of the student body would be contacted for well checks via phone call and/or 10% of students with parents connected to ClassDojo will participate in activities via portfolios.
OC	Q1-Q3 - 60% of our students will meet our SMART goals and we will provide our documentation to support that. Q4 - Interaction via class dojo and/or WebEx with 70% of the 10 students we were asked to meet with since the closure.

AVID Center



Products and Services Quote/Order

Quote/Order #: Q-78270
 Client: Wilson Elementary School District
 Address: 3025 E Fillmore St
 Phoenix, AZ 85008

AVID Center Representative: Joni Guerrero
 Phone: (303) 436-2202
 Email: jguerrero@avid.org

Effective Date: July 01, 2020

Expiration Date: June 30, 2021

District Products				
QTY	PRODUCT NAME	UNIT PRICE	DISCOUNT	EXTENDED PRICE
1	AVID District Leadership Year 2	\$6,000.00	\$0.00	\$3,750.00
1	AVID Excel District Virtual Professional Learning	\$1,300.00	\$0.00	\$1,300.00
2	AVID Excel Site and District Visitation Days	\$2,750.00	\$0.00	\$5,500.00
District Products SUBTOTAL:				\$10,550.00

Wilson Elementary School				
QTY	PRODUCT NAME	UNIT PRICE	DISCOUNT	EXTENDED PRICE
1	AVID Membership Fees Combo Sites	\$4,724.00	\$0.00	\$4,724.00
1	AVID Weekly Elementary	\$595.00	\$0.00	\$0.00
1	AVID Weekly Secondary	\$595.00	\$580.00	\$0.00
1	AVID EXCEL Benefit Package	\$995.00	\$0.00	\$995.00
Wilson Elementary School SUBTOTAL:				\$5,719.00

Wilson Primary School				
QTY	PRODUCT NAME	UNIT PRICE	DISCOUNT	EXTENDED PRICE
1	AVID Membership Fees Elementary School	\$3,125.00	\$0.00	\$3,125.00
1	AVID Weekly Elementary	\$595.00	\$0.00	\$0.00
1	Elementary Digital Library Set - 4 Licenses - Year 2	\$0.00	\$0.00	\$0.00
Wilson Primary School SUBTOTAL:				\$3,125.00

TOTAL: \$19,394.00

plus all applicable taxes

This AVID Products and Services Quote/Order ("Quote/Order"), together with the General Terms and Conditions ("Ts&Cs") attached hereto as Exhibit "A" (collectively, this "Agreement" or "AVID Agreement"), constitutes a binding agreement between AVID Center and the "Client" identified above with respect to the AVID Products and Services (as defined in the Ts&Cs) specified in this Quote/Order. The Ts&Cs attached to this Quote/Order will apply to any Subsequent Quote/Order that is placed by Client. Each party agrees to be bound by the terms of this Agreement and has caused this Agreement to be signed by its duly authorized representative. The terms of this Quote/Order or Subsequent Quote/Order will control in the event of a conflict with the Ts&Cs.

Additional Comments:

N/A

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates below their signatures, but such dates shall not alter the Term of this Agreement as specified herein:

AVID Center,
a California Non-Profit Corporation
501(c)(3)

Wilson Elementary School District

DocuSigned by:
David S. Greulich
Signature: _____
Print Name: David S. Greulich

DocuSigned by:
Rebecca Willey
Signature: _____
Print Name: Rebecca Willey
Email Address: rebecca.willey@wsd.k12.az.us

Title: Controller
Date: 1/31/2020 | 7:19 AM PST

Title: Director of Curriculum & Instruction
Date: 1/30/2020 | 2:59 PM PST

AVID Center
9797 Aero Drive, Suite 100
San Diego, CA 92123
Employer ID # 33-0522594

Exhibit "A"**AVID Center General Terms and Conditions**

These General Terms and Conditions (these "Ts&Cs") set forth an agreement by and between AVID Center, a California nonprofit corporation ("AVID Center"), and the "Client" identified in the attached Quote/Order. Client agrees to these Ts&Cs by entering into the Quote/Order or a Subsequent Quote/Order regardless of whether these Ts&Cs are attached to such Quote/Order or Subsequent Quote/Order. These Ts&Cs shall prevail over any terms and conditions contained in any purchase order or other document submitted by Client and fulfillment of the Quote/Order or a Subsequent Quote/Order does not constitute acceptance of any of Client's terms and conditions and does not modify or amend these Ts&Cs. If an individual enters into the Quote/Order or a Subsequent Quote/Order on behalf of his/her employer, then such individual hereby represents and warrants that he/she has the authority to bind such entity to this Agreement.

Article I. Definitions. Capitalized terms in these Ts&Cs not defined in the Quote/Order or a Subsequent Quote/Order or elsewhere in these Ts&Cs shall have the meanings set forth below:

1.1. "AVID Materials" shall mean any materials, in any medium, printed or electronic, provided by AVID Center relating to the AVID Products and Services.

1.2. "AVID Member Site" shall mean each Client facility identified in the Quote/Order or a Subsequent Quote/Order where the AVID Products and Services will be implemented.

1.3. "AVID Methodologies" shall mean AVID Center's proprietary methodologies incorporated within the AVID Products and Services.

1.4. "AVID Products and Services" shall mean the descriptions and requirements related to the products and services specified in the Quote/Order or a Subsequent Quote/Order, as described on the area of AVID Center's website located at <https://www.avid.org/Page/3290>. Such descriptions and requirements may change from time to time at AVID Center's sole discretion without prior notice to Client and are hereby incorporated herein by this reference.

1.5. "Proprietary Information" shall mean confidential or proprietary information pertaining to AVID Center's business, products or services, including without limitation AVID Methodologies, techniques, processes, designs, and research, and the terms of this Agreement.

1.6. "Subsequent Quote/Order" shall mean an order signed by AVID Center and Client to renew a subscription of the AVID Products and Services or any Amendment to a Quote/Order.

1.7. "Site Data" shall mean data collected from an AVID Member Site pertaining to student demographics, course enrollment, site characteristics and related outcomes.

1.8. "Student Data" shall mean individual student academic and disciplinary data.

Article II. Term.

2.1. **Term.** The term of this Agreement shall commence on the date specified in the Quote/Order or Subsequent Quote/Order and, unless earlier terminated as provided herein, shall continue until the expiration date specified in the Quote/Order, unless renewed pursuant to a Subsequent Quote/Order ("Term").

Article III. Licenses.**3.1. AVID Products and Services.**

(a) Subject to all of the terms and conditions of this Agreement, AVID Center hereby grants to Client during the Term a limited, non-exclusive, non-transferable license,

without the right to sublicense, to (i) use, and permit AVID Member Sites to use (a) the AVID Products and Services corresponding to such AVID Member Sites as specified in the Quote/Order or a Subsequent Quote/Order, and (b) the AVID Methodologies solely to implement the AVID Products and Services and for no other purpose, and (ii) reproduce the AVID Materials and distribute and display copies of such AVID Materials to staff and students of AVID Member Sites where such AVID Products and Services are implemented.

(b) This Agreement grants Client only the rights to use the AVID Products and Services and AVID Materials as set forth herein and does not convey or transfer title or ownership of any AVID Products and Services or AVID Materials to Client. All rights not expressly granted herein are reserved by AVID Center, and no other licenses are granted herein by implication, estoppel or otherwise.

3.2 Restrictions. Except as permitted in this Agreement, Client shall not, nor permit any third party to, engage in any of the following conduct:

(a) Provide, sell, sublicense, transfer, or lease any AVID Products and Services or AVID Materials;

(b) Distribute, broadcast or transmit in any medium whatsoever any AVID Products and Services or AVID Materials, except to AVID Member Sites solely via a password-protected website that is accessible only to staff and students of such AVID Member Site;

(c) Reproduce any AVID Products and Services or AVID Materials, except for classroom or school use;

(d) Distribute or transmit through the Internet any AVID Materials or AVID Methodologies to AVID Member Sites, except to a password-protected website that is accessible only to staff and students of such AVID Member Site;

(e) Enable AVID Member Sites to download electronic versions of any AVID Products and Services or AVID Materials, other than downloads by staff and students of AVID Member Sites who are required to agree prior to downloading (via clicking an "Accept" button or other form of electronic acknowledgement) not to distribute, reproduce, display, or transfer such AVID Products and Services or AVID Materials to anyone other than staff and students of their AVID Member Site;

(f) Modify or create derivative works of any AVID Products and Services or AVID Materials;

(g) Use or integrate any AVID Products and Services or AVID Materials with any product or service other than the AVID Products and Services or to develop any other product or service;

(h) Use any AVID Products and Services or AVID Materials in connection with any timesharing service, service bureau, network or any other services for revenue-generating purposes; or

(i) Obscure, remove, alter or fail to reproduce any copyright notice and other proprietary legends contained on or in any AVID Products and Services or AVID Materials.

3.3 AVID Trademarks.

(a) Subject to all of the terms and conditions of this Agreement, AVID Center grants to Client during the Term a limited, nonexclusive, non-transferable, indivisible license, without the right to sublicense, to use the "AVID" trademarks, service marks and logos (collectively, "AVID Trademarks") only (i) as they are incorporated within the AVID Materials; and (ii) on advertising and promotional materials created by Client or AVID Member Sites to promote the AVID Products and Services implemented at such AVID Member Sites.

(b) Client shall at all times use the AVID Trademarks in a professional manner in order to preserve and enhance AVID Center's substantial goodwill associated with the AVID Trademarks.

(c) Client shall not, and shall ensure that AVID Member Sites do not, (i) use any AVID Trademarks as a business name or trade name; (ii) adopt any trademark that is confusingly similar to any AVID Trademarks; (iii) submit any application or otherwise attempt to register for itself or others any AVID Trademarks; (iv) modify or otherwise alter any AVID Trademarks or use any other designs or logos in conjunction with the AVID Trademarks; or (v) use any AVID Trademarks in connection with any product or service other than the AVID Products and Services in accordance with this Agreement.

(d) All use of the AVID Trademarks by Client or an AVID Member Site will include the appropriate trademark symbol and will be in the following form, as appropriate: [AVID Trademark][®] or [AVID Trademark][™]. All literature and materials printed, distributed or electronically transmitted by Client or an AVID Member Site and containing any AVID Trademarks will include the following notice, as appropriate: "[AVID Trademark] is a [registered] trademark of AVID Center."

(e) Use by Client or any AVID Member Site of any AVID Trademarks on any product or other item in order to promote the AVID Products and Services shall be subject to AVID Center's prior written approval. Any such uses of AVID Trademarks approved by AVID Center shall be subject to the terms and conditions of this Agreement.

3.4 Ownership. As between the parties, AVID Center shall solely own all right, title and interest, except as licensed to Client hereunder, in and to the AVID Products and Services, AVID Trademarks, and AVID Materials, and any and all modifications, enhancements and derivative works thereof, and all intellectual and proprietary rights related thereto ("Intellectual Property Rights"). In addition, AVID Center shall own any and all suggestions, comments and feedback provided by Client concerning improvements or modifications of any AVID Products and Services (collectively, "Feedback") and AVID Center shall have the right to use, in any manner and for any purpose whatsoever, any and all Feedback. Client agrees to assign and does hereby irrevocably assign to AVID Center all right, title and interest that Client may acquire in and to any and all AVID Products and Services, AVID Trademarks, AVID Materials, and Feedback and all Intellectual Property Rights therein.

3.5 Equitable Relief. Client acknowledges and agrees that AVID Center will be irreparably harmed and money damages would be an inadequate remedy in the event of a breach of this Article III. Client therefore agrees that, in the event of such a breach, in addition to all other available remedies, AVID Center shall be entitled to equitable relief, including without limitation an order of specific performance and/or temporary, preliminary and permanent injunctive relief.

Article IV. Client's Obligations.

4.1. Infringement by Third Parties. Client shall notify AVID Center of any infringement of any of AVID Center's Intellectual Property Rights of which Client becomes aware. AVID Center shall have the sole right, but not any obligation, to take legal action to enforce such rights and Client agrees to cooperate with AVID Center in any such action and provide all information and assistance reasonably requested by AVID Center at AVID Center's expense.

4.2. Compliance with Laws. Client shall at all times comply with all applicable laws and regulations in its use of the AVID Products and Services.

4.3. Data Collection. During the Term, Client shall provide to AVID Center via a designated secure web portal Site Data and Student Data (collectively, "Data") specified by AVID Center. Client shall collect Data in accordance with applicable privacy laws, including without limitation the federal Family Educational Rights and Privacy Act (FERPA). AVID Center shall maintain in confidence all personally identifiable student information or information that is included in Data that it receives from Client. Client may withhold, revise, and/or edit confidential data, such as student names, Social Security Numbers and any other information the disclosure of which would violate state or federal law. AVID Center agrees not to use any Data in a manner that would violate, or cause Client to violate, any applicable provision of FERPA.

4.4. Proprietary Information.

(a) Confidentiality. Client shall hold and maintain all Proprietary Information provided by, or otherwise obtained from, AVID Center in strict confidence and not use or disclose such information to any third party other than to its employees and contractors who have a need to know such information, except to the extent necessary to exercise the rights granted, and perform its obligations, under this Agreement. Client will safeguard all Proprietary Information using the same precautions it uses to protect its own confidential information, but shall in no event exercise less than a reasonable degree of care. Client shall ensure compliance of AVID Member Sites with the obligations in this Section 4.4 and shall be responsible for any AVID Member Site's breach of such obligations.

(b) Exceptions. The restrictions set forth in Section 4.4(a) shall not apply with respect to information which: (i) is already known by Client at time of disclosure; (ii) becomes, through no act or fault of Client or any AVID Member Site, publicly available; (iii) is rightfully received by Client from a third party on a non-confidential basis; or (iv) is independently developed by Client without reference to any Proprietary Information. Notwithstanding Section 4.4(a), Client may disclose Proprietary Information pursuant to a lawful requirement or request of a governmental entity or agency to the minimum extent required, provided that, to the extent permitted by applicable law, Client first notifies AVID Center of such requirement or request and Client cooperates with AVID

Center in seeking a protective order or contesting such required disclosure.

Article V. Compensation.

5.1. Invoicing and Payment. AVID Center will invoice Client the amount stated in the Quote/Order or Subsequent Quote/Order, as the case may be, upon execution of the Quote/Order or Subsequent Quote/Order, and Client shall pay to AVID Center the full invoiced amount within thirty (30) days following Client's receipt of the invoice.

5.2. Taxes. Client shall be responsible for the payment of any applicable sales or use taxes or any value added or similar taxes payable with respect to the AVID Products and Services provided by AVID Center or arising out of or in connection with this Agreement.

5.3. No Right of Offset. Client shall have no right to offset any amount or claim against amounts payable to AVID Center hereunder.

Article VI. Representations and Warranties; Warranty Disclaimer.

6.1. Representations and Warranties. Each party represents and warrants to the other party that its execution and delivery of this Agreement, and its performance of this Agreement, (i) are within its power and authority; (ii) do not require any consent or other action by and in respect of or filing with any third party or governmental body or agency; and (iii) do not, and will not, violate or conflict with or constitute a default under any applicable law, regulation, or published interpretive guidance or ruling.

6.2. Warranty Disclaimer.

(a) EXCEPT AS EXPRESSLY SET FORTH IN SECTION 6.1., NEITHER PARTY MAKES ANY REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, AND EACH PARTY DISCLAIMS ALL OTHER WARRANTIES INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT.

(b) AVID CENTER DOES NOT WARRANT THAT THE AVID PRODUCTS AND SERVICES WILL MEET CLIENT'S OR ANY AVID MEMBER SITE'S REQUIREMENTS AND AVID CENTER DOES NOT MAKE ANY WARRANTY WITH RESPECT TO CLIENT'S OR ANY AVID MEMBER SITE'S USE OR INABILITY TO USE ANY OF THE AVID PRODUCTS AND SERVICES OR THE RESULTS GENERATED FROM THE USE OF ANY OF THE AVID PRODUCTS AND SERVICES.

Article VII. Limitation of Liability.

7.1. Exclusion of Damages. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT SHALL EITHER PARTY HAVE ANY LIABILITY TO THE OTHER PARTY ARISING OUT OF THIS AGREEMENT UNDER ANY CAUSE OF ACTION OR THEORY OF LIABILITY, INCLUDING TORT, NEGLIGENCE, STRICT LIABILITY, MISREPRESENTATION, BREACH OF CONTRACT OR BREACH OF WARRANTY, FOR (a) ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR EXEMPLARY DAMAGES OF ANY KIND, EVEN IF SUCH PARTY KNEW OR SHOULD HAVE KNOWN OF THE POSSIBILITY OF SUCH DAMAGES; OR (b) THE COST OF PROCURING SUBSTITUTE GOODS, SERVICES, TECHNOLOGY OR RIGHTS.

7.2. Maximum Liability. NOTWITHSTANDING ANYTHING IN THIS AGREEMENT OR OTHERWISE, AVID CENTER SHALL HAVE NO LIABILITY FOR DAMAGES IN EXCESS OF THE AGGREGATE AMOUNT PAID BY CLIENT HEREUNDER AND

CLIENT SHALL HAVE NO LIABILITY FOR DAMAGES IN EXCESS OF THE AGGREGATE AMOUNT PAID OR PAYABLE BY CLIENT HEREUNDER WITH RESPECT TO THE QUOTE/ORDER OR SUBSEQUENT QUOTE/ORDER GIVING RISE TO LIABILITY.

7.3. Exceptions. THE EXCLUSIONS OF DAMAGES AND LIABILITY LIMITATIONS IN SECTIONS 7.1 AND 7.2 SHALL NOT APPLY TO ANY BREACH OF CLIENT'S OBLIGATIONS UNDER ARTICLE III OR SECTION 4.4 OR ANY VIOLATION OR INFRINGEMENT OF AVID CENTER'S INTELLECTUAL PROPERTY RIGHTS. THESE LIMITATIONS SHALL APPLY NOTWITHSTANDING A FAILURE OF THE ESSENTIAL PURPOSE OF ANY LIMITED REMEDY.

Article VIII. Termination.

8.1. By AVID Center. AVID Center may terminate this Agreement in its entirety or with respect to one or more AVID Member Sites in the event of Client's material breach of this Agreement, which is not fully cured within thirty (30) days following AVID Center's notice of the breach. In the event Client's breach is not cured, AVID Center shall notify Client of its election to terminate this Agreement or, if termination is limited to one or more AVID Member Sites, AVID Center shall notify Client of the AVID Member Sites so terminated.

8.2. By Client. Client may terminate this Agreement for any reason, or no reason, upon thirty (30) days' prior written notice to AVID Center.

8.3. Effect of Termination. Upon termination or expiration of this Agreement or with respect to termination of one or more AVID Member Sites, (a) the licenses granted to Client hereunder, or the rights granted hereunder with respect to the terminated AVID Member Sites, shall automatically terminate and all rights shall revert to AVID Center; (b) Client shall immediately discontinue use of the AVID Products and Services and cease using the AVID Materials, AVID Methodologies, and AVID Trademarks in all AVID Member Sites following termination or expiration of this Agreement, or, in the case of termination of one or more AVID Member Sites, in the terminated AVID Member Sites; (c) Client shall pay to AVID Center all unpaid amounts that are due and payable hereunder and shall remain liable for its obligations or other actions that accrued or occurred prior to the date of termination or expiration; and (d) Client shall promptly return to AVID Center all AVID Materials and Proprietary Information (including copies) in its possession or control following termination or expiration of this Agreement.

8.4. Survival. All accrued rights to payment and the parties' respective rights, obligations and duties under Articles I, VI, VII, and VIII and Sections 3.4, 3.5, 4.1, 4.4, and 5.1 shall survive expiration or any termination of this Agreement.

Article IX. General Provisions

9.1. Independent Contractors. The relationship between the parties is that of independent contractors and neither party shall have authority to contract for or bind the other party in any manner whatsoever.

9.2. Cumulative Remedies. All rights and remedies conferred herein shall be cumulative and in addition to all of the rights and remedies available to each party at law, equity or otherwise.

9.3. Governing Law/Venue. This Agreement shall be governed by and interpreted under California law, without regard to its conflict of laws provisions, and, except as provided in Section 9.4, the state and federal courts located within the County of San Diego, California shall have the exclusive

jurisdiction over all disputes and causes of action relating to this Agreement.

9.4. Dispute Resolution.

(a) Before initiating any legal action, the parties will endeavor to settle any dispute, controversy or claim arising out of or relating to this Agreement or a party's performance or lack of performance hereunder (a "Dispute") by mediation conducted by JAMS, Inc. ("JAMS") in San Diego, California. The requesting party may commence mediation by providing to JAMS and the other party a written request for mediation, setting forth the subject of the dispute and the relief requested. The parties agree that they will participate in the mediation in good faith and that they will share equally in its costs.

(b) If the Dispute is not resolved within sixty (60) days following the request for mediation, the Dispute shall be resolved by final and binding arbitration in accordance with the JAMS Streamlined Arbitration Rules & Procedures then in effect (the "Rules"), except as modified by this Agreement. The arbitration will be conducted by one arbitrator approved by both parties; provided, however, if the parties fail to approve the arbitrator within ten (10) days after the written demand for arbitration, then either party to the dispute may request that JAMS select the arbitrator in accordance with the Rules. The final decision of the arbitrator shall include the dollar amount of the award to such party, if any, and the findings of fact and conclusions of law on which it is based shall be furnished to the parties in writing and shall be binding upon the parties. Judgment upon the arbitration award may be entered in any court having jurisdiction thereof.

9.5. Attorneys' Fees. The prevailing party in any legal action or proceeding related to this Agreement shall, in addition to all other remedies, be entitled to an award of its attorneys' fees.

9.6. Force Majeure. Neither party shall be liable for nonperformance or any delay caused by an event reasonably beyond its control including, but not limited to, wars, acts of terrorism, compliance with laws or regulation (including, without limitation, those related to infringement), fires, floods, earthquakes or any Act of God or any law, proclamation, regulation, ordinance or other act or order of any court, government or governmental agency.

9.7. Severability. If any provision of this Agreement is held to be illegal or unenforceable, such provision shall be limited or eliminated to the minimum extent necessary so that the remainder of this Agreement will continue in full force and effect and be enforceable.

9.8. Notices. All notices or other communications required or permitted hereunder shall be in writing and shall be deemed to have been duly given either when personally delivered, one business day following delivery by a nationally recognized overnight courier with tracking capabilities, or three business days following deposit in the U.S. mail, registered or certified, postage prepaid, return receipt requested, to the address of the party to be notified set forth in the Quote/Order or a Subsequent Quote/Order. Notice of change of address shall be given by written notice in the manner set forth in this Section 9.8.

9.9. Waiver. The waiver by either party of any breach or failure to require performance by the other party shall not constitute the waiver of any other or subsequent breach or diminish the right to require such performance in the future.

9.10. No Third-Party Beneficiaries. Nothing in this Agreement shall confer upon any person or entity other than the parties and their respective successors or permitted assigns, any rights, obligations, or remedies hereunder (whether as a third-party beneficiary or otherwise).

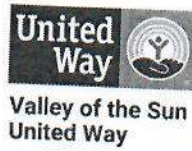
9.11. No Assignment. Client may not assign any of its rights or delegate any of its obligations under this Agreement without AVID Center's prior written consent and any purported assignment in the absence of such consent shall be null and void.

9.12. Amendment. No amendment or modification of this Agreement shall be binding, unless it is in writing and signed by both parties.

9.13. Headings; Construction. Headings and captions are for convenience only and are not to be used in the interpretation of this Agreement. Each party agrees that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in the construction or interpretation of this Agreement.

9.14. Entire Agreement. This Agreement is the entire agreement between the parties relating to the subject matter hereof, and all quotes, communications, understandings and agreements relating to the same subject matter are merged into, and superseded by, this Agreement.

9.15. Counterparts. This Agreement may be executed in multiple counterparts, each of which will be deemed an original, but all of which taken together shall constitute one and the same instrument. Delivery of a copy of this Agreement bearing a signature by facsimile transmission, by electronic mail or by any other electronic means will have the same effect as physical delivery of the paper document bearing the original signature.



UNITED
FOR THE VALLEY

COVID-19
FUND

**UNITED FOR THE VALLEY COVID-19 FUND
GRANT AGREEMENT**

I. Purpose. Valley of the Sun United Way (VSUW or United Way) established the United for the Valley COVID-19 Fund (UVCF) to identify and support the emerging and fast-changing needs of health and human services organizations, schools, and the individuals and families they serve due to COVID-19. The UVCF is designed to help adapt to the most pressing needs in the Valley due to COVID-19 as they evolve in real time. The terms and conditions of this Grant Agreement (Grant) are as follows:

II. Grantee Name: Wilson School District (Grantee)
Grantee Organizational Contact Name: Rebecca Willey
Grantee Organizational Email: rebecca.willey@wsd.k12.az.us

III. Grant Funds and Grant Purposes.

- a. VSUW has awarded Grantee \$40,000 from the UVCF (Grant Funds).
- b. VSUW will transmit the Grant Funds to Grantee via ACH payment, within 10 days of Grantee's signature on this Grant and Grantee submission of ACH info if VSUW does not already have it.
- c. Grantee may only use the Grant Funds and income earned on Grant Funds for charitable purposes, as described in Grantee's application. Grantee shall not use Grant Funds for lobbying or electioneering; for political campaign-related issues; and/or for any illegal purpose, including, without limitation, violations of the US Patriot Act.

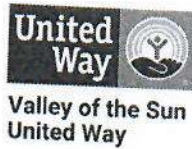
IV. Term. The term of this Grant shall be from May 4, 2020 to June 30, 2020. VSUW reserves the right to terminate this Grant immediately upon written notice, and Grantee must return the Grant Funds, if VSUW determines Grantee violates any provision of Section VII of this Grant.

V. Reports. Grantee shall submit a written report through e-CImpact on the use of Grant Funds by **July 15, 2020**. Grantee shall provide VSUW with copies (if available) of any press releases, photographs, and published material about the Grant Funds and the work it made possible (including the number of individuals served). Grantee shall maintain an accurate accounting record related to the expenditure of Grant Funds and shall include it in its report.

VI. Publicity. Grantee shall copy United Way on communications regarding the Grant, including web posts and publicity, and will tag United Way in social media posts mentioning the Grant when possible. Grantee should use a reference to "partial funding provided by Valley of the Sun United Way." United Way may include information regarding this Grant, including the amount and purpose of the Grant, photographs you have provided, Grantee's logo or trademark, or other information about Grantee's organization and its activities, in printed materials, publicity, and electronic media such as its web site and social media. If Grantee would like a quote from United Way, an electronic copy of VSUW's logo, or input on how to characterize the Grant, please contact Laura Grey at lgrey@vsuw.org.

VII. General Compliance Requirements. Grantee must:

- a. Be classified by the Internal Revenue Service as a tax-exempt 501(c)(3) organization, or be an organized school district charged with the administration of public schools within Arizona;
- b. Comply with all federal immigration laws and regulations that relate to its employees and with the E-verify requirements;
- c. Comply with all applicable state and federal statutes and regulations regarding equal employment opportunity and non-discrimination; and
- d. Be in compliance with all applicable state and federal statutes and regulations.



UNITED
FOR THE VALLEY

COVID-19
FUND

VIII. Declaration of Independent Business Status. The relationship between the parties is that of independent contractors. Nothing contained in this Grant shall be construed as creating any agency, partnership, joint venture or other form of joint enterprise, employment, or fiduciary relationship between the parties, and neither party shall have authority to contract for or bind the other in any manner.

IX. Limitation of Liability and Indemnity. Neither VSUW nor its officers, directors, employees, volunteers, and agents shall be liable to Grantee for any actions, damages, claims, liabilities, costs, expenses, or losses in any way arising out of or relating to this Grant. Grantee shall indemnify, hold harmless, and defend VSUW and its officers, directors, employees, volunteers, and agents from and against any and all claims, demands, actions, suits, damages, liabilities, losses, settlements, judgments, costs and expenses (including, without limitation, reasonable attorney's fees and costs), whether or not involving a third party claim, in any way arising out of or relating to this Grant, except to the extent finally determined to have resulted from the gross negligence of VSUW.

X. Miscellaneous.

- a. **Assignment.** Grantee may not assign this Grant and the rights thereunder without VSUW's prior written consent. Subject to the foregoing limitation, this Grant shall be binding upon, and inure to the benefit of, the parties and their permitted successors and assigns.
- b. **Entire Agreement.** This Grant constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior or contemporaneous representations, understandings or agreements, whether written or oral, relating to the subject matter of this Grant.
- c. **Modification.** The provisions of this Grant may not be waived, amended, or modified unless agreed to in writing by both parties.
- d. **Force Majeure.** Neither party shall be liable for any delays in performance resulting from circumstances or causes beyond its reasonable control, including with limitation, epidemic/pandemic, fire or other casualty, act of God, terrorism, strike or labor dispute, war or other violence, or any law, order or requirement of any government agency or authority.
- e. **Governing Law.** This Grant shall be governed by, and construed in accordance with, the laws of the State of Arizona, without regard to its conflicts of laws provisions. The Parties submit to the exclusive jurisdiction of the federal and state courts located in Phoenix, Arizona, and any action or suit under this Grant shall only be brought by the Parties in any federal or state court in Phoenix, Arizona with appropriate jurisdiction over the subject matter.
- f. **Execution of Agreement.** Each party certifies and warrants that the person executing the Grant is duly authorized to sign this Grant on behalf of such party. This Grant may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Grant delivered by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Grant.

By signing below, Grantee agrees to the terms and conditions of this Grant.

GRANTEE

DocuSigned by:

By Rebecca Willey

AD16DB1A95544E8

Name: Rebecca Willey

Title: Executive Director

Date: 5/6/2020 | 9:09 AM PDT

VSUW

DocuSigned by:

By Tanya M. Muñiz

5EB466F3B4354EB

Tanya M. Muñiz

Chief Financial Officer

Date: 5/7/2020 | 12:54 PM MST

ACTION ITEM

DATE:

ITEM: Approve the FY2020-2021 Food Service Management Company (FSMC) Contract Renewal Amendment with Southwest Food Service Excellence, LLC as required by Arizona Department of Education (ADE), Health & Nutrition Services Division, pending final approval by ADE.

SUBMITTED BY: _____
Beth Strickler, Business Manager

RECOMMENDED: _____
Mr. Antonio Sanchez, Superintendent

DISCUSSION: Wilson School District #7 as the School Food Authority (SFA) shall pay the FSMC \$1.55 per Breakfast served; \$2.58 per Lunch served; and, \$.67 per Snack served.

RECOMMENDED: We recommend the Governing Board approve the FY2020-2021 Food Service Management Contract Renewal Amendment to continue receiving reimbursements from the Child Nutrition Programs.



Arizona Department of Education Health and Nutrition Division

2020-2021 FSMC Contract Renewal Amendment Checklist

Wilson School District #7

07-04-07

School Food Authority Name (SFA)

CTD Number

This checklist must be completed and submitted to the Arizona Department of Education (ADE), along with the referenced documents, by June 5, for all Food Service Management Company (FSMC) Contract Renewal Amendment approvals. Remember to submit an **UNSIGNED** Contract Renewal Amendment. All other forms should be signed. Forms will be returned if not accurately completed or if sections are blank. After ADE has pre-approved the Renewal Amendment, the SFA must send a signed copy to ADE within ten days of obtaining signatures.

Please answer the question and check each box for which information and/or documents have been provided.

1. Contract Renewal Amendment is *unsigned*? Yes No
2. Contract Type: Fixed-Price Cost-Reimbursable
3. Contract Amendment Number: 1st 2nd 3rd 4th of 4 annual renewals
4. FSMC Name: Southwest Foodservice Excellence, LLC
5. Provide the following Financial Information documents:
 - a. Include *Pricing Summary* in packet.
Did the price/fee change (Increase or Decrease)? Yes No
 - b. Include *Schedule of Terms for the FSMC Guarantee* in packet.
 - c. Include *Financial Projected Worksheet* in packet.
6. Provide the following certifications/documents:
 - Certification regarding Lobbying and Disclosure of Lobbying Activities (*signed* by the FSMC)
 - Certification of Independent Price Determination (*signed* by the FSMC **and** SFA)
7. Are any other changes/additions being made to the original solicitation documents? Yes No
If yes, please describe the changes.



8. SFA Contact (Liaison) Information:

(Provide the following information for the individual employed by the SFA responsible for answering questions and correspondence concerning its food service operation and contract)

Name: Yvette Lowe
Job Title: Food Service Clerk
Mailing Address: 3025 E Fillmore St
Mailing City, State, Zip: Phoenix, AZ 85008
Telephone Number: 602-683-2411
Email Address: Yvette.lowe@wsd.k12.az.us

I certify that the information and documentation provided herein is true and correct to the best of my knowledge.

By: [Signature] Director of Business Services
(Printed name of person signing) Beth Strickler
(Date) 5/12/2020

State Agency Use Only

Date Received: Date Pre-Approved: Final Documents:
State Agency Reviewer: Specialist:
19-20 Pricing: 20-20 Pricing: Change:

Changes required/missing information/notes:

[Empty rectangular box for notes]

- Unsigned Contract
Cert of Price
Lobbying
Lobbying Disclosure
Pre-Approval Letter
Pre-Approval Letter Emailed
Signed Contract
File Complete Letter
File Complete Letter Emailed
On-line System
CNP Web Checklist
Data Base



Wilson School District #7

3025 E. Fillmore St.

Phoenix, AZ 85008

2020-2021 Food Service Management Company (FSMC)

Fixed-Price Contract Renewal Amendment

1. AGREEMENT NUMBER: 2020-01	2. AMENDMENT NUMBER: 1	3. START DATE: July 1, 2020
4. CTD Number: 070407000		
5. FOOD SERVICE MANAGEMENT COMPANY NAME & ADDRESS: Southwest Foodservice Excellence, LLC 9366 E. Raintree Dr. Scottsdale, AZ 85260		
6. AUTHORITY FOR AMENDMENT: Special Terms and Conditions, page 10, 2B, Contract Option , states the contract must be one (1) year with the option to have four (4) additional one-year extensions. The entire duration of the agreement shall not exceed five (5) years. [7 CFR 210.16(d)]		
7. PURPOSE OF AMENDMENT: To extend the contract an additional year and initiate a new pricing schedule.		

8. THE ABOVE REFERENCED AGREEMENT IS HEREBY MODIFIED AS FOLLOWS:

- A. In accordance with the provisions of the Special Terms and Conditions, page 10, 2B, **Contract Option**, the contract must be one (1) year with the option to have four (4) additional one-year extensions, for the total duration of this Contract, including the exercise of any options under this provision, shall not exceed five (5) years. **Wilson School District #7** is exercising its option at this time to extend the term of the contract for an additional 12 months. The contract now ends on **June 30, 2021**.
- B. The *Pricing Summary* per Attachment 7.1, the *Financial Projected Worksheet* per Attachment 7.3, and the *Schedule of Terms for the FSMC Guarantee* per Attachment 7.4 of the original contract are replaced with the attached 2020/2021 information.
- C. The following "Menu Plan" clauses are added to the agreement:
- A. The SFA chooses to offer **A MINIMUM OF HALF** of the grain components whole grain rich. The FSMC agrees to abide by this request.
- B. The FSMC shall provide a salad bar at **2** of sites. The salad bars offered must contain **4** types of fresh vegetables and **2** types of fresh fruit **DAILY**.
- D. The following "Menu Plan" clause is amended as follows:
- A. The SFA is required to implement the Arizona Nutrition Standards as stated in ARS 15-242 and to follow the Competitive Food Service standards for any food or beverage sold **or served** on the school campus during the school day. 7CFR§210.11(a)(5)
- E. The following "Professional Standards" clause is amended as follows:
- C. The FSMC Food Service Director and the individual of the SFA overseeing the food service activities are both responsible for meeting the **hiring and** training standards for Program Directors.
- F. **Debarment, Suspension, Ineligibility and Voluntary Exclusion Certification.** By signing this Contract Renewal Amendment, the FSMC shall certify that they have not been debarred, suspended, or otherwise excluded from or ineligible for participation in federal assistance programs under executive order 12549 and 12689. [2 CFR Part 200.213 and Appendix II to 2 CFR Part 200(I)] The FSMC shall comply with regulations implementing Office of Management and Budget Guidance in Non-procurement Debarment and Suspension codified at 2 CFR Part 180 and 2 CFR Part 417. These regulations restrict transactions with certain parties that are debarred, suspended or otherwise excluded from, or ineligible for, participation in Federal assistance programs or activities.
- Arizona Department of Education FSMC FP Contract Renewal Amendment Template 3.2.20 - Page 1 of 5



9. EXCEPT AS PROVIDED FOR HEREIN, ALL TERMS AND CONDITIONS OF THE ORIGINAL CONTRACT/AGREEMENT NOT HERETOFORE CHANGED AND/OR MODIFIED REMAIN UNCHANGED AND IN FULL EFFECT.

IN WITNESS WHEREOF THE PARTIES HERETO SIGN THEIR NAMES IN AGREEMENT.

FSMC: Southwest Foodservice Excellence, LLC	SFA: Wilson School District #7
SIGNATURE OF AUTHORIZED INDIVIDUAL:	SIGNATURE OF AUTHORIZED INDIVIDUAL:
PRINTED NAME: Amanda Conti	PRINTED NAME: Beth Strickler
TITLE: Director of Area Operations	TITLE: Director of Business Services & Technology
DATE:	DATE:

This institution is an equal opportunity provider.



2020-2021 Fixed-Price Contract Renewal Amendment Pricing Summary

The FSMC will be paid at a fixed rate per meal. The amount should be based on assumption that no donated commodities will be available for use. The SFA will not permit the FSMC to pre-credit for donated foods.

Meal Equivalency Factor: **\$3.0300**

The FSMC Pricing Proposal for Programs listed in the Scope of Work

To be completed by the FSMC:

Fixed Price Per Meal:

Breakfast	\$ 1.5465
Lunch	\$ 2.5775
Snack	\$ 0.6702
CFCFP Dinner	\$ 2.5775
Meal Equivalent	\$2.5775



**2020-2021 Fixed-Price Contract Renewal Amendment
Financial Projected Worksheet**

For contract amendment purposes only, base the Financial Projected Expenditures Worksheet in the following format.
The Financial Projected Worksheet below is based on **378,262** meals per year.

REVENUES 2020-2021	
Cash Sales	
Student Breakfast Sales	
Student Lunch Sales	
A-La-Carte Sales	\$28,403
Adult Sales	
Special Event Sales	
Total Cash	\$28,403
Federal Reimbursement (Based on Current Rates)	
Breakfast	\$175,094
Lunch	\$636,990
Snacks / Dinner	\$68,223
Summer Food Service Program (SFSP/SSO)	\$19,769
USDA Foods Received	
Total Reimbursements	\$900,076
*Total Revenue (All Cash Sales + All Reimbursements)=	\$928,479

EXPENSES 2020-2021	
Food Costs	
Direct Labor Costs	\$148,167
Direct Costs	
Fees	\$598,215
*Total Expenses	\$746,382
SURPLUS 2020-2021	
Food Service Surplus (Total Revenue – Total Expenses)	\$182,097



**2020-2021 Fixed-Price Contract Renewal Amendment
Schedule of Terms for the FSMC Guarantee**

The FMSC must describe in detail the Guarantee Return conditions, forecasting of cost, and settlement of losses and/or surpluses.

FSMC must select one.

 Guaranteed No Loss: FSMC guarantees the SFA no loss for the operation of the food service program.

 XX **Guaranteed Minimum Return:** FSMC guarantees the SFA a return no less than a certain dollar amount for the operation of the food service program.

The guarantee is based on the following conditions and assumptions remaining in effect for the School Year:

Guarantee Year	Amount
2020-2021	\$182,097



CERTIFICATION REGARDING LOBBYING

Applicable to Grants, Subgrants, Cooperative Agreements, and Contracts Exceeding \$100,000 in Federal Funds.

Submission of this certification is a prerequisite for making or entering into this transaction and is imposed by section 1352, Title 31, U.S. Code. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of a Federal contract, the making of a Federal grant, the making of a Federal loan, the entering into a cooperative Agreement, and the extension, continuation, renewal, amendment, or modification of a Federal contract, grant, loan, or cooperative Agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal grant or cooperative Agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all covered subawards exceeding \$100,000 in Federal funds at all appropriate tiers and that all sub recipients shall certify and disclose accordingly.

Southwest Foodservice Excellence, LLC
9366 E Raintree Drive
Scottsdale, AZ 85260

Name/Address of Organization

Monty Staggs, Chief Executive Officer

Name/Title of submitting Official



Signature

3/24/2020

Date

DISCLOSURE OF LOBBYING ACTIVITIES INSTRUCTIONS FOR COMPLETION OF SF-LLL

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or Agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Use the SF-LLL-A Continuation Sheet for additional information if the space on the form is inadequate. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a follow-up report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.
4. Enter the full name, address, city, state and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Sub awards include but are not limited to subcontracts, subgrants and contract awards under grants.
5. If the organization filing the report in item 4 checks "Subawardee", then enter the full name, address, city, state and zip code of the prime Federal recipient. Include Congressional District, if known.
6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative Agreements, loans, and loan commitments.
8. Enter the most appropriate Federal identifying number available for the Federal action identified in item 1 (e.g., Request for Proposal (RFP) number; Invitation for Bid (IFB) number; grant announcement number; the contract, grant, or loan award number; the application/proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP-DE-90-001."
9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.
10. (a) Enter the full name, address, city, state and zip code of the lobbying entity engaged by the reporting entity identified in item 4 to influence the covered Federal action.
(b) Enter the full names of the individual(s) performing services, and include full address if different from 10 (a). Enter Last Name, First Name, and Middle Initial (MI).
11. Enter the amount of compensation paid or reasonably expected to be paid by the reporting entity (item 4) to the lobbying entity (item 10). Indicate whether the payment has been made (actual) or will be made (planned). Check all boxes that apply. If this is a material change report, enter the cumulative amount of payment made or planned to be made.
12. Check the appropriate box(es). Check all boxes that apply. If payment is made through an in-kind contribution, specify the nature and value of the in-kind payment.
13. Check the appropriate box(es). Check all boxes that apply. If other, specify nature.
14. Provide a specific and detailed description of the services that the lobbyist has performed, or will be expected to perform, and the date(s) of any services rendered. Include all preparatory and related activity, not just time spent in actual contact with Federal officials. Identify the Federal official(s) or employee(s) contacted or the officer(s), employee(s), or Member(s) of Congress that were contacted.
15. Check whether or not a SF-LLL-A Continuation Sheet(s) is attached.
16. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

Public reporting burden for this collection of information is estimated to average 30 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other, aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, D.C. 20503.



ARIZONA DEPARTMENT OF EDUCATION

Health and Nutrition Services
1535 West Jefferson Street
Phoenix, Arizona 85007

FOOD PROGRAM PERMANENT SERVICE AGREEMENT ADE Contract No. ED09-0001

Revised Summer 2019

("SCHOOL FOOD AUTHORITY (SFA)")
(Legal Name of Applicant)

Doing Business As (if applicable).

This Agreement is entered into between the Arizona State Board of Education ("BOARD"), acting through the Arizona Department of Education ("AGENCY"), a state agency of the State of Arizona, and the SFA pursuant to Arizona Revised Statutes ("A.R.S.") §§ 15-203(B)(1) and 15-1152 (and § 11-951 et seq. if the SFA is a public agency). If the SFA is a public agency, the SFA is authorized to enter into this Agreement pursuant to

(to be completed by the SFA)

The purpose of this Agreement is to effectuate the National School Lunch Act ("NSLA"), as amended (42 U.S.C. § 1751 et seq.) and the Child Nutrition Act ("CNA") of 1966, as amended (42 U.S.C. § 1771 et seq.).

The SFA enters into this Agreement with the BOARD for participation in one or more of the following programs:

1. National School Lunch Program (CFDA No. 10.555)
2. School Breakfast Program (CFDA No. 10.553)
3. Special Milk Program (CFDA No. 10.556)
4. Summer Food Service Program (CFDA No. 10.559)
5. At-Risk Afterschool Meals Component of the CACFP (CFDA No. 10.558)



ARIZONA DEPARTMENT OF EDUCATION

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FOOD PROGRAM PERMANENT SERVICE AGREEMENT ADE Contract No. ED09-0001

Revised Summer 2019

A. PROGRAM REIMBURSEMENT

The BOARD agrees, to the extent of funds available subject to Section L of this Agreement, to reimburse the SFA for the above designated programs operated by the SFA in accordance with the following regulations, and any amendments, which are applicable to such programs: National School Lunch Program (“NSLP”) Regulations (7 CFR parts 210, 245), Special Milk Program Regulations (7 CFR part 215), School Breakfast Program Regulations (7 CFR part 220), Summer Food Service Program Regulations (7 CFR part 225), and At-Risk Afterschool Meals Program Regulations (7 CFR part 226). Reimbursement payments to be made by the BOARD shall be subject to the provisions of A.R.S. Title 35 relating to time and manner of submission of claims if not in conflict with federal law. The BOARD also agrees to donate foods in accordance with Donation of Foods for use in the United States, its Territories and Possessions and Areas under its Jurisdiction (7 CFR part 250), and any amendments thereto.

B. PROVISIONS FOR ACCEPTING FUNDS

The SFA agrees to accept federal funds and/or USDA Foods in accordance with applicable regulations as set forth in 7 CFR parts 210-250 and any amendments thereto, Office of Management and Budget (“OMB”) Circular A-133 and A-122, as applicable, and to comply with all provisions of said rules and OMB circulars, AGENCY Child Nutrition Program (“CNP”) Office Requirements, and with any instructions or procedures issued in connection therewith. The SFA further agrees to administer these programs funded under this Agreement in accordance with provisions of the uniform Federal assistance regulations (7 CFR part 3015) and provisions of the uniform administrative requirements (7 CFR parts 3016, 3019).

C. PROGRAM REQUIREMENTS OF THE SFA

The SFA agrees that, for each site listed on the site portion of the application, it will conduct the above designated program(s) in accordance with the U.S. Department of Agriculture (“DEPARTMENT”) regulations and will conform to the following requirements in the conduct of each program (unless the requirement is restricted to a particular program):

1. FOR NATIONAL SCHOOL LUNCH PROGRAM AND SCHOOL BREAKFAST PROGRAM ONLY

- a. Maintain a nonprofit food service and observe the limitations on the use of nonprofit food service revenues set forth in 7 CFR parts 210.14(a) and 220.7(e)(1). Comply with State Revenue Matching set forth in 7 CFR 210.17.
- b. Establish such policies and procedures as are necessary to control the sale of foods in competition with meals served under the program. The sale of all non-program food, as defined in 7 CFR part 210.14(f), may, at the discretion of the AGENCY and the SFA, be allowed in the food service area only if all income from the sale of such foods accrues to the benefit of the nonprofit school food service; and must comply with the nutrition standards of the Smart Snacks regulations of Public Law 111-296 the Healthy, Hunger-Free Kids Act of 2010 .



ARIZONA DEPARTMENT OF EDUCATION

Health and Nutrition Services
1535 West Jefferson Street
Phoenix, Arizona 85007

FOOD PROGRAM PERMANENT SERVICE AGREEMENT

Revised Summer 2019

- c. Promote activities to involve students and parents in the National School Lunch and School Breakfast Programs.
- d. Plan menus in order to meet the requirements of Public Law 111-296, the Healthy, Hunger-Free Kids Act of 2010 as set forth in 7 CFR parts 210.10 and 220.8.
- e. Maintain production and menu records for meals produced. These records must include all information necessary to support the claiming of reimbursable meals, and how meals contribute to meal pattern requirements, as set forth in 7 CFR parts 210.10 and 220.8. Production records shall include sufficient information to evaluate the menu's contribution to the nutrition standards and the appropriate calorie and nutrient levels for the age/grades of the children in the school, as identified in 7 CFR parts 210.10 and 220.8.
- f. Maintain and comply with a financial management system as prescribed by the AGENCY, 2 CFR part 200, and 7 CFR parts 210.14(c), 215.7(d), 220.7(e)(1) and 3016.
- g. Limit the net cash resources for its nonprofit school food service to an amount that does not exceed three months average expenditures, or such other amount as may be approved by the AGENCY in accordance with 7 CFR parts 210.14(b) and 220.7(e)(1).
- h. Serve lunches and/or breakfasts and/or after school care snacks during the designated periods, in accordance with 7 CFR parts 210.10 and 220.8, for the number of days specified on the application.
- i. Claim no more than one (1) lunch/breakfast/after school care snack per child per day per meal service.
- j. Price the meal as a unit. Make lunches/breakfasts/after school care snacks available without cost or at a maximum reduced price of forty (40) cents for lunch, fifteen (15) cents for snacks and thirty (30) cents for breakfast to all children who are determined by the SFA to be eligible for such meals under 7 CFR part 245.
- k. Claim reimbursement at the assigned rates only for reimbursable free, reduced-price and paid lunches and/or after school care snacks and/or breakfasts served to eligible children in accordance with 7 CFR parts 210 and 220.
- l. Conduct verification in accordance with 7 CFR part 245.6a. Report verification results to the AGENCY no later than February 1, each year. Maintain copies of the verification report and all supporting documentation for the period indicated in Section M of this Agreement.
- m. Ensure that the SFA's designated official submitting the claim or his/her assigned representative shall be responsible for reviewing and analyzing meal counts to ensure accuracy as specified in 7 CFR part 210.8 and 220.11 governing claims for reimbursement. At a minimum the responsibilities should include:



ARIZONA DEPARTMENT OF EDUCATION

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FOOD PROGRAM PERMANENT SERVICE AGREEMENT

Revised Summer 2019

1. No less than one (1) on-site review of the meal counting and claiming system for the meal service for each school under its jurisdiction for a SFA with more than one site. The on-site review shall take place prior to February 1 of each school year. If the review discloses problems with a school's meal counting or claiming procedures, the SFA shall be required to develop and implement a corrective action plan and a follow-up on-site review must be conducted within forty-five (45) calendar days of the review to determine that the corrective action resolved the problems.
2. No less than two on-site reviews of the meal counting and claiming system for the after school care snack program, if implemented. The first review shall be made during the first four weeks of the school year that the school is in operation. Year-round schools or Residential Child Care Institutions shall review the snack program during the first four weeks of its initial year of operation, once more during its first year of operation, and twice each school year thereafter. If the review discloses problems with a school's meal counting or claiming procedures, the SFA shall be required to develop and implement a corrective action plan and a follow-up on-site review must be conducted within forty-five (45) calendar days of the review to determine that the corrective action resolved the problems.
3. Perform edit checks that compare each school's daily counts of free, reduced-price, and paid lunch/breakfast against the product of the number of children in that school currently eligible for free, reduced-price and paid meals, respectively, multiplied by an attendance factor. This attendance factor will be developed by the AGENCY.
4. Submit claims for reimbursement in accordance with procedures established by the AGENCY. Claims for reimbursement not filed within sixty (60) days following the last day of the claiming month will be disallowed. Any exception to this requirement will be made at the discretion of the AGENCY and/or DEPARTMENT.
5. SFA shall maintain on file, each month's claim for reimbursement and all data used in the claims review process, by school, for the period indicated in Section M of this Agreement. All Food Service Management Company ("FSMC") contracts, and records which support such contracts, shall be maintained for the period indicated in Section M of this Agreement. The records which are to be kept for each program include:
 - (I) daily number of meals served to children, by category and type of meal;
 - (II) revenue from children's payments, federal reimbursement, food sales to adults, loans to the program, all a la carte sales and any other sources to demonstrate that the food service is being operated on a nonprofit basis. The revenue report shall show net cash resources or the information necessary for the AGENCY to compute net cash resources through a review or audit and annual financial report; and
 - (III) food service expenditures (supported by invoices, receipts or other evidence of expenditures).



ARIZONA DEPARTMENT OF EDUCATION

Health and Nutrition Services
1535 West Jefferson Street
Phoenix, Arizona 85007

FOOD PROGRAM PERMANENT SERVICE AGREEMENT

Revised Summer 2019

- n. Failure to submit accurate claims will result in the recovery of an over claim and may result in the withholding of payments, suspension or termination of the program as specified in 7 CFR parts 210.24, 210.25, 220.14, 220.18 and 220.19.
- o. The penalties specified in 7 CFR part 210.26 shall apply to any SFA who is found to engage in embezzlement, willful misapplication of funds, theft or fraudulent activity in regard to claims submitted.
- p. Count the number of free, reduced-price and paid reimbursable meals served to eligible children at the point of service. School sites approved for Special Assistance, Provision 2 Provision 3 or the Community Eligibility Provision (CEP) are exempt, except they shall do a total count of all children at the point of service.
- q. Upon request, make all accounts and records pertaining to its school food service available to the AGENCY and to the DEPARTMENT for audit or review, at a reasonable time and place.
- r. Maintain in the storage, preparation and service of food, proper sanitation and health standards in conformance with all applicable state and local laws, regulations and ordinances.
- s. Maintain necessary facilities for storing, preparing and serving food and milk in accordance with local health department requirements.
- t. Procurement practices shall be in accordance with the Arizona Procurement Code and Regulations (Charter schools are exempt as set forth in A.R.S. § 15-189.02), 2 CFR part 200 and 7 CFR parts 3015, 3016, 3019, 210.21, 215.14a and 220.16. All claims and controversies shall be subject to the Arizona Procurement Code, A.R.S. § 41-2501 et seq., and Arizona Administrative Code R7-2-1001 et seq. Procurement standards must be submitted to the AGENCY and will be considered a permanent document, unless changes are made by either party. Failure to follow established procedures in the procurement of FSMC services may result in non-renewal of SFA application to participate in the programs, or in withholding of reimbursement funds.
- u. Purchase, to the maximum extent practicable, only food products that are produced in the United States or products that are processed in the United States substantially using agricultural commodities that are produced in the United States for those programs as specified in 7 CFR parts 210.21(d) and 220.16(d) and in accordance with the Buy American Provision.
- v. Any contracting for the furnishing of meals or management of the entire food service under any program must be conducted in accordance with proper procurement procedures and must be done on a competitive basis in accordance with 7 CFR part 210.16. A FSMC entering into a contract with a SFA shall not subcontract for the total meal, with or without milk, or for the assembly of the meal. SFAs contracting with a FSMC shall comply with 7 CFR part 210.16.
- w. Submit proposed Invitation for Bid (“IFB”)/Request for Proposal (“RFP”) to the AGENCY for review and approval. Written approval of the IFB/RFP must be received from the AGENCY prior



ARIZONA DEPARTMENT OF EDUCATION

Health and Nutrition Services
1535 West Jefferson Street
Phoenix, Arizona 85007

FOOD PROGRAM PERMANENT SERVICE AGREEMENT

Revised Summer 2019

to advertising for bids/proposals. Submit copies of all contracts with FSMCs, along with a certification of independent price determination to the AGENCY prior to the beginning of program operations. Written approval must be received from the AGENCY prior to both parties entering into contract.

- x. Individuals with access to AGENCY technology systems associated with the administration of the program shall abide by the AGENCY Acceptable Use Policy, which covers the use of electronic communication networks and computer-based administrative applications of the AGENCY. This policy applies to all personnel using these intranet, extranet, internet and administrative resources, including, but not limited to, officials and employees of schools, school districts, charter schools and AGENCY. Access to AGENCY technology systems shall not be provided to consultants, consulting firms or FSMCs contracting with SFA. Individuals who fail to comply will be subject to further action.
- y. Each local educational agency participating in a program authorized by the NSLA and CNA shall establish a local school wellness policy that meets regulation set forth in 7 CFR 210.31. The policy must include, at a minimum, goals for nutrition promotion and education, physical activity, and other school-based activities that promote student wellness, as well as nutrition guidelines for all foods available on campus to promote student health and reduce childhood obesity, and provide assurance that school meals and other food and beverages sold and otherwise made available on the school campus during the school day are consistent with applicable minimum Federal standards as specified in Public Law 111-296, Section 204. SFAs must permit parents, students, and members of the general public to participate in the development, implementation and periodic review of the wellness policy. SFAs shall also tri-annually measure (and make available to the public) an assessment regarding the implementation of the wellness policy, including the extent to which schools under the jurisdiction of the local educational agency are in compliance with the policy, the extent to which the policy compares to model local school wellness policies, and a description of the progress made in attaining the goals of the policy.
- z. As defined in the NSLA, the SFA shall implement a school food safety program, to be applied to any facility or part of a facility in which food is stored, prepared or served for the purposes of the program, that complies with any hazard analysis and critical control point system established by the Secretary of Agriculture.
- aa. In accordance with 7 CFR parts 210.13(b) and 220.7(a)(2), schools shall obtain a minimum of two (2) food safety inspections during each school year conducted by a state or local governmental agency responsible for food safety inspections. They shall post in a publicly visible location a report of the most recent inspection conducted and provide a copy of the inspection report upon request. Sites participating in more than one (1) child nutrition program shall only be required to obtain two (2) food safety inspections per year if the nutrition programs offered use the same facilities for the production and service of meals.
- ab. SFAs that operate the National School Lunch Program, or the School Breakfast Program, must establish and implement professional standards hiring standards for school nutrition program



ARIZONA DEPARTMENT OF EDUCATION

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FOOD PROGRAM PERMANENT SERVICE AGREEMENT

Revised Summer 2019

directors; and professional standards training standards for directors, managers, and staff, as defined in 7 CFR 210.30.

D. ASSURANCE OF CIVIL RIGHTS COMPLIANCE

1. The SFA hereby agrees that it will comply with Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq.); Title IX of the Education Amendments of 1972 (20 U.S.C. § 1681 et seq.); Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794); the Age Discrimination Act of 1975 (42 U.S.C. § 6101 et seq.); all provisions required by the implementing regulations of the DEPARTMENT (7 CFR parts 15, 15a and 15b); U.S. Department of Justice Enforcement Guidelines (28 CFR parts 50.3 and 42); and AGENCY directives and guidelines to the effect that no person shall, on the grounds of race, color, national origin, sex, age or disability, be excluded from participation in, be denied the benefits of or be otherwise subjected to discrimination under any program or activity for which the SFA receives federal financial assistance from the AGENCY; and hereby gives assurance that it will immediately take any measures necessary to effectuate provisions of this Agreement.
2. This assurance is given in consideration of and for the purpose of obtaining any and all federal financial assistance and the permission to use federal property or interest in such property, or the furnishing of services without consideration, at a nominal consideration or at a consideration which is reduced for the purpose of assisting the SFA, or in recognition of the public interest to be served by the furnishing of services to the SFA, or any improvements made with federal financial assistance extended to the program SFA by the AGENCY.
3. By accepting this assurance, the SFA agrees to compile data, maintain records and submit reports as required to permit effective enforcement of nondiscrimination laws and permit authorized AGENCY personnel during hours of program operation to review such records, books and accounts as needed to ascertain compliance with the nondiscrimination laws. If there are any violations of this assurance, the AGENCY shall have the right to seek judicial enforcement of this assurance.
4. This assurance is binding on the SFA, its successors, transferees and assignees as long as such person or entity receives assistance or retains possession of any assistance from the AGENCY. The person or persons whose signatures appear below are authorized to sign this assurance on behalf of the program applicant.
5. AGENCY and SFA shall maintain information on civil rights complaints, if any, submitted and/or received by the SFA, AGENCY, and their resolutions.

E. EQUAL OPPORTUNITY/NON-DISCRIMINATION

The Parties of this Agreement shall comply with Executive Order 75-5 as modified by Executive Order 2009-09, which mandates that all persons, regardless of race, color, religion, sex, age, national origin or political



ARIZONA DEPARTMENT OF EDUCATION

Health and Nutrition Services
1535 West Jefferson Street
Phoenix, Arizona 85007

FOOD PROGRAM PERMANENT SERVICE AGREEMENT

Revised Summer 2019

affiliation, shall have equal access to employment opportunities and all other applicable state and federal employment laws, rules and regulations, including the American with Disabilities Act. The Parties shall take affirmative action to ensure that applicants for employment and employees are not discriminated against due to race, creed, color, religion, sex, national origin or disability.

F. RIGHT OF JUDICIAL ENFORCEMENT; CHOICE OF LAW

The SFA recognizes and agrees that federal financial assistance will be extended in reliance on the representations stated herein and in the Exhibits hereto and that the United States and the State of Arizona, individually or jointly, shall have the right to seek judicial enforcement of the Agreement. This Agreement is made in the State of Arizona and shall be interpreted by the laws of the State of Arizona including, where applicable, the Uniform Commercial Code as adopted by the State of Arizona, the Arizona Procurement Code, A.R.S. Title 41, Chapter 23, A.A.C. R2-7-101 et seq. and A.A.C. R7-2-1001 et seq. Any litigation arising out of this Agreement shall be brought in Arizona.

G. MUTUAL OBLIGATIONS, RESPONSIBILITIES AND WARRANTIES

The AGENCY and the SFA mutually agree that:

1. With the approval of the AGENCY, sites may be added or deleted from the site portion of the application as the need arises, and the references herein to the site portion of the application shall be deemed to include the most recently approved sites.
2. The AGENCY shall promptly notify the SFA of any change in the minimum meal requirements or the assigned rates of reimbursement.
3. No member of or delegate to Congress, or resident commissioner, shall be admitted to any share or part of this Agreement or to any benefit that may arise therefrom; but this provision shall not be construed to extend this Agreement if made with a corporation for its general benefit.
4. This Agreement, and the duties arising hereunder, shall become effective on July 1, 2019 or upon signature by the Superintendent of Public Instruction, or his designee, whichever occurs last. This Agreement shall automatically renew on July 1 of each year, beginning July 1, 2020, unless either party notifies the other at least thirty (30) days before the renewal date of their intent not to renew. Before any amendment or extension may become effective, appropriate action must be taken by ordinance, resolution or otherwise pursuant to the laws applicable to public agencies entering into this Agreement.
5. The SFA's participation in the program(s) under this Agreement is conditioned upon the AGENCY's approval of the SFA's on-line application to the AGENCY, a fully executed written Agreement with the AGENCY, and, in the event the SFA contracts with a FSMC to manage its food service operation under this Agreement, the AGENCY's review and approval of the SFA's contract(s) with a FSMC



ARIZONA DEPARTMENT OF EDUCATION

Health and Nutrition Services
1535 West Jefferson Street
Phoenix, Arizona 85007

FOOD PROGRAM PERMANENT SERVICE AGREEMENT

Revised Summer 2019

prior to the execution of the contract(s) as required in 7 CFR parts 210.9, 210.16 and 210.19. For this Agreement period, reimbursement shall not be made for any meals served before these conditions have been fully met by the SFA.

6. No right or interest in this Agreement shall be assigned or delegated without the written permission of the other party.
7. The SFA shall repay to the federal government or the AGENCY all monies determined by any financial-compliance audit or review to be owed to the federal government or the AGENCY in connection with any program for which the SFA has received funds. If the SFA fails to make such repayment within thirty (30) days after demand by the AGENCY, SFA shall also pay all reasonable attorneys' fees based on reasonable hourly charges of like experienced attorneys in Phoenix, Arizona for the Assistant Attorney General representing the AGENCY or the BOARD or the attorney representing the DEPARTMENT in seeking to enforce this paragraph.
8. The Parties to this Agreement agree to resolve all disputes arising out of or relating to the Agreement through arbitration, after exhausting applicable administrative review, to the extent required by A.R.S. § 12-1518, except as may be required by other applicable statutes if not in conflict with federal law.
9. The covenants and agreements herein contained shall inure to the benefit of and be binding upon the parties hereto and their respective successors, transferees and assignees.

H. FREE AND REDUCED-PRICE POLICY STATEMENT

The SFA must supply copies of its program application, Free and Reduced-Price Policy Statement and Addendums to the AGENCY. The Free and Reduced-Price Policy Statement will be a permanent document shall be updated when district policy or procedures pertaining to the Free and Reduced-Price process are modified.

I. CONFLICT OF INTEREST; CANCELLATION

1. No employee, officer or agent of the SFA who has, or whose relative has, a substantial interest in any contract, sale, purchase or service to the SFA, shall participate in selection or in the award or administration of a contract if a conflict of interest, real or apparent, would be involved pursuant to A.R.S. § 38-503 and 7 CFR part 3016.36(b)(3).
2. Pursuant to A.R.S. § 38-511, the State of Arizona, its political subdivisions or any department or agency of either may, within three (3) years after its execution, cancel any agreement, without penalty or further obligation, made by the State of Arizona, its political subdivisions or any of the departments or agencies of either if any person significantly involved in initiating, negotiating, securing, drafting or creating the agreement on behalf of the State of Arizona, its political



ARIZONA DEPARTMENT OF EDUCATION

Health and Nutrition Services
1535 West Jefferson Street
Phoenix, Arizona 85007

FOOD PROGRAM PERMANENT SERVICE AGREEMENT

Revised Summer 2019

subdivisions or any of the departments or agencies of either is, at any time while the agreement or any extension of the agreement is in effect, an employee or agent of any other Party to the agreement in any capacity or a consultant to any other Party of the agreement with respect to the subject matter of the agreement. A cancellation made pursuant to this provision shall be effective when the SFA receives written notice of the cancellation unless the notice specifies a later time.

J. AGREEMENT INTERPRETATION AND AMENDMENT

1. No Parole Evidence. This Agreement is intended by the parties as a final and complete expression of their agreement. No course of prior dealings between the parties and no usage of the trade shall supplement or explain any term used in this document.
2. No Waiver. Either party's failure to insist on strict performance of any term or condition of this Agreement shall not be deemed a waiver of that term or condition even if the party accepting or acquiescing in the nonconforming performance knows of the nature of the performance and fails to object to it.
3. Written Agreement Amendments. This Agreement may be modified only in a writing signed by all of the parties or their duly authorized agents. Notice required pursuant to this Agreement shall be served personally or by mail upon each party at the addresses specified on the signature page of this Agreement.

K. THIRD PARTY ANTITRUST VIOLATIONS

The SFA assigns to the State of Arizona any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the SFA toward fulfillment of this Agreement.

L. NON-AVAILABILITY OF FUNDS

Every payment obligation of the State of Arizona under this Agreement is conditioned upon the availability of funds appropriated or allocated for the payment of such obligation. If funds are not allocated and available for the continuance of the Agreement, this Agreement may be terminated by the State of Arizona at the end of the period for which funds are available. No liability shall accrue to the State of Arizona in the event this provision is exercised, and the State of Arizona shall not be obligated or liable for any future payments or for any damages as a result of termination under this Section.

M. RECORDS

Pursuant to A.R.S. §§ 35-214 and 35-215, the SFA shall retain and shall contractually require each



ARIZONA DEPARTMENT OF EDUCATION

Health and Nutrition Services
1535 West Jefferson Street
Phoenix, Arizona 85007

FOOD PROGRAM PERMANENT SERVICE AGREEMENT

Revised Summer 2019

subcontractor to retain all data, books and other records (“records”) relating to this Agreement for a period of five (5) years after completion of this Agreement or until resolution of an unsolved audit which exceeds the designated time period. All records shall be subject to inspection and audit by the State of Arizona for five (5) years after the termination of this Agreement. All records shall be subject to inspection and audit by the State at reasonable times. Upon request, the SFA shall produce the original of any or all such records.

N. COMPLIANCE REQUIREMENTS FOR A.R.S. § 41-4401; E-VERIFY REQUIREMENT

1. The SFA warrants compliance with all federal immigration laws and regulations relating to employees and warrants its compliance with A.R.S. § 23-214(A). (That subsection reads: “After December 31, 2007, every employer, after hiring an employee, shall verify the employment eligibility of the employee through the E-Verify program.)
2. A breach of a warranty regarding compliance with immigration laws and regulations shall be deemed a material breach of this Agreement and the SFA may be subject to penalties up to and including termination of this Agreement.
3. Failure to comply with a state audit process to randomly verify the employment records of the SFA shall be deemed a material breach of this Agreement and the SFA may be subject to penalties up to and including termination of this Agreement.
4. The AGENCY retains the legal right to inspect the papers of any employee who works on this Agreement to ensure that the SFA is complying with the warranty under paragraph 1 of this Section.

O. TERMINATION/SUSPENSION

This Agreement may be terminated upon thirty (30) days notice in writing by either party. Notwithstanding the foregoing, the AGENCY may terminate this Agreement immediately upon receipt of evidence that the terms hereof have not been complied with by the SFA. Pursuant to 7 CFR part 210.25, whenever it is determined that the SFA has materially failed to comply with the provisions of this Agreement, or with AGENCY/DEPARTMENT guidelines and instructions, the AGENCY may suspend or terminate the Agreement in whole, or in part. The SFA may also terminate this Agreement by mutual agreement with the AGENCY. The AGENCY and the SFA shall comply with the provisions of 7 CFR part 3015 subpart N, concerning suspension, termination and closeout procedures.

P. CERTIFICATION

The SFA certifies that all information submitted related to the Program is true and correct and understands that deliberate misrepresentation may result in prosecution.



ARIZONA DEPARTMENT OF EDUCATION

Health and Nutrition Services
1535 West Jefferson Street
Phoenix, Arizona 85007

FOOD PROGRAM PERMANENT SERVICE AGREEMENT

Revised Summer 2019

USDA Foods AGREEMENT

(Applicable to SFAs receiving USDA Foods)

Policies/Procedures

1. The AGENCY solicits vendors (Warehouse/Distributor) to distribute donated food to eligible SFAs. SFAs shall receive donated food as required by 7 CFR part 250. The cost of shipping will be paid by the SFA. The SFA is responsible for establishing a credit application and purchase order with the delivering vendor. The AGENCY will announce annually the delivery charge (service, handling and administrative fees) and delivery vendor prior to the beginning of the fiscal year. Payments are due to the delivering vendor within the terms to be determined after completion of credit application. Shipments will be withheld if the SFA becomes 30 days late from the agreed credit terms. Failure to pay will result in the account being temporarily suspended until the account is brought current and/or termination of participation and non-renewal of USDA Foods Program.
2. The SFA agrees to pay excess storage and administrative fees for USDA Foods that are not ordered and have not been refused within the designated dwell times.
3. The SFA agrees to accept and order USDA Foods only in quantities that can be used in a six (6) month period in a non-profit School Food service. Any SFA ordering USDA Foods in excess quantities may be held financially responsible for spoilage or contamination which results in the foods being unfit for human consumption. SFA is to notify the AGENCY within 24-48 hours when any loss of, or damage to, USDA Foods occurs.
4. The SFA shall receive and use USDA Foods only for the benefit of those persons eligible for congregate meals provided by the SFA. Foods will not be transferred or used otherwise without prior written approval of the AGENCY. USDA Foods shall not be sold or traded, but may be transferred with the approval of the AGENCY when determined to be in the best interest of the program.
5. The SFA shall maintain evidence that necessary protective measures are maintained when storing donated food. Evidence to support would include, but are not limited to, storage temperature charts verifying proper storage temperatures, pest control schedule and security system used. Documentation must be available to verify that all storage facilities obtained all necessary federal, state and/or local health inspections or if no such inspections are made, a self-evaluation form for storage facilities be completed annually.
6. The SFA shall maintain all records pertaining to transactions relating to receipt, disposal and inventory of USDA Foods. All records required in this agreement shall be retained for the period indicated in Section M of this Agreement.
7. The SFA shall complete, return and maintain a copy of inventory forms provided by the AGENCY. Failure to comply may result in termination of participation in the USDA Foods. The SFA shall comply with instructions from the AGENCY to: (a) distribute remaining inventory of USDA Foods, or (b) return inventories with applicable reports to the AGENCY if a program is terminated.



ARIZONA DEPARTMENT OF EDUCATION

Health and Nutrition Services
1535 West Jefferson Street
Phoenix, Arizona 85007

FOOD PROGRAM PERMANENT SERVICE AGREEMENT

Revised Summer 2019

8. Funds received by the SFA from sales of salvable containers or salvage of USDA Foods shall be deposited in SFA's Non-Profit Food Service Account.
9. SFAs may elect to participate in the USDA Foods processing programs. Cost of the processing and distribution of the end product will be incurred by the SFA. Participants shall:
 - a. Follow federal and state procurement rules and regulations in purchasing end products not bid by the AGENCY;
 - b. Release USDA Foods only to the AGENCY approved processor;
 - c. Maintain records to support purchase of processed commodity end products; and
 - d. Be held responsible to fulfill commitments to the AGENCY and processor.
10. The SFA shall permit inspection by the AGENCY or DEPARTMENT personnel of the storage facilities and any other areas used in handling USDA Foods. The SFA shall also allow inspection of all records including financial records pertaining to the USDA Foods.
11. FSMCs are encouraged to utilize USDA Foods in the preparation of meals for eligible SFAs pursuant to a written contract, which meets the requirements of 7 CFR part 250.12(c). If a FSMC is used, the SFA will submit a copy of the contract to the AGENCY annually. Contracts will ensure that:
 - a. Any donated food will be used only to benefit the SFA's feeding operation;
 - b. Proper inventory controls will be maintained;
 - c. All books and records of the FSMC pertaining to the feeding operation of the SFA will be available for the period indicated in Section M of this Agreement; and
 - d. The responsibility will be clearly defined for who (the SFA or the FSMC) will be accountable for the payments to be made to the distributor and commodity processors within sixty (60) days of billing.



ARIZONA DEPARTMENT OF EDUCATION

Health and Nutrition Services
1535 West Jefferson Street
Phoenix, Arizona 85007

FOOD PROGRAM PERMANENT SERVICE AGREEMENT

Revised Summer 2019

SPECIAL MILK PROGRAM AGREEMENT

(Applicable to those SFAs participating in Special Milk Program)

1. The SFA agrees to operate a nonprofit milk service.
2. The SFA agrees to submit claims for reimbursement and maintain a financial management system in accordance with procedures established by the DEPARTMENT and the AGENCY.
3. The SFA agrees to make no physical segregation or other discrimination against or overt identification of any child because of his/her inability to pay the full price of the milk.
4. The SFA agrees to make free milk available (if applicable) to all eligible children whenever it is provided under the Special Milk Program.
5. The SFA agrees to make maximum use of the reimbursement payments to reduce the price of the milk served to paying children and maintain a nonprofit status (not applicable to non-pricing programs).
6. The SFA agrees to claim reimbursement only for fluid types of milk as defined in 7 CFR part 215.2 served to children at the assigned rate for the classification of paid (or free, if applicable) in accordance with 7 CFR parts 215.8 and 215.10.
7. The SFA agrees to maintain full and accurate records of each program operation including the number of half-pints of milk served to children, the number of half-pints of milk served to adults and the number of half-pints of milk served free to eligible children if free milk is provided.
8. The SFA agrees to furnish a written statement of the policy followed in making determinations as to eligibility of children receiving free milk. Such policy shall be consistent with the rules issued by the DEPARTMENT on this subject (7 CFR part 245) (required only for pricing programs providing free milk to children).

SUMMER FOOD SERVICE PROGRAM

(Applicable to those SFAs participating in Summer Food Service Program)

1. The SFA agrees to operate the Summer Food Service Program in compliance with Title 7, Part 225 of the Code of Federal Regulations.
2. The SFA agrees to operate the Summer Food Service Program in compliance with State or local health and safety standards.
3. The SFA agrees to provide meals through the Summer Food Service Program to children ages 18 and under or people 19 years of age and over who have a mental or physical disability and who participate in a public or private non-profit school program during the school year.



ARIZONA DEPARTMENT OF EDUCATION

Health and Nutrition Services
1535 West Jefferson Street
Phoenix, Arizona 85007

FOOD PROGRAM PERMANENT SERVICE AGREEMENT

Revised Summer 2019

4. The SFA agrees to only claim reimbursement for approved meals served through the Summer Food Service Program. Meals served prior to State agency approval shall not be claimed. SFAs are financially responsible for any meals served prior to annual approval from the State agency.
5. The SFA agrees to claim reimbursement for meals served while school is not in session, with State agency approval.
6. The SFA agrees to only claim reimbursement for those meals that meet or exceed the minimum Federal standards established for meals, and to maintain documentation of the foods and portions served to meet these standards.
7. The SFA agrees to claim all meals at the free rate of reimbursement at area-eligible sites in the attendance boundary of a school where 50% or more of the children qualify for free or reduced-price meals or 50% or more of the children in the census block group are eligible for free and reduced-price school meals. The only exception is for children enrolled in a residential camp. Residential camps must collect income eligibility information for each enrolled child and can only claim meals at the free rate for children who qualify for free or reduced-price meals.
8. The SFA agrees to provide Summer Food Service Program meals at no charge. The only exception is for residential camps. Residential camps may charge for meals served to children who do not qualify for free or reduced-price meals.
9. The SFA agrees to maintain children on site while meals are consumed.
10. The SFA agrees to maintain documentation of the following for each serving site: program operating and administrative costs; funds accruing to the program; training of staff; monitoring of sites; the number of meals prepared/delivered, by type, each day; the number of complete first meals, complete second meals, excess meals or left-over meals, meals to program adults and meals to non-program adults served each day; daily meal production records; and daily menus.
11. The SFA may serve and claim up to two (2) meals or one (1) meal and one (1) snack within the approved meal time each day. The SFA cannot serve and claim lunch and supper on the same day, at the same site. Approved camp and migrant site sponsors may serve and claim up to three (3) meals each day or two (2) meals and one (1) snack. Approved camp and migrant site sponsors may claim lunch and supper on the same day at the same site.
12. The SFA agrees to monitor each site according to regulations.
13. The SFA agrees to meet the training requirement for its administrative and operational personnel as required under 225.15 (d)(1).
14. The SFA agrees to retain final financial and administrative responsibility for its program.



ARIZONA DEPARTMENT OF EDUCATION

Health and Nutrition Services
1535 West Jefferson Street
Phoenix, Arizona 85007

FOOD PROGRAM PERMANENT SERVICE AGREEMENT

Revised Summer 2019

AT-RISK AFTERSCHOOL MEALS COMPONENT of the CACFP: (Applicable to those SFAs participating in At-Risk Afterschool Meals)

1. Provide proof that all non-school affiliated at-risk sites are in compliance with all state and local health and safety requirements for certifications.
2. Provide organized, regularly scheduled education or enrichment activities in a structured and supervised environment for children in a nonresidential setting.
3. Provide snack and/or meal at no charge to all children through the age of 18.
4. Receive reimbursement at the applicable free rate for all snacks or meals served. If meals or snacks are served during the school week, service time must be after the school day. Meals/snacks may be served on weekends or during school breaks (not including summer break) and vacations throughout the regular school year.
5. Operate in an attendance area of a school where at least 50% or more of the children are eligible ("area eligible") for free or reduced-price school meals.
6. Operate as a public program or have tax-exempt status under the Internal Revenue Code of 1986 (501c3).
7. Maintain menus for each snack and/or meal service.
8. Maintain daily production records of food prepared and served.
9. Serve meals/snacks in accordance with NSLP meal pattern requirements or CACFP meal pattern requirements.
10. Maintain daily records indicating the number of children in attendance, and all other records required by ADE. The SFA shall not claim more than one (1) meal and more than one (1) snack per child per day. The SFA will claim only snacks/meals served to children age eighteen (18) and under, including children who were eighteen (18) at the beginning of the program year. Schools claiming snack under NSLP, may claim a meal, but cannot claim snacks under At-Risk Meals.
11. Document training sessions for management and staff including dates, locations and topics.
12. All expenses must be allocated to the non-profit school food service account. SFAs may follow the NSLP procurement standards in 7 CFR 210.21 in lieu of CACFP procurement standards at 7 CFR 226.22.
13. Document revenue from participant payments, federal reimbursement, food sales to adults, and donations.
14. Provide adequate supervisory and operational personnel for management and monitoring.



ARIZONA DEPARTMENT OF EDUCATION

Health and Nutrition Services
1535 West Jefferson Street
Phoenix, Arizona 85007

FOOD PROGRAM PERMANENT SERVICE AGREEMENT

Revised Summer 2019

15. Conduct site reviews two times per year: the first review should occur during the first four weeks of operation and the second review can occur at any time prior to the end of the school year.
16. Certify that responsible principals are not on USDA's National Disqualification List.

CLEAN AIR/CLEAN WATER ACT COMPLIANCE

(Applicable to SFAs receiving \$100,000 or more in federal funds)

1. The SFA agrees that any facility to be utilized in the performance of this Agreement is not listed on the Environmental Protection Agency ("EPA") List of Violating Facilities (the "List") as of the date of submitting this Agreement.
2. The SFA further agrees that it shall not use any facility on the List in the performance of this Agreement for the duration of the time that any such facility remains on the List.
3. The SFA further agrees to notify the AGENCY if it intends to use in the performance of this Agreement any facilities on the List or learns or knows that the facility being used has been recommended to be placed on the List.
4. The SFA additionally agrees that it shall, in the performance of this Agreement, comply with all requirements of the Clean Air Act (42 U.S.C. § 7401 et seq.) and the Clean Water Act (33 U.S.C. § 1251 et seq.) including the requirements of section 114 of the Clean Air Act and Section 308 of the Clean Water Act and all applicable Clean Air standards and Clean Water standards.
5. The SFA further agrees that it shall comply with all applicable standards, orders or requirements issued under Section 306 of the Clean Air Act (42 U.S.C. § 7606), Section 508 of the Clean Water Act (33 U.S.C. § 1368), Executive Order 11738 and EPA regulations found in 40 CFR part 15 (which prohibit the use of facilities on the List). In addition to notifying the AGENCY of facilities to be used which are on the List, SFA also agrees to notify the EPA Assistant Administrator for Enforcement.



ARIZONA DEPARTMENT OF EDUCATION

Health and Nutrition Services
1535 West Jefferson Street
Phoenix, Arizona 85007

FOOD PROGRAM PERMANENT SERVICE AGREEMENT

Revised Summer 2019

CERTIFICATION PAGE

(Applicable to SFAs with governing boards only;
must be completed and signed before signature page.)

INSTRUCTIONS: The following information must be inserted into the Certification Section below.

- (1) County in which the governing board is located.
- (2) Name of governing board member authorized to sign this certification page.
- (3) City in which governing board meeting regarding the Food Program Permanent Service Agreement was held.
- (4) Date of governing board meeting.
- (5) Legal name of the SFA.
- (6) Name of designated official who will be signing the Food Program Permanent Service Agreement (same designated official as on line 1 of the signature page of this Agreement).
- (7) Signature of governing board member (same name as on line (2) of this certification page).
Please note that a governing board member *cannot* designate himself or herself as the *Designated Official*.

CERTIFICATION

State of Arizona)

County of (1) _____)

I, (2) _____, the duly appointed or elected and qualified

Name of Governing Board Member

member of, and acting on behalf of the governing board, do hereby certify that during a regular meeting held in (3) _____ Arizona, on (4) _____, this governing board, by motion made, seconded and carried, approved and authorized execution of an agreement between the (5) _____ and the State Board of Education (BOARD) for the purpose of participating in the National School Lunch Program, School Breakfast Program, and/or Special Milk Program, for the period beginning July 1, 2019.

(6) _____ has been designated by the governing board to sign this Agreement.

Name of Designated Official

(Cannot be the same as (2) above)

I further certify that this meeting was duly noticed, called and convened and was attended by a majority of the members of the governing board and that approval has not since been altered or rescinded.

(7) _____

Signature of Governing Board Member

(Same as (2) above)

BOARD APPROVAL OF ADD'L COMPENSATION
Revised 5/12/2020

Name	Position Description	Fund	Rate of pay	From	To
<u>Work Agreements</u>					
CUSTODIAN	SUMMER MAINTENANCE FOR HEAD START	1	Hourly Rate	5/26/20	6/26/20
TEACHER	SUMMER MAINTENANCE CREW	1	\$15.00/hr.	5/26/20	6/26/20
BUS DRIVER	SUMMER MAINTENANCE CREW	1	Hourly Rate	5/26/20	6/26/20
CUSTODIAN	SUMMER MAINTENANCE CREW	1	Hourly Rate	5/26/20	6/26/20
CUSTODIAN	SUMMER MAINTENANCE CREW	1	Hourly Rate	5/26/20	6/26/20
CUSTODIAN	SUMMER MAINTENANCE CREW	1	Hourly Rate	5/26/20	6/26/20
CUSTODIAN	SUMMER MAINTENANCE CREW	1	Hourly Rate	5/26/20	6/26/20
<u>Stipends</u>					
TEACHER	TEACHER LEADER	1	\$750/Stipend	8/1/19	5/25/20
TEACHER	TEACHER LEADER	1	\$750/Stipend	8/1/19	5/25/20
TEACHER	TEACHER LEADER	1	\$750/Stipend	8/1/19	5/25/20
TEACHER	TEACHER LEADER	1	\$750/Stipend	8/1/19	5/25/20
TEACHER	TEACHER LEADER	1	\$750/Stipend	8/1/19	5/25/20
TEACHER	TEACHER LEADER	1	\$750/Stipend	8/1/19	5/25/20
TEACHER	TEACHER LEADER	1	\$750/Stipend	8/1/19	5/25/20
TEACHER	TEACHER LEADER	1	\$750/Stipend	8/1/19	5/25/20
TEACHER	TEACHER LEADER	1	\$750/Stipend	8/1/19	5/25/20
TEACHER	TEACHER LEADER	1	\$750/Stipend	8/1/19	5/25/20
TEACHER	TEACHER LEADER	1	\$750/Stipend	8/1/19	5/25/20
TEACHER	TEACHER LEADER	1	\$750/Stipend	8/1/19	5/25/20
TEACHER	TEACHER LEADER	1	\$750/Stipend	8/1/19	5/25/20
TEACHER	TEACHER LEADER	1	\$750/Stipend	8/1/19	5/25/20
<u>Schedule F</u>					
TEACHER	TEACHER INDUCTION MEETINGS	1	\$20/hr.	8/1/19	3/30/20
TEACHER	TEACHER INDUCTION MEETINGS	1	\$20/hr.	8/1/19	3/30/20
TEACHER	TEACHER INDUCTION MEETINGS	1	\$20/hr.	8/1/19	3/30/20
TEACHER	TEACHER INDUCTION MEETINGS	1	\$20/hr.	8/1/19	3/30/20
TEACHER	TEACHER INDUCTION MEETINGS	1	\$20/hr.	8/1/19	3/30/20
TEACHER	TEACHER INDUCTION MEETINGS	1	\$20/hr.	8/1/19	3/30/20
TEACHER	TEACHER INDUCTION MEETINGS	1	\$20/hr.	8/1/19	3/30/20
TEACHER	TEACHER INDUCTION MEETINGS	1	\$20/hr.	8/1/19	3/30/20
TEACHER	TEACHER INDUCTION MEETINGS	1	\$20/hr.	8/1/19	3/30/20
TEACHER	TEACHER INDUCTION MEETINGS	1	\$20/hr.	8/1/19	3/30/20
TEACHER	TEACHER INDUCTION MEETINGS	1	\$20/hr.	8/1/19	3/30/20
TEACHER	TEACHER INDUCTION MEETINGS	1	\$20/hr.	8/1/19	3/30/20
TEACHER	TEACHER INDUCTION MEETINGS	1	\$20/hr.	8/1/19	3/30/20
TEACHER	TEACHER INDUCTION MEETINGS	1	\$20/hr.	8/1/19	3/30/20

BOARD APPROVAL OF ADD'L COMPENSATION

Revised 5/12/2020

TEACHER	TEACHER INDUCTION MEETINGS	1	\$20/hr.	8/1/19	3/30/20
TEACHER	TEACHER INDUCTION MEETINGS	1	\$20/hr.	8/1/19	3/30/20
TEACHER	TEACHER INDUCTION MEETINGS	1	\$20/hr.	8/1/19	3/30/20
TEACHER	TEACHER INDUCTION MEETINGS	1	\$20/hr.	8/1/19	3/30/20

Function Code	Function Description	FY 20 Budget	Expended YTD	Encumbered YTD	Exp & Enc YTD	Uncommitted Balance	% Committed
MAINTENANCE AND OPERATIONS FUND 001							
001- 100/ 600 Regular Education/ Other Programs							
1000	Instruction	\$ 2,362,727	\$ 2,080,396	\$ 697,366	\$ 2,777,763	\$ (415,036)	118%
2100	Support Svcs Student	414,655	344,456	73,032	417,487	(2,832)	101%
2200	Support Svcs Instr. Staff	478,004	348,014	103,388	451,402	26,602	94%
2300	Support Svcs Gen Admin	628,500	274,138	52,519	326,657	301,843	52%
2400	Support Svcs School Admin	387,114	342,015	83,251	425,266	(38,152)	110%
2500	Business & Technology	563,135	376,783	119,937	496,720	66,415	88%
2600	O & M Plant Svcs	1,503,916	1,140,126	403,860	1,543,987	(40,071)	103%
3100	Food Service Operations	34,568	15,117	2,243	17,360	17,208	50%
550-2200	K-3 Reading Program	78,527	51,678	14,903	66,581	11,946	85%
610-1000	Cocurrucular Band/Choir	3,000	-	-	-	3,000	0%
620-1000	Athletic Programs	3,000	3,702	2,101	5,803	(2,803)	193%
900-3300	Community Services	1,000	451	451	903	97	90%
	Subtotal	\$ 6,458,146	\$ 4,976,878	\$ 1,553,051	\$ 6,529,929	\$ (71,783)	101%
001 - 200 Special Education							
1000	Instruction	\$ 832,750	\$ 619,375	\$ 225,892	845,266	\$ (12,516)	102%
2100	Support Svcs Student	235,023	120,406	41,309	161,715	73,308	69%
2200	Support Svcs/ Omstr/ Staff	5,500	39,939	11,185	51,123	(45,623)	930%
2400	Support Svcs School Admin	76,000	108,731	29,860	138,590	(62,590)	182%
2500	Business & Technology	3,500	1,039	-	1,039	2,461	30%
2600	O & M Plant Svcs.	-	-	-	-	-	#DIV/0!
2900		-	-	-	-	-	#DIV/0!
	Subtotal	\$ 1,152,773	\$ 889,489	\$ 308,245	\$ 1,197,734	\$ (44,961)	104%
001 - 400 Transportation							
2600	District Trans. Svcs	\$ 11,500	\$ 6,801	\$ 4,892	\$ 11,693	\$ (193)	102%
2700	Student Trans. Svcs	\$ 342,631	\$ 263,609	\$ 34,141	\$ 297,749	\$ 44,882	87%
	Subtotal	\$ 354,131	\$ 270,410	\$ 39,033	\$ 309,443	\$ 44,689	87%
511 - Desegregation Regular/Special Education							
1000	Instruction	\$ 1,829,180	\$ 1,084,520	\$ 312,764	\$ 1,397,284	\$ 431,896	76%
2100	Support Svcs Student	23,912	1,819	2,003	3,822	20,090	16%
2200	Support Svcs Instr. Staff	9,708	30,365	6,705	37,070	(27,363)	382%
2400	School Administration	3,500	964	238	1,201	2,298	34%
	Subtotal	\$ 1,866,300	\$ 1,117,667	\$ 321,710	\$ 1,439,378	\$ 426,922	77%
TOTAL M & O		\$ 9,831,350	\$ 7,254,444	\$ 2,222,039	\$ 9,476,483	\$ 354,867	96%

Function Code	Function Description	FY 20 Budget	Expended YTD	Encumbered YTD	Exp & Enc YTD	Uncommitted Balance	% Committed
CLASSROOM SITE FUNDS 011, 012 AND 013							
011- 100 Regular Education - Base							
1000	Instruction	\$ 214,432	\$ 48,397	\$ 14,467	\$ 62,865	\$ 151,567	29%
2000	Support Services & Interest	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
	Subtotal	\$ 214,432	\$ 48,397	\$ 14,467	\$ 62,865	\$ 151,567	29%
011- 200 Special Education - Base							
1000	Instruction	\$ 51,832	\$ 3,672	\$ 1,159	\$ 4,831	\$ 47,002	9%
	Subtotal	\$ 51,832	\$ 3,672	\$ 1,159	\$ 4,831	\$ 47,002	9%
	Total CSF- Base	\$ 266,264	\$ 52,070	\$ 15,626	\$ 67,695	\$ 198,569	25%
012- 100 Regular Education - Performance							
1000	Instruction	\$ 523,386	\$ 34,020	\$ 1,304	\$ 35,323	\$ 488,063	7%
2000	Support Services & Interest	-	2,367	880	3,248	(3,248)	N/A
	Subtotal	\$ 523,386	\$ 36,387	\$ 2,184	\$ 38,571	\$ 484,815	0%
012- 200 Special Education - Performance							
1000	Instruction	\$ 130,530			\$ -	\$ 130,530	0%
	Subtotal	\$ 130,530	\$ -	\$ -	\$ -	\$ 130,530	0%
	Total CSF - Performance	\$ 653,916	\$ 36,387	\$ 2,184	\$ 38,571	\$ 615,345	6%
013- 100 Regular Education - Menu							
1000	Instruction	\$ 431,769	204,588	37,197	21,805	\$ 409,964	5%
2000	Support Services & Interest	-	1,445	-	1,445	(1,445)	N/A
	Subtotal	\$ 431,769	\$ 206,032	\$ 37,197	\$ 23,250	\$ 408,519	5%
013- 200 Special Education - Menu							
1000	Instruction	\$ 86,755	\$ 9,592	\$ 3,027	\$ 10,954	\$ 75,802	13%
	Subtotal	\$ 86,755	\$ 9,592	\$ 3,027	\$ 10,954	\$ 75,802	13%
	TOTAL CSF - MENU	\$ 518,524	\$ 215,625	\$ 40,224	\$ 34,203	\$ 484,321	7%
TOTAL CLASSROOM SITE FUND (CSF)		\$ 1,438,704	\$ 304,081	\$ 58,034	\$ 140,470	\$ 1,298,234	10%

Function Code	Function Description	FY 20 Budget	Expended YTD	Encumbered YTD	Exp & Enc YTD	Uncommitted Balance	% Committed
UNRESTRICTED CAPITAL OUTLAY FUND 610							
1000	Instruction	\$ 904,654	\$ 144,602	\$ 285,739	\$ 430,341	\$ 474,313	48%
2100	Support Svcs Student	-	9,450	-	\$ 9,450	(9,450)	0%
2200	Media/ Library	261,499	163,508	228	\$ 163,736	97,763	63%
2300	Support Svcs Gen Admin *	-	735	-	\$ 735	(735)	N/A
2400	Support Svcs School Admin*	150,915	326	-	\$ 326	150,589	0%
2500	Business & Technology	-	24,157	-	\$ 24,157	(24,157)	N/A
2600	O & M Plant Svcs	5,500	86,826	3,303	\$ 90,129	(84,629)	1639%
2700	Student Trans. Svcs	-	-	-	\$ -	-	N/A
3100	Food Service Operations	-	-	-	\$ -	-	N/A
3300	Community	-	-	-	\$ -	-	N/A
4500	Building Acquisition	-	-	-	\$ -	-	N/A
4600	Site Improvements	-	7,250	-	\$ 7,250	(7,250)	N/A
4700	Building Improvement	-	46,106	-	\$ 46,106	(46,106)	N/A
200-1000	Special Ed Instruction	-	-	-	\$ -	-	N/A
200-21/2200	Special Ed Student Support	-	2,690	-	\$ 2,690	(2,690)	N/A
610-1000	Cocurricular Bank/Choir	-	-	-	\$ -	-	N/A
511-1000	Desegregation - Instruction	-	-	-	\$ -	-	N/A
511-2000	Desegregation - Support Svcs	20,000	-	-	\$ -	20,000	0%
511-4000	Desegregation - Bldg Improv	-	-	-	\$ -	-	N/A
TOTALS		\$ 1,342,568	\$ 485,650	\$ 289,270	\$ 774,920	\$ 567,648	58%

ACTION ITEMS

DATE: May 12, 2020

ITEM: Personnel

SUBMITTED BY: _____
Alex Dumas, Human Resources Director

RECOMMENDED BY: _____
Antonio Sanchez, Superintendent

RECOMMENDATION:

It is recommended that the Governing Board not offer a Notice of Indefinite Term of Appointment letters to Head Start Program Aide/Floater Elsin Villezcas for the 2020-2021 school year.

RATIONALE:

Because of the Wilson Head Start transition to Booker T. Washington, Child Development Center, Inc. it is recommended that the District not offer employment to the employee listed Program Aide/Floater above and not fill the positions she occupies for the 2020-2021 school year.

ACTION ITEMS

DATE: May 14, 2020

ITEM: Approval of Principal's contract for Makiko Wojcicki

SUBMITTED BY: 

Alex Dumas, Human Resources Director

RECOMMENDED BY: 

Antonio Sanchez, Superintendent

RECOMMENDATION:

It is recommended that the Governing Board approve the Principal's contract for Makiko Wojcicki for the 2020-2021 school year with a base salary of \$79,050.00.

ACTION ITEM

DATE: May 14, 2020

ITEM: Approve the FY2020-2021 Food Service Management Company (FSMC) Contract Renewal Amendment with Southwest Food Service Excellence, LLC as required by Arizona Department of Education (ADE), Health & Nutrition Services Division, pending final approved by ADE.

SUBMITTED BY: _____
Beth Strickler, Business Manager

RECOMMENDED: _____
Mr. Antonio Sanchez, Superintendent

DISCUSSION: Wilson School District #7 as the School Food Authority (SFA) shall pay the FSMC \$1.55 per Breakfast served; \$2.58 per Lunch served; and, .67¢ per Snack served.

RECOMMENDED: It is recommending that the Governing Board approve the FY2020-2021 Food Service Management Contract Renewal Amendment to continue receiving reimbursements from the Child Nutrition Programs.

ACTION ITEM

DATE: May 14, 2020

ITEM: Approve the FY2020-2021 Food Service Management Company (FSMC) Contract Amendment #1 with Southwest Foodservice Excellence, LLC (SFE) as required by Arizona Department of Education (ADE), Health & Nutrition Services Division.

SUBMITTED BY: _____
Beth Strickler, Business Manager

RECOMMENDED: _____
Mr. Antonio Sanchez, Superintendent

DISCUSSION: Due to the COVID-19 pandemic, the daily meals have changed drastically and a new rate was made to assist both Southwest Foodservice Excellence and Wilson School District. This new ‘blended’ rate was determined with the assistance of Arizona Department of Education, Health & Nutrition Services. The original rates on the contract were set by the number of serving days and projected daily meals in a NORMAL school calendar.

RECOMMENDED: It is recommended that the Governing Board approve the FY2020-2021 Food Service Management Contract Amendment #1 to establish the new ‘blended’ reimbursement rate for SFE through June 30, 2020.

ACTION ITEM

DATE: May 14, 2020

ITEM: Approve the Food Program Permanent Service Agreement, ADE Contract No. ED09-0001 as required by Arizona Department of Education (ADE), Health & Nutrition Services Division. This Agreement is required when there is a change in leadership and to ensure all authorized signers are up-to-date.

SUBMITTED BY: _____
Beth Strickler, Business Manager

RECOMMENDED: _____
Mr. Antonio Sanchez, Superintendent

RECOMMENDED: It is recommend that the Governing Board approve the Food Program Permanent Service Agreement indicating Antonio A. Sanchez, Beth Strickler, and Yvette Lowe as authorized signers for Wilson School District.

ACTION ITEM**DATE:** May 14, 2020

ITEM: Accept the FY2018-2019 financial and compliance audit reports by Heinfeld, Meech & Co., P.C.

SUBMITTED BY: _____
Beth Strickler, Business Manager

RECOMMENDED: _____
Mr. Antonio Sanchez, Superintendent

DISCUSSION: These reports are the result of the regular annual financial audit. The audit tests the Annual Financial Report prepared by the District and also tests the financial systems for internal control and compliance with government and accounting regulations. The Comprehensive Annual Financial Report becomes the audited financial statements of the District.

The audit reports consist of the following:

- 1) The *Comprehensive Annual Financial Report (CAFR)* – This is the largest report. Its three sections include
 - a. An overview of the District and its staff and students, major initiatives for the future and economic and financial condition,
 - b. The auditors report and the financial statements, and
 - c. The statistical section presenting trends and additional financial and operation information.
- 2) The *Single Audit Reporting Package* – This report gives the auditors opinions on the internal control over financial reporting and compliance for federal grants.
- 3) The *USER Compliance Questionnaire* – The Arizona Auditor General’s office created this document as a review of financial and purchasing systems. The desired answer to all of the questions is either a “YES” or “N/A”.

The District had several audit findings:

- The District's bank accounts were not reconciled during the year. The District subsequently reconciled the accounts.
 - The District employs a part-time employee who reconciles the account.
- Cash reconciliations to the County Treasurer’s records were not performed on a timely basis.
 - The District contracts with an outside accountant to complete cash reconciliations.
- The District did not always research and resolve reconciling differences in a timely manner.
 - The District contracts with an outside accountant to research and resolve reconciling differences.
- The District does not have an approval process in place for initiating wire transfers/ACH payments.
 - The District does not intend to make any future ACH payments from this clearing account.
- The Director of Business Services' personal online banking has access to the District's bank accounts and has the ability to transfer funds to and from the accounts.
 - The District contacted the banking institution to remove unauthorized accounts.

The District takes all audit findings seriously. As noted, all audit findings have been addressed and the District will continue with all necessary practices and procedures to ensure our accounting practices meet auditing standards.

RECOMMENDED: It is recommended that the Governing Board accept the FY2018-2019 financial audit report as presented. The audit is complete and the reports have been sent to the Auditor General's Office and other interested agencies.

ACTION ITEM**DATE:** May 14,2020

ITEM: TO CONSIDER, DISCUSS, AMEND IF DESIRED, AND, IF DEEMED ADVISABLE, TO ADOPT A RESOLUTION ORDERING AND CALLING A SPECIAL BUDGET OVERRIDE ELECTION TO BE HELD IN AND FOR THE DISTRICT AND DECLARING THE DEADLINE FOR SUBMITTING ARGUMENTS “FOR” AND “AGAINST” THE ELECTION TO THE MARICOPA COUNTY SCHOOL SUPERINTENDENT AS AUGUST 7, 2020 AT 5:00 P.M. AND APPROVING THE GOVERNING BOARD’S ARGUMENT IN SUPPORT OF THE SPECIAL MAINTENANCE AND OPERATION BUDGET OVERRIDE ELECTION.

SUBMITTED BY: _____
Beth Strickler, Business Manager

RECOMMENDED: _____
Mr. Antonio Sanchez, Superintendent

DISCUSSION: Pursuant to A.R.S. § 38-431.02, the District shall post a statement on its website stating where all public notices of its meetings will be posted, including the physical and electronic locations and give additional public notice as is reasonable and practicable as to all meetings.

In addition to ensuring that the agenda was on file in the District Office and posted at least twenty-four (24) hours prior to the meeting in the usual places of posting District notices, the District shall also post all public meeting notices on its website and give additional public notice as is reasonable and practicable as to all meetings.

FOR OVERRIDE ELECTION: The District shall post the deadline for submitting “for” and “against” arguments concerning the override election and the request for arguments in a prominent location on the District’s website immediately after a Spanish translation is available.

RECOMMENDED: TO CONSIDER, DISCUSS, AMEND IF DESIRED, AND, IF DEEMED ADVISABLE, TO ADOPT A RESOLUTION ORDERING AND CALLING A SPECIAL BUDGET OVERRIDE ELECTION TO BE HELD IN AND FOR THE DISTRICT AND DECLARING THE DEADLINE FOR SUBMITTING ARGUMENTS “FOR” AND “AGAINST” THE ELECTION TO THE MARICOPA COUNTY SCHOOL SUPERINTENDENT AS AUGUST 7, 2020 AT 5:00 P.M. AND APPROVING THE GOVERNING BOARD’S ARGUMENT IN SUPPORT OF THE SPECIAL MAINTENANCE AND OPERATION BUDGET OVERRIDE ELECTION.

ACTION ITEM

DATE: May 14, 2020

ITEM: Approval of the Board Pro Statement for the Maintenance and Operations (M&O) Override election on November 3, 2020.

SUBMITTED BY: _____
Beth Strickler, Business Manager

RECOMMENDED: _____
Mr. Antonio Sanchez, Superintendent

DISCUSSION: The Pro Statement for the M&O Override is due August 7th to the County Elections Department.

RECOMMENDED: It is recommended that the Governing Board approve the Pro Statement for the Maintenance and Operations (M&O) Override election on November 3, 2020.

INFORMATION ITEM

DATE: May 14, 2020

ITEM: Board Financial Report as of April 30, 2020

SUBMITTED BY: _____
Beth Strickler, Business Services Manager

RECOMMENDED BY: _____
Antonio Sanchez, Superintendent

INFORMATION: All funds are within legal budget limits and are expected to remain so.

ACTION ITEM

DATE: May 14, 2020

ITEM: Minutes for April 7, 2020

Minutes following

ACTION ITEM

DATE: May 14, 2020

ITEM: Approval of the revised resolution regarding school closure until May 22, 2020, due to COVID19.

SUBMITTED BY: _____
Antonio Sanchez, Superintendent

RECOMMENDED BY: _____
Antonio Sanchez, Superintendent

RECOMMENDATION:

It is recommended that the Governing Board approve the revised resolution regarding school closure until May 22, 2020, due to COVID19.

ACTION ITEM

DATE: May 14, 2020

ITEM: Approval the Agreement between (AVID) Advancement Via Individual Determination Center and Wilson School District for 2020-2021 school year.

SUBMITTED BY: _____
Rebecca Willey, Curriculum Director

RECOMMENDED BY: _____
Antonio Sanchez, Superintendent

RECOMMENDATION:

It is recommended that the Governing Board approve the Agreement between (AVID) Advancement Via Individual Determination Center and Wilson School District for 2020-2021 school year.

ACTION ITEM

DATE: May 14, 2020

ITEM: Approval of the Amendment between Booker T Washington and Wilson School District for 2020-2021 school year.

SUBMITTED BY: _____
Antonio Sanchez, Superintendent

RECOMMENDED BY: _____
Antonio Sanchez, Superintendent

RECOMMENDATION:

It is recommended that the Governing Board approve the revised Support Services Contract for 2020-2021.

ACTION ITEM

DATE: May 14, 2020

ITEM: Approval of extra duties and stipends as of 4/30/2020

SUBMITTED BY: _____
Antonio Sanchez, Superintendent

RECOMMENDED BY: _____
Antonio Sanchez, Superintendent

RECOMMENDATION:

It is recommended that the Governing Board approve extra duties and stipends as of 4/30/2020.

ACTION ITEM

DATE: May 14, 2020

ITEM: Approval the changes and additions to the Performance Pay for Proposition 301 Classroom Site Funds for the 2018-2019 school year as presented in the attached plan for Wilson Primary School.

SUBMITTED BY: _____
Rebecca Willey, Curriculum Director

RECOMMENDED BY: _____
Antonio Sanchez, Superintendent

RECOMMENDATION:

It is recommended that the Governing Board approve the changes and additions to the Performance Pay for Proposition 301 Classroom Site Funds for the 2018-2019 school year as presented in the attached plan for Wilson Primary School.

ACTION ITEM

DATE: May 14, 2020

ITEM: Approval the changes and additions to the Performance Pay for Proposition 301 Classroom Site Funds for the 2018-2019 school year as presented in the attached plan for Wilson Elementary School.

SUBMITTED BY: _____
Rebecca Willey, Curriculum Director

RECOMMENDED BY: _____
Antonio Sanchez, Superintendent

RECOMMENDATION:

It is recommended that the Governing Board approve the changes and additions to the Performance Pay for Proposition 301 Classroom Site Funds for the 2018-2019 school year as presented in the attached plan for Wilson Elementary School.

ACTION ITEM**DATE:** May 14, 2020**ITEM:** Approval of New Employment**SUBMITTED BY:** _____
Alex Dumas, Human Resources Director**RECOMMENDED BY:** _____
Antonio Sanchez, Superintendent

ADMIN	CLASS. ADMIN	CERTIFIED	CLASSIFIED	Name	FTE	Assignment	Effective Date	Contract Amount
			X	Vicente Loza	1.0	Landscaper (Maintenance)	5-13-2020	\$13.50 phr

RECOMMENDATION:

It is recommended that the Governing Board approve the following individual contracts.

ACTION ITEM

DATE: May 14, 2020

ITEM: Approval of Discontinuance of Employment

SUBMITTED BY: _____
 Alex Dumas, Human Resources Director

RECOMMENDED BY: _____
 Antonio Sanchez, Superintendent

ADMIN	CLASS. ADMIN	CERTIFIED	CLASSIFIED	Name	FTE	Assignment	Effective Date	RESIGNATION	NONRENEWAL	DECEASED	RETIREMENT	TERMINATION	LEAVE OF ABSENCE
			X	Tomas Tapia	1.0	Landscaper (Maintenance)	05-01-20	X					
		X		Veronica Escobedo	1.0	Certified Teacher (Elem. School – Jr. High Math)	5-22-20	X					
		X		Leah Frey	1.0	Certified Teacher (Elem. School – 4 th Grade)	5-22-20	X					
			X	Shalay Garcia	.94	Reg. Ed I.A. (Elem. School)	5-22-20 (Revised)	X					
		X		Rayman Zhen	1.0	Certified Teacher (Elem. School – 4 th Grade)	7-28-20	X					

RECOMMENDATION:

It is recommended that the Governing Board approve the Discontinuance of Employment.

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7

Governing Board Meeting Minutes for Tuesday, April 7, 2020

Special Meeting & Executive Session – 5:00 p.m.

SPECIAL MEETING & EXECUTIVE SESSION

1.0 GENERAL FUNCTIONS

Call to Order - Meeting began at 5:08 p.m.

Pledge of Allegiance – Virginia Mendoza, Board President, led the Pledge of Allegiance.

Roll Call – Mrs. Joyce called roll.

Mr. Mario Martinez-Present, by webex

Mrs. Anna Martinez-Present

Ms. Virginia Mendoza-Present, by webex

1.01 Adoption of agenda.

ACTION

It was moved by Mrs. Martinez and seconded by Ms. Mendoza to adopt the board agenda.

Vote passed, 3/0, unanimously.

2.0 SUPERINTENDENT REPORT

2.01 Superintendent Report – Mr. Sanchez, Superintendent will report on:

DISCUSSION

Update on Closure of Schools (COVID-19) – students receiving packets, at 4-8 students received instruction through recording videos and webex, at K-3 students receiving instructional through Class Dojo. 4-8 showing 90% of students doing work online, cafeteria serving over 500 meals per day, some teachers had a parade and drove around the neighborhood.

3.0 APPROVAL OF CONSENT - ACTION

3.01 Ratification of expense vouchers:

1075 dated March 5, 2020 in the amount of \$92,800.92

1077 dated March 17, 2020 in the amount of \$119,024.99

1078 dated March 24, 2020 in the amount of \$15,101.45

3.02 Ratification of payroll vouchers:

1076 dated March 17, 2020 in the amount of \$395,800.72

1079 dated March 31, 2020 in the amount of \$362,793.39

3.03 New Employment:

Barbara Chandler, Instructional Assistant, effective 3/16/2020

Marisa Ostos, Certified Teacher (Jr. High Science), effective 3/16/2020

Rayman Zhen, Certified Teacher (4th Grade), effective 7/28/2020

Joanna Cardenas, Certified Teacher (Jr. High Art), effective 7/28/2020

3.04 Discontinuance of Employment:

Yulma Wallace, Instructional Assistant, effective 3/24/2020

Shalay Garcia, Instructional Assistant, effective 4/30/2020
Liliana Gonzalez, Testing Clerk, effective 5/22/2020
Sidney Pacheco, Certified Teacher (1st Grade), effective 5/22/2020
Jessica Theriault, Certified Teacher (Jr. High Drama/Theatre) effective 5/22/2020

3.05 Leave of Absence:

Marilynda Milum, Instructional Assistant, effective 2/20/2020 – 3/13/2020

Bianca Pereda, Instructional Assistant, effective 3/23/2020 – 5/22/2020

3.06 Minutes for March 3, 2020

3.07 Minutes for March 17, 2020

3.08 Board Financial Report as of March 31, 2020

It was moved by Mrs. Martinez and seconded by Ms. Mendoza to approve consent items 3.01-3.08.

Vote passed, 3/0, unanimously.

4.0 SCHOOL BUSINESS

4.01 Approval of the revised resolution regarding school closure until May 22, 2020, due to COVID-19. ACTION

It was moved by Mrs. Martinez and seconded by Ms. Mendoza to approve the revised resolution regarding school closure until May 22, due to COVID-19.

Vote passed, 3/0, unanimously.

4.02 Approval of the consolidated 7-year list of stipends/extra duties. ACTION

It was moved by Mrs. Martinez and seconded by Mr. Martinez to approve the consolidated 7-year list of stipends/extra duties.

Vote passed, 3/0, unanimously.

5.0 PERSONNEL MATTERS

5.01 Approval of the revised Certificated Teacher's Contract for 2020-2021. ACTION

It was moved by Mr. Martinez and seconded by Mrs. Martinez to approve the revised Certificated Teacher's Contract for 2020-2021.

Vote passed, 3/0, unanimously.

5.02 Approval of revised Support Services Contract for 2020-2021. ACTION

It was moved by Mrs. Martinez and seconded by Ms. Mendoza to approve the revised Support Services Contract for 2020-2021. Discussion followed with Mr. Dumas, Human Resource Director, explaining who Support Services Contract pertained to.

Vote passed, 3/0, unanimously.

**5.03 Not offering of Administrative contract to Head Start Director Hope Edwards, ACTION
Certified contract to Head Start Teachers Ana Arochi and Margie Schlechty and
Notice of Indefinite Term of Appointment letters to Head Start Teacher Assistants
Claudia Carranza, Perla Chavez Hernandez, Susana Vazquez and Head Start
Administrative Assistant Rocio Camacho and Head Start Program Aide/Floater
Melissa Ortiz for the 2020-2021 school year. Primary School Behavioral
Interventionist Specialist Kyle Nunn for the 2020-2021 school year. Elementary
School Teacher Joe Navarro for the 2020-2021 school year. Primary School Pre-
School Teacher Erica Sandoval for the 2020-2021 school year.**

It was moved by Mr. Martinez and second by Mrs. Martinez to approve as listed on 5.03.

Vote passed 3/0, unanimously.

6.0 BOARD POLICIES AND ADMINISTRATIVE REGULATIONS

**6.01 Approval of the suspension of Board Policy BGB related to a first and second ACTION
reading of recommended adjustments to Board Policies listed and move to adopt
the listed policies with one reading:
GCCA – Profession/Support Staff Sick Leave
GCKA, Professional/Support Staff Telecommuting**

Item was tabled.

6.02 Call to Executive Session Pursuant to A.R.S. §38-431.03 A.5 ACTION

It was moved by Mrs. Martinez and seconded by Mr. Martinez to call to Executive Session Pursuant to A.R.S. §38-431.03 A.5

Vote passed, 3/0, unanimously.

7.0 EXECUTIVE SESSION

**7.01 Discussion, or consultations with designated representatives of the public DISCUSSION
body in order to consider its position and instruct its representatives regarding
negotiations with Wilson Educators Association regarding the salaries, salary
schedules or compensation paid in the form of fringe benefits to employees of
the public body.**

RECESSED TO EXECUTIVE SESSION AT 5:39 P.M.

RECONVENE FROM EXECUTIVE SESSION AT 5:59 P.M.

**7.02 Instruction of Board Representatives as per executive session regarding Meet ACTION
and Confer.**

It was moved by Mrs. Martinez and seconded by Mr. Martinez to instruct Board Representatives as per executive session regarding Meet and Confer.

Vote passed, 3/0, unanimously.

8.0 ADJOURNMENT

It was moved by Mr. Martinez and seconded by Mrs. Martinez to adjourn the meeting. **ACTION**

Vote passed, 3/0, unanimously. Meeting adjourned at 6:01 p.m. Next meeting will be held on Tuesday, May 12, 2020 at 5:00 p.m.

Virginia Mendoza, Board President

Mario Martinez, Member

Anna Martinez, Member

AGENDA ITEM

**WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
OF MARICOPA COUNTY, ARIZONA**

Meeting of **May 14, 2020**:

TO CONSIDER, DISCUSS, AMEND IF DESIRED, AND, IF DEEMED ADVISABLE, TO ADOPT A RESOLUTION ORDERING AND CALLING A SPECIAL BUDGET OVERRIDE ELECTION TO BE HELD IN AND FOR THE DISTRICT AND DECLARING THE DEADLINE FOR SUBMITTING ARGUMENTS “FOR” AND “AGAINST” THE ELECTION TO THE MARICOPA COUNTY SCHOOL SUPERINTENDENT AS AUGUST 7, 2020 AT 5:00 P.M. AND APPROVING THE GOVERNING BOARD’S ARGUMENT IN SUPPORT OF THE SPECIAL MAINTENANCE AND OPERATION BUDGET OVERRIDE ELECTION.

Pursuant to A.R.S. § 38-431.02, the District shall post a statement on its website stating where all public notices of its meetings will be posted, including the physical and electronic locations and give additional public notice as is reasonable and practicable as to all meetings.

In addition to ensuring that the agenda was on file in the District Office and posted at least twenty-four (24) hours prior to the meeting in the usual places of posting District notices, the District shall also post all public meeting notices on its website and give additional public notice as is reasonable and practicable as to all meetings.

FOR OVERRIDE ELECTION: The District shall post the deadline for submitting “for” and “against” arguments concerning the override election and the request for arguments in a prominent location on the District’s website immediately after a Spanish translation is available.

CERTIFICATE

The undersigned is the duly appointed President of the Governing Board of Wilson Elementary School District No. 7 of Maricopa County, Arizona, and hereby certifies that attached hereto is a true and correct copy of: (i) the agenda (in the form posted on the District's website) for the meeting of the Governing Board held on May 14, 2020 (the "*Meeting*"), and that said agenda was on file in the administration office and posted in the usual place of posting notices for the District, including the District's website for not less than twenty-four (24) hours prior to the call to order of the Meeting; and (ii) a resolution of said Board adopted at such Meeting; and further certifies that the resolution was passed and adopted by the Governing Board on May 14, 2020; that a quorum was present at such Meeting and at the time the resolution was adopted; that said resolution was adopted by a vote of ____ ayes, ____ nays, ____ abstained and ____ was/were absent; that said resolution has been executed and attested by the proper officers of the District; and said resolution, as executed, is on file in the District administration office and further certifies that the District's website also states where public notices and agendas are physically and electronically posted.

Dated: May 14, 2020

President, Governing Board

RESOLUTION

RESOLUTION ORDERING AND CALLING A SPECIAL MAINTENANCE AND OPERATION BUDGET OVERRIDE ELECTION TO BE HELD IN AND FOR WILSON ELEMENTARY SCHOOL DISTRICT NO. 7 OF MARICOPA COUNTY, ARIZONA, ON NOVEMBER 3, 2020; AND PROVIDING FOR NOTICE OF THE ELECTION, THE CONDUCT OF THE ELECTION, THE ESTABLISHMENT OF A DEADLINE BY THE COUNTY SCHOOL SUPERINTENDENT TO SUBMIT ARGUMENTS “FOR” OR “AGAINST” THE OVERRIDE AUTHORITY, THE PRINTING OF BALLOTS AND THE CANVASSING OF THE ELECTION; AND APPROVING THE GOVERNING BOARD’S ARGUMENT IN SUPPORT OF THE ELECTION.

WHEREAS, Arizona Revised Statutes (“A.R.S.”) § 15-481, as amended, provides that if the proposed budget of Wilson Elementary School District No. 7 of Maricopa County, Arizona (the “*District*”), will exceed the aggregate budget limit for the budget year, the Governing Board of the District (the “*Board*”) shall order an override election to be held not less than 90 days from the date of the order for the purpose of presenting the proposed budget to the qualified electors of the District who shall by a majority of those voting either affirm or reject the proposed budget increase; and

WHEREAS, pursuant to prior voter approval of an 15% increase in the District’s revenue control limit, the District has operated pursuant to such budget override authority and now desires to seek a continuation of such override authority; and

WHEREAS, the existing 15% budget authorization will be reduced by one-third as required by State law in fiscal year 2021/2022 and another one-third in fiscal year 2022/2023, and terminate thereafter, unless such authorization is renewed by the voters in the District; and

WHEREAS, the Board deems it necessary and in the best interests of the District to order and call a special election to submit to the voters the question of authorizing the District, for a period of seven years, to continue to exceed its applicable revenue control limit by 15% for the first five years, 10% for the sixth year and 5% for the seventh year; such special election to be held in and for the District on November 3, 2020, pursuant to the provisions of A.R.S. § 15-481;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD OF WILSON ELEMENTARY SCHOOL DISTRICT NO. 7 OF MARICOPA COUNTY, ARIZONA, THAT:

Section 1. Order and Call of Election. A special override election (the “*Election*”) is hereby ordered and called to be held in and for this District on November 3, 2020, in the manner prescribed in A.R.S. § 15-481, and in conjunction with the Statewide general election to be held on such date, to submit to the qualified electors of the District the question shown on the form of official ballot, in substantially the form attached hereto as *Exhibit A* and incorporated by reference herein. The District Superintendent or Director of Business Services and Technology is authorized and directed to complete the budget estimate and insert the appropriate dollar amount and tax rate in the ballot and take such actions as are necessary to assist the Maricopa County School Superintendent (the “*County School Superintendent*”) and the Maricopa County Elections Department (the “*County Elections Department*”) in performing their duties with respect to the Election.

Section 2. Request to County School Superintendent; Informational Pamphlet. The County School Superintendent is hereby requested to cause the preparation and distribution of an informational pamphlet including a sample ballot (collectively, the “*Informational Pamphlet*”) for the District pursuant to A.R.S. § 15-481. The District Superintendent or Director of Business Services and

Technology is hereby directed to mail, or to aid the County School Superintendent's mailing, to each household in the District in which a qualified elector resides, an Informational Pamphlet.

The President, any member of this Board, the District Superintendent or Director of Business Services and Technology and the District staff are hereby authorized to prepare and deliver or cause to be prepared and delivered to the County School Superintendent, on behalf of the Board, the information necessary or appropriate to complete the Informational Pamphlet.

Section 3. Conduct of Election; Contracts; Expenditures. The Election may be conducted as a mailed ballot election as provided in A.R.S. § 16-409 or a polling place election, as determined by the District Superintendent, Director of Business Services and Technology or the County Elections Department. The Board is hereby authorized to request the County School Superintendent and County Elections Department to have ballots printed in substantially the form of *Exhibit A* and to deliver them to the election officials to be given to the qualified electors of the District appearing to vote in the Election as provided by law. The Board authorizes all expenditures as may be necessary to order, notice, hold and administer the Election, including but not limited to the cost of the return postage to return the voted mail ballots if the Election is conducted as a mailed ballot election to the officer in charge of the Election, which expenditures shall be paid from current operating funds. The District Superintendent or Director of Business Services and Technology is authorized and directed to take all acts, including entering into intergovernmental agreements with the Maricopa County Recorder (the "*County Recorder*"), the County Elections Department or the County School Superintendent, to carry out the Election. The District Superintendent or Director of Business Services and Technology shall cooperate with the County School Superintendent to ensure proper administration of the Election.

Section 4. Notice of Election.

(A) **Posting of Notice.** The District or the County School Superintendent will cause the notice of the Election (the "*Notice*") in substantially the form attached hereto as set forth in *Exhibit B-1* or *Exhibit B-2*, as applicable, to be posted not less than 25 days before the Election as required by law.

(B) **Publication of Notice for Mailed Ballot Election.** For a mailed ballot election, the Notice, including the call of Election, which is marked *Exhibit B-1*, shall be published once a week for two successive weeks during any two of the six weeks preceding 90 days before the Election.

Section 5. Public Declaration: Submission of Arguments. The Board publicly declares that: Pursuant to A.R.S. § 15-481, the County School Superintendent has established August 7, 2020 as the deadline for submitting arguments "for" or "against" the proposed increase in the budget. The arguments must be received by the County School Superintendent on or before 5:00 p.m. on August 7, 2020. As required by statute, the District shall immediately post the August 7, 2020 deadline for submitting arguments in a prominent location on the District's website. A form of the notice requesting arguments "for" or "against", including the deadline for submitting arguments, is attached hereto as *Exhibit C*. The District Superintendent or Director of Business Services and Technology is authorized to revise the form of notice hereto as necessary to comply with all applicable laws or any change of date by the County School Superintendent.

Section 6. Mailed Ballot Election. The Election may be conducted as a mailed ballot election as provided in A.R.S. § 16-409. The District Superintendent or Director of Business Services and Technology is authorized and directed to take all acts, including entering into intergovernmental agreements with one or more of the County Recorder, the County Elections Department and the County School Superintendent, to carry out the election. The District shall pay the cost of the return postage to return the voted mailed ballots to the officer in charge of the Election.

Section 7. Ballot Replacement Location. The District Superintendent or Director of Business Services and Technology shall coordinate with the County School Superintendent and County Elections Department to designate a location for purposes of replacing ballots that have been lost, spoiled, destroyed or not received by the elector.

Section 8. Precincts and Polling Places. For purposes of a polling place election which may be held in conjunction with any county, city or special district election of any overlapping jurisdiction, the Board determines that the County election precincts will serve as the District election precincts, including any consolidation of such precincts as determined by the County Elections Department and the District's Superintendent or designee. The location of each polling place will be determined by the County Elections Department, which will conduct the Election on behalf of the District. The polls will open at 6:00 a.m. and will close at 7:00 p.m. on November 3, 2020.

Section 9. Early Voting. Early voting will be permitted at the Election in accordance with the provisions of A.R.S. Title 16, Chapter 4, Article 8.

Section 10. Voting Rights Act. In order to comply with the Voting Rights Act of 1965, as amended, the following proceedings pertaining to the Election will be translated into Spanish and posted and published in each instance where posting and publication of such proceedings are required: ballot, notice, request for "for" and "against" arguments, Informational Pamphlet, all voting materials and all voting instructions. The officers of the District and the County are further authorized and directed to take all action necessary to comply with the Voting Rights Act of 1965, as amended.

Section 11. Canvass. The County School Superintendent and the Chairman of the Board of Supervisors of the County are requested to and authorized to canvass the returns of the Election within 30 days of the Election, as required by law.

Section 12. Other Actions. The District Superintendent or Director of Business Services and Technology is authorized to take all necessary action to facilitate the Election.

Section 13. Cancellation. The Election called hereunder may be cancelled by acts of the Board in accordance with the provisions of A.R.S. § 15-481.

Section 14. Ratification. All actions of the members of the Board, officers, employees and agents of the District which are in conformity with the purposes and intent of this resolution, whether heretofore or hereafter taken, shall be and are hereby ratified, confirmed, authorized and approved.

Section 15. Transmission of Resolution. A certified copy of this Resolution shall be delivered to the County School Superintendent and the County Elections Director.

Section 16. Approval of Board Argument. The form of the Board's "for" argument in support of the proposed increase in the budget attached hereto as *Exhibit D* is hereby approved.

PASSED AND ADOPTED on May 14, 2020.

Governing Board President

EXHIBITS A – Sample Ballot
 B-1 – Notice and Call of Special Election (Mailed Ballot Election)
 B-2 – Notice of Special Election (Polling Place Election)
 C – Request for Arguments
 D – Board’s “For” Argument

EXHIBIT A

SAMPLE BALLOT

FOR SPECIAL 15% OVERRIDE ELECTION TO BE HELD IN WILSON ELEMENTARY SCHOOL DISTRICT NO. 7 OF MARICOPA COUNTY, ARIZONA, ON NOVEMBER 3, 2020.

SPECIAL ELECTION

Wilson Elementary School District No. 7
Maricopa County, Arizona - November 3, 2020

QUESTION NO. ____

Shall the Governing Board of Wilson Elementary School District No. 7 of Maricopa County, Arizona (the “*District*”), adopt a General Maintenance and Operation Budget that includes an amount that exceeds the revenue control limit specified by statute by 15% for fiscal year 2021/2022 and for six subsequent years as described below? The fiscal year 2021/2022 budget override authority represents an extension of the existing budget override authority which is scheduled to phase down by one-third for fiscal year 2021/2022, by another one-third for fiscal year 2022/2023, and terminated for fiscal year 2023/2024 if the voters do not approve the override.

The amount of the proposed continuation of the budget increase of the proposed budget over the alternate budget for fiscal year 2021/2022 is estimated to be \$330,771. In fiscal years 2021/2022 through 2025/2026 the amount of the proposed increase will be 15% 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 years 2026/2027 and 2027/2028, the amount of the proposed increase will be 10% and 5%, respectively, of the District’s revenue control limit in each of such years, as provided in Section 15-481(P) of the Arizona Revised Statutes.

Any budget increase continuation authorized by this election shall be entirely funded by a levy of taxes on the taxable property in this school district for the year for which adopted and for six (6) subsequent years, shall not be realized from monies furnished by the state and shall not be subject to the limitation on taxes specified in Article IX, Section 18, Constitution of Arizona. Based on the current net assessed valuation used for secondary property tax purposes, to fund the proposed continuation of the increase in the school district’s budget would require an estimated continuation of a tax rate of \$0.82 per one hundred dollars of assessed valuation used for secondary property tax purposes and is in addition to the school district’s tax rate that will be levied to fund the school district’s revenue control limit allowed by law.

BUDGET OVERRIDE CONTINUATION, YES	<input type="checkbox"/>
BUDGET OVERRIDE CONTINUATION, NO	<input type="checkbox"/>

[At the discretion of the County elections department, the question set forth above may be presented on the actual ballot in summary form, reading substantially as follows:]

A “yes” vote shall authorize the Wilson Elementary School District Governing Board to continue the existing maintenance and operation budget override authority and resulting tax, which includes an amount that exceeds the District’s revenue control limit.

A “no” vote shall not authorize the Wilson Elementary School District Governing Board to extend the existing maintenance and operation budget override authority and resulting tax.

EXHIBIT B-1

[MAILED BALLOT ELECTION]

NOTICE AND CALL OF SPECIAL ELECTION

TO THE QUALIFIED ELECTORS OF WILSON ELEMENTARY SCHOOL DISTRICT NO. 7 OF MARICOPA COUNTY, ARIZONA:

A special election has been called by, and will be held in, Wilson Elementary School District No. 7 of Maricopa County, Arizona (the “*District*”), on November 3, 2020 (“*Election Day*”). The purpose of the election is to permit the qualified electors of the District to vote on authorizing the District to adopt a General Maintenance and Operation Budget that includes an amount of up to 15% in excess of the revenue control limit for the fiscal year 2021/2022 and for six subsequent years (subject to certain reductions provided by statute in years six and seven). The District’s current budget override is by law required to be reduced by one-third in each of the next two fiscal years. Because the existing override reduces by one-third in fiscal year 2021/2022, the proposed override budget will exceed the 2021/2022 alternate budget by one-third of the override amount (approximately \$330,771) and the District’s secondary tax rate required to fund this amount is estimated to be \$0.27 per one hundred dollars of net assessed valuation for secondary property tax purposes. The full budget override amount is estimated to be \$992,313 and would be funded by an estimated \$0.82 tax rate per one hundred dollars of net assessed valuation, which is approximately equal to the current tax rate levied for the existing override. In future years the amount of the increase will be as provided by law.

The budget override would be funded in the first year by an estimated tax rate of \$0.82 per \$100 of net assessed valuation.

The election will be a mailed ballot only election. No polling places will be provided. Ballots will be mailed to qualified electors residing within the District no earlier than 27 days prior to the election and no later than 15 days before the election. Ballots must be received or dropped off at one of the designated ballot drop box locations as designated by the County Elections Department and as set forth in the informational pamphlet and/or the ballot] no later than 7:00 p.m. on Election Day. The informational pamphlet will be mailed to the homes of qualified electors. If a ballot is lost, spoiled, destroyed or not received by the elector, the elector may receive a replacement ballot at the ballot replacement locations designated by the County Elections Department.

The last day to register to vote in order to be eligible to vote in this election is Monday, October 5, 2020.

For more information about the foregoing, please review A.R.S. § 15-481, or contact the Wilson Elementary School District, 3025 E. Fillmore St., Phoenix, AZ 85008, telephone: (602) 681-2205.

EXHIBIT B-2

[POLLING PLACE ELECTION]

NOTICE OF SPECIAL ELECTION

TO THE QUALIFIED ELECTORS OF WILSON ELEMENTARY SCHOOL DISTRICT NO. 7 OF MARICOPA COUNTY, ARIZONA:

A special election will be held in Wilson Elementary School District No. 7 of Maricopa County, Arizona (the “*District*”), on November 3, 2020, at the following polling places:

INSERT FROM COUNTY ELECTIONS DEPARTMENT

The polls will open at 6:00 a.m. and close at 7:00 p.m.

The purpose of the election is to permit the qualified electors of the District to vote on authorizing the District to adopt a General Maintenance and Operation Budget that includes an amount of up to 15% in excess of the District’s revenue control limit for the fiscal year 2021/2022 and for six subsequent years (subject to certain reductions provided by statute in years six and seven). The District’s current budget override is by law required to be reduced by one-third in each of the next two fiscal years. Because the existing override reduces by one-third in fiscal year 2021/2022, the proposed override budget will exceed the 2021/2022 alternate budget by one-third of the override amount (approximately \$330,771) and the District’s secondary tax rate required to fund this amount is estimated to be \$0.27 per one hundred dollars of net assessed valuation for secondary property tax purposes. The full budget override amount is estimated to be \$992,313 and would be funded by an estimated \$0.82 tax rate per one hundred dollars of net assessed valuation, which is approximately equal to the current tax rate levied for the existing override. In future years the amount of the increase will be as provided by law.

The budget override would be funded in the first year by an estimated tax rate of \$0.82 per \$100 of net assessed valuation.

Any qualified elector is eligible for early voting. Early voting materials may be obtained by contacting the Maricopa County Elections Department, 511 S. Third Avenue, Phoenix, AZ 85004; telephone: (602) 506-1512. For more information about the foregoing, please review A.R.S. § 15-481, or contact the Wilson Elementary School District, 3025 E. Fillmore St., Phoenix, AZ 85008, telephone: (602) 681-2205.

EXHIBIT C

**REQUEST FOR ARGUMENTS
“FOR” OR “AGAINST” THE SPECIAL BUDGET OVERRIDE ELECTION
WILSON ELEMENTARY SCHOOL DISTRICT NO. 7**

Wilson Elementary School District No. 7 of Maricopa County, Arizona (the “*District*”), will hold a special 15% maintenance and operation budget override election on Tuesday, November 3, 2020. The total 15% budget override amount for the first year of the proposed continuation is estimated to be \$992,313 and would be funded in that year by an estimated \$0.82 tax rate per \$100 of net assessed valuation used for secondary property tax purposes which is approximately equal to the current secondary tax rate for the existing budget override. The Maricopa County School Superintendent will be preparing an informational pamphlet that will be mailed to households containing one or more registered electors within the District. Any persons wishing to submit an argument “for” or “against” the proposed 15% budget override (not to exceed 200 words) may do so by mail or hand delivery of the argument to the Maricopa County School Superintendent’s office, County School Superintendent, School Elections Office 4042 N. Central Avenue, Suite 1200, Phoenix, AZ 85013; telephone: (602) 506-3867.

To be included in the informational pamphlet, such argument must be received in the office of the Maricopa County School Superintendent on or before 5:00 p.m., August 7, 2020. Such argument must be signed and include the name of the District, the author’s name, the name of any entity submitting an argument, address and telephone number. The entity and author’s name will be printed in the informational pamphlet. The last day to register to vote in order to be eligible to vote in this election is Monday, October 5, 2020. For more information concerning the election, please contact the Wilson Elementary School District No. 7, 3025 E. Fillmore Street, Phoenix, AZ 85008, telephone: (602) 681-2205.

EXHIBIT D

BOARD'S "FOR" ARGUMENT

The Wilson Governing Board is asking for your support for the Wilson Elementary Maintenance & Operation Override renewal. **THIS IS NOT A NEW TAX.** It is a continuation of the existing override.

Passage of the M&O budget override will allow the Wilson District to continue to provide quality educational programs, special area classes and after school programs. Your positive support to renew the M&O override will prevent significant program cutbacks.

Renewal will help:

- Maintain class size
- Fund full day Kindergarten
- Maintain current programs in music and the arts
- Support the educational personnel who provide a quality learning environment for the students in Wilson District as they prepare for the challenges of the future.

As your Governing Board, we firmly believe that the renewal of the Maintenance and Operations override is an excellent investment in education, our community and the future. Please vote 'Yes' on the Wilson M&O Override.

**WILSON SCHOOL DISTRICT NO. 7
OF MARICOPA COUNTY, ARIZONA**

RESOLUTION

WHEREAS, the Governor of the State of Arizona has closed all Arizona schools until May 22, 2020; and

WHEREAS, Wilson School District No. 7 of Maricopa County, Arizona (“District”) has determined that it is in the District’s best interest to close school(s) to assist in the containment of a potential outbreak of COVID19; and

WHEREAS, the Governing Board has authority pursuant to A.R.S. § 15-806(B) to authorize school closure due to widespread illness; and

WHEREAS, the Superintendent has authority pursuant to Governing Board Policies EBCD, its accompanying regulation and Governing Board Policy ID to close schools in an emergency; and

WHEREAS, the Governing Board finds as that it is in the best interest of the District and its community to close the school(s) listed below and to carry out the actions listed below in order to prevent the spread of a pandemic; and

WHEREAS, the Governing Board finds that it is in the best interest of the District and serves a public purpose to continue to pay its employees for the time period of the school closure in order to maintain order in the community, reduce employee turnover, allow employees to care for the needs of their families, meet its contractual obligations and increase morale for District employees during a time of national crisis.

NOW, THEREFORE be it resolved by the Governing Board of Wilson School District No. 7 of Maricopa County, Arizona that:

Section 1. The Governing Board authorizes the closure of the following schools: Wilson Primary School and Wilson Elementary School.

Section 2. The Governing Board intends to close the schools listed above until May 22, 2020, at which time the Board will reassess the potential outbreak of COVID19 and any public safety concerns.

Section 3. The Superintendent is authorized to continue regular payroll expenses for all employees. Non-essential employees will be reassigned to work from home. Essential employees will be required to work. Hourly employees who are deemed essential and required to work on site to complete the necessary job duties will be provided with an additional .5 hour compensatory time for every hour worked (pre-arranged with their supervisor). All employees shall remain on call and available to report to work as requested by supervisor.

Section 4. The Governing Board authorizes the Superintendent to work with local and state authorities to maintain the minimum number of hours of instruction as required by A.R.S. § 15-901 and to create a corresponding change to the school calendar if necessary.

Section 5. The Governing Board authorizes the Superintendent to execute all requisite documents to apply to the Arizona Department of Education for excuse of students from school attendance because of school closure pursuant to A.R.S. § 15-806(B). The Superintendent is authorized to continue the dates of school closure if necessary.

Section 6. The Governing Board authorizes the Superintendent execute any further documentation to effectuate this resolution, including but not limited to any requisite notices required by the Arizona Department of Education or local/state health authorities.

Passed and adopted this 14 day of May, 2020.

WILSON SCHOOL DISTRICT No. 7

By: _____
Its: Governing Board President

Attested by:

Governing Board Member

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2019



WILSON ELEMENTARY SCHOOL DISTRICT NO. 7

PHOENIX, ARIZONA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Issued by:
Business and Finance Department

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7

TABLE OF CONTENTS

<u>INTRODUCTORY SECTION</u>	<u>Page</u>
Letter of Transmittal	1
ASBO Certificate of Excellence	8
GFOA Certificate of Achievement	9
Organization Chart	10
List of Principal Officials	11
<u>FINANCIAL SECTION</u>	
INDEPENDENT AUDITOR’S REPORT	15
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)	19
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Position	32
Statement of Activities	33
Fund Financial Statements:	
Balance Sheet - Governmental Funds	36
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	39
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	40
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities	42

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7

TABLE OF CONTENTS

<u>FINANCIAL SECTION</u>	<u>Page</u>
BASIC FINANCIAL STATEMENTS	
Statement of Assets and Liabilities – Fiduciary Funds	43
Notes to Financial Statements	44
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues Expenditures and Changes in Fund Balances – Budget and Actual:	
General Fund	68
Classroom Site Fund	69
Other Federal Projects Fund	70
Pension Schedules	72
OPEB Schedules	73
Notes to Required Supplementary Information	75
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES	
Governmental Funds:	
Combining Balance Sheet - All Non-Major Governmental Funds - By Fund Type	80
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - All Non-Major Governmental Funds - By Fund Type	81
Special Revenue Funds:	
Combining Balance Sheet	84
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	88
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	92

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7

TABLE OF CONTENTS

<u>FINANCIAL SECTION</u>	<u>Page</u>
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES	
Debt Service Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	108
Capital Projects Funds:	
Combining Balance Sheet	110
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	112
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	114
Agency Funds:	
Combining Statement of Assets and Liabilities	120
Combining Statement of Changes in Assets and Liabilities	121
<u>STATISTICAL SECTION</u>	
Financial Trends:	
Net Position by Component	124
Expenses, Program Revenues, and Net (Expense)/Revenue	125
General Revenues and Total Changes in Net Position	127
Fund Balances - Governmental Funds	129
Governmental Funds Revenues	131
Governmental Funds Expenditures and Debt Service Ratio	133
Other Financing Sources and Uses and Net Changes in Fund Balances - Governmental Funds	135

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7

TABLE OF CONTENTS

<u>STATISTICAL SECTION</u>	<u>Page</u>
Revenue Capacity:	
Net Limited Assessed Value and Full Cash Value of Taxable Property by Class	136
Net Full Cash Assessed Value of Taxable Property by Class	137
Property Tax Assessment Ratios	138
Direct and Overlapping Property Tax Rates	139
Principal Property Taxpayers	140
Property Tax Levies and Collections	141
Debt Capacity:	
Outstanding Debt by Type	142
Direct and Overlapping Governmental Activities Debt	143
Direct and Overlapping General Bonded Debt Ratios	143
Legal Debt Margin Information	144
Demographic and Economic Information:	
County-Wide Demographic and Economic Statistics	145
Principal Employers	146
Operating Information:	
Full-Time Equivalent District Employees by Type	147
Operating Statistics	149
Capital Assets Information	150

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INTRODUCTORY SECTION

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WILSON ELEMENTARY SCHOOL DISTRICT NO.7

3025 E. Fillmore Street • Phoenix, Arizona 85008
Phone (602) 681-2200 • Fax: (602-275-7517)

Antonio A. Sanchez, Superintendent

December 24, 2019

Citizens and Governing Board
Wilson Elementary School District No. 7
3025 East Fillmore Street
Phoenix, Arizona 85008

State law mandates that school districts required to undergo an annual single audit publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States by a certified public accounting firm licensed in the State of Arizona. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Wilson Elementary School District No. 7 (District) for the fiscal year ended June 30, 2019.

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

The District's financial statements have been audited by Heinfeld, Meech & Co., P.C., a certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2019, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2019, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

PROFILE OF THE DISTRICT

The District is one of 58 public school districts located in Maricopa County, Arizona. It provides a program of public education from pre-kindergarten through grade eight, with an average daily membership of 1,100 students. It includes two schools, Wilson Primary School serving grades K-3 and the Wilson Elementary School serving grades 4-8. It also houses a Head Start program, which is closely integrated with the District programs.

District student enrollment has been consistent the past three years, but the District anticipates a fluctuating population during the next few years. There are housing renovations currently taking place around the District which we anticipate should impact our student enrollment depending on the anticipated rental value.

The District is a model for successful inner-city school districts. The District has received multiple awards for educational success and fiscal management, and has maintained state levels of performance above the state average. Both District schools Wilson Elementary and Wilson Primary School were given a B grade, on the AZ Learns educational rating scale of the state. Our student membership has remained relatively stable as compared to neighboring school districts, and over 90% of parents rate the District as providing a quality education.

The District is noted statewide for its high technology educational programs which include one computer per student. As the District serves a large portion of disadvantaged and homeless students, it provides a community focal point with programs extending beyond the traditional public school educational coursework. The District's community has supported the educational programs through the passage of budget overrides and bonds.

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

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

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

The current school buildings were constructed in the late 1980's; however, since then the District has undergone several remodels and upgrades. Recently, the District completed "Center Point" a creative student center focused on audio and video. The center includes labs, studios, areas for performing arts, Socratic seminars, and educational games. In addition, the administrative offices at Wilson Elementary School were remodeled for efficiency and enhanced security. The Wilson Elementary School playground was also completely renovated for regulation sports and included large play structures, and sports courts. Additionally, two new buildings were constructed in 2010. They included a new library at the Elementary School campus and multipurpose building serving the Primary School. The entire District has been equipped with an Energy Management System, and recently completed lighting retrofits throughout the entire District for increased energy efficiency. These changes have enhanced the efficiency of operations, community involvement, and created a school of choice for many students.

ECONOMIC CONDITION AND OUTLOOK

The District is located entirely within the City of Phoenix on the City's east side, and encompasses an area of 11 square miles, which includes Phoenix's Sky Harbor International Airport. The economic base of the District is dominated by Phoenix Sky Harbor International Airport and the surrounding commercial and industrial developments. Less than 5 percent of the District's property tax payments come from residential taxpayers, indicating that the District is commercially oriented.

The City of Phoenix is the capital and largest city of Arizona and is the county seat as well. Phoenix was founded in 1870 and incorporated in 1881. The city encompasses an area of over 500 square miles. Phoenix is the sixth most populous city in the United States and according to the United States Census Bureau, the 2018 population of the city was 1,711,356. The Phoenix metropolitan area is the population and economic activity center of the entire state. Phoenix is one of the leaders in the economics of the Southwestern area of the United States. The City of Phoenix maintains a Moody's general obligation bond rating of Aa1 and a AA+ rating from Standard and Poor. It enjoys a highly diversified economic base consisting of manufacturing, agriculture, tourism, construction, education, distribution centers, finance and retailing.

The annual expenditure budget serves as the foundation for the District's financial planning and control. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual expenditure budget approved by the District's Governing Board.

The expenditure budget is prepared by fund for all Governmental Funds, and includes function and object code detail for the General Fund and some Special Revenue and Capital Projects Funds. The legal level of budgetary control (that is, the level at which expenditures cannot exceed the appropriated amount) is established at the individual fund level for all funds. Funds that are not required to legally adopt a budget may have over-expenditures of budgeted funds. The budget for these funds is simply an estimate and does not prevent the District from exceeding the budget as long as the necessary revenue is earned. The District is not required to prepare an annual budget of revenue, therefore a deficit budgeted fund balance may be presented. However, this does not affect the District's ability to expend monies.

MAJOR INITIATIVES FOR THE YEAR AND FOR THE FUTURE

A strategic plan to enhance the success of students, the growth of the District, and the community has been developed to focus on the following areas.

Provide Excellence in Student Achievement in Verbal, Quantitative and Critical Thinking

The District will provide a balanced curriculum to meet the diverse needs of its student population. Increased emphasis will be placed on instructional and management strategies that enhance improved academic performance. The instructional environment will foster each student's opportunities for success. Articulation with the high school district and the post-secondary educational institutions will facilitate the smooth transition of students from one level of instruction to another. Curriculum has been carefully aligned to state standards including the new Common Core or College and Career Standards. The District has good AZ Merit test scores when compared with surrounding adjacent districts and has numerous students attending from outside the District.

Develop Management Efficiency

Wilson Elementary School District shall be efficiently managed so that routine and necessary projects are accomplished in order to permit improvement and savings in the operation of the District. Steps will be taken to conserve resources and to provide a healthy and safe work and study environment - one that recognizes the expense of operating a contemporary school system. Accountability and quality assurance will be the underlying strategies. Major improvements in energy management systems have been implemented. The District is partnering with local businesses, such as Honeywell, who provided a \$1.7 million solar system for the District's roof panels. This will save costs and create credits for future revenue.

Develop External Sources

Wilson Elementary School District will explore all possible external sources of revenues. Emphasis is placed on solicitation of funds from governmental agencies and from the private sector as well as other nontraditional sources. Volunteerism, community and parental involvement are encouraged through school and community activities.

Maintain Good Employee Relations

Wilson Elementary School District will create a working atmosphere that enhances employee morale. Relations between management and employee organizations will be respectful, friendly and positive. Every attempt shall be made to ensure that adversarial roles are conducted in an atmosphere of mutual respect.

Enhance Parental and Community Involvement

Programs and activities will be established which will inform the community about the quality of education at Wilson Schools. Emphasis shall be given to programs that highlight student achievements, employee contributions, and parent participation. "Wilson Newsletter" is the District's own internal publication published quarterly. This news briefing keeps students, employees, parents, and volunteer organizations up to date on current events at the District. In addition, parent newsletters will be published by the schools. A multi-purpose building has been completed which houses a community center and Head Start offices as well as special classrooms for arts. It is the intent of the District to service not only our students but our community at large in the new high technology library.

Provide Special Programs for At-Risk Students

Wilson Elementary School District shall continue to provide appropriate alternative educational opportunities for students who require programs, structure, and/or environments not available on regular campuses. Volunteer organizations will work with students as mentors to enhance their reading ability on a regular basis. Also, an intensive technology program will be in place along with a diverse and challenging curriculum. We are also a national demonstration school for the AVID program. Advancement via Individual Determination (AVID) is a college bound program that provides additional support to students to create high school and college readiness. Additional support includes tutorials with college students, college counseling, as well as a rigorous curriculum. Wilson Elementary is one of only two Elementary National Demonstration AVID schools in the state.

Provide Technology for Classroom Instruction

Wilson Elementary School District will provide above standard access to computer-aided learning for all students with a one to one computer to student ratio. To facilitate this, the District provides a comprehensive technology infusion plan to meet the diverse needs of the students and staff. A learning environment has been created where computer aided learning will move the teaching of all subjects to a true individualized approach. The District possesses computer technology that includes, but is not limited to, the following: one computer per student; District LAN system; current researched-based instructional software; text processing tools; analytical and information tools; programming and operating systems; educational games and simulations; graphics and operating tools; internal and external network communications and multimedia. The District will provide wireless Internet access for kindergarten through eighth grade students under the direction of school administration and teachers. Twenty-first century technology tools, including electronic white boards, projectors and sound enhancement systems are incorporated into the plan for every classroom. This technology motivates, engages and prepares students for academic success in the future.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the District operates.

Local Economy. The Phoenix metropolitan area and the rest of Maricopa County have become one of the fastest growing regional markets in the United States. The number of manufacturing and wholesale businesses located in the metropolitan area is approaching 3,000. Past growth has been stimulated by a combination of warm climate, a substantial well educated labor pool, a wide range of support industries, and a governmental climate that is supportive of economic growth and investment.

A few of the major firms represented in the Phoenix metropolitan area include Honeywell International, Inc., Banner Health Systems, Wal-Mart Stores, Inc., Wells Fargo Company and Bashas'. In addition, the metropolitan area provides excellent educational and training opportunities through seven community colleges, four private colleges and graduate schools, and one state university.

Maricopa County is located in the south-central portion of Arizona and encompasses an area of approximately 9,226 square miles. Its boundaries encompass the cities of Phoenix, Scottsdale, Mesa, Tempe, Glendale, Chandler, and such towns as Gilbert, Paradise Valley and Fountain Hills. Maricopa County is currently the nation's fourth largest county in terms of population size and the 14th in land area. The County's 2019 population was estimated at 4,410,824 and expected to reach 6 million by 2030. Maricopa County has a very wide range of economic sectors supporting its potential continuous growth.

Service is the largest employment sector in the County, partly fueled by the \$2+ billion per year tourist industry. The County has excellent accommodations, diverse cultural and recreational activities, and a favorable climate attracting millions to the area annually. Wholesale and retail trade is the second largest employment category, employing over a quarter million people.

Manufacturing consisting primarily of high technology companies is the third largest employer. Other factors aiding economic growth include major expansions of the international airport serving the area, a favorable business climate and the presence of a well developed and expanding transportation infrastructure.

AWARDS AND ACKNOWLEDGMENTS

Awards. The Association of School Business Officials (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018. In addition, the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018. In order to be awarded these certificates, the District published an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

These certificates are valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the programs' requirements and we are submitting it to ASBO and GFOA to determine its eligibility for the fiscal year ended June 30, 2019 certificates.

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

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

Respectfully submitted,



Antonio Sanchez
Superintendent



Mary Love
Director of Business Services



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Wilson Elementary School District No. 7

for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2018.

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



A handwritten signature in black ink, reading 'Tom Wohlleber'.

Tom Wohlleber, CSR
President

A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis
Executive Director



Government Finance Officers Association

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

Presented to

**Wilson Elementary School
District No. 7, Arizona**

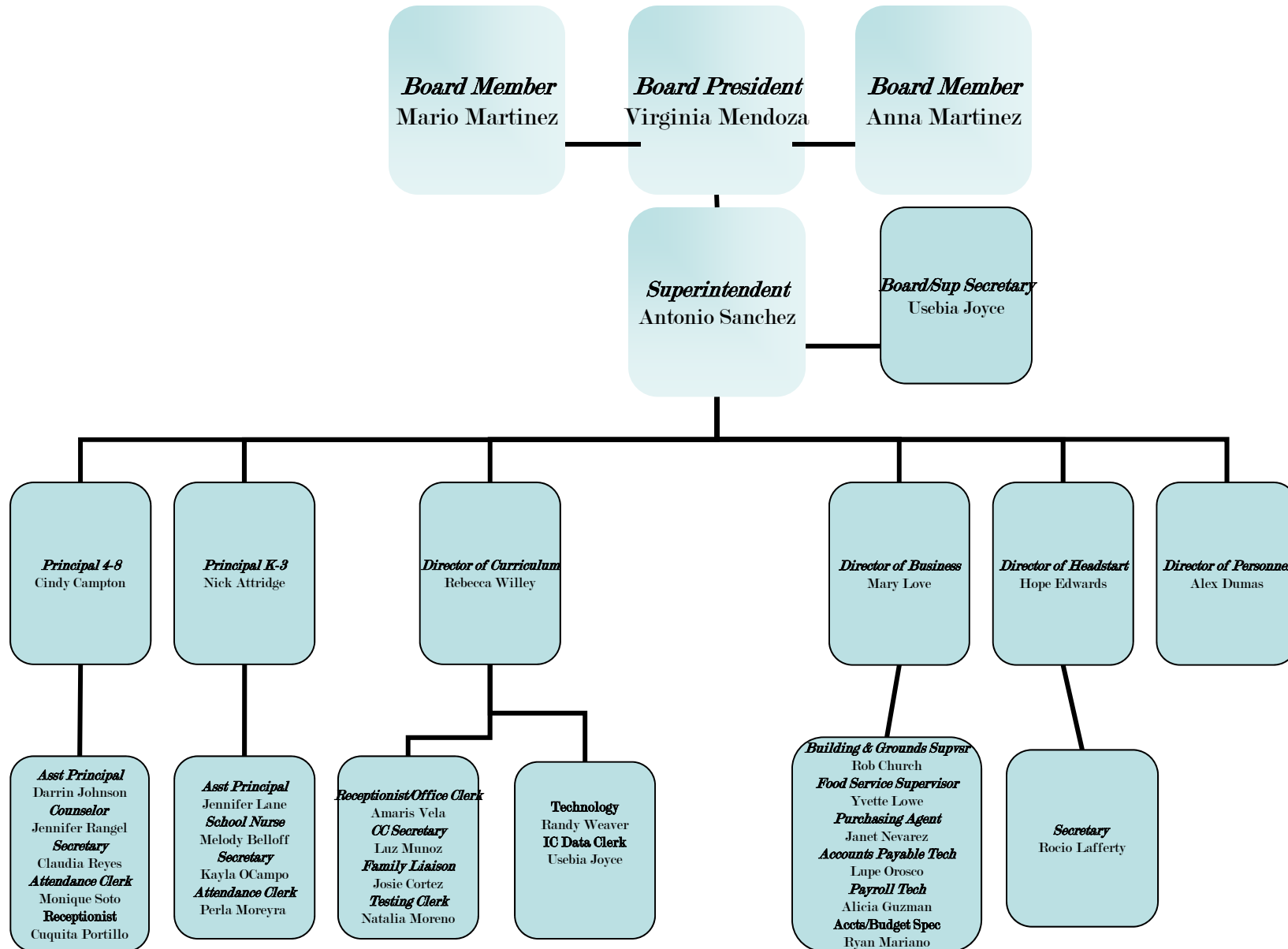
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

Wilson School District #7 Organizational Chart 2018-2019



WILSON ELEMENTARY SCHOOL DISTRICT NO. 7

LIST OF PRINCIPAL OFFICIALS

GOVERNING BOARD

Mario Martinez, President

Anna Martinez, Member

Virginia Mendoza, Member

ADMINISTRATIVE STAFF

Antonio Sanchez, Superintendent

Mary Love, Director of Business Services

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Governing Board
Wilson Elementary School District No. 7

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wilson Elementary School District No. 7 (District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Wilson Elementary School District No. 7, as of June 30, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 24, 2019, on our consideration of Wilson Elementary School District No. 7's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Wilson Elementary School District No. 7's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Wilson Elementary School District No. 7's internal control over financial reporting and compliance.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Phoenix, Arizona
December 24, 2019

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

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**WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019**

As management of the Wilson Elementary School District No. 7 (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2019. The management's discussion and analysis is presented as required supplementary information to supplement the basic financial statements. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

FINANCIAL HIGHLIGHTS

- The District's total net position of governmental activities increased \$525,656 which represents a four percent increase from the prior fiscal year.
- General revenues accounted for \$11.1 million in revenue, or 75 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$3.7 million or 25 percent of total current fiscal year revenues.
- The District had approximately \$14.3 million in expenses related to governmental activities, a decrease of seven percent from the prior fiscal year, primarily due to the District spending less on capital. During the prior year, technology infrastructure was upgraded.
- Among major funds, the General Fund had \$9.8 million current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$9.2 million in expenditures. The General Fund's fund balance increase from \$3.5 million at the prior fiscal year end to \$4.0 million at the end of the current fiscal year was primarily due to an increase in state aid.

OVERVIEW OF FINANCIAL STATEMENTS

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

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

**WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019**

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

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

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

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

**WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019**

OVERVIEW OF FINANCIAL STATEMENTS

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Classroom Site, Other Federal Projects, and Debt Service Funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and schedules.

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$15.4 million at the current fiscal year end.

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

**WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

	As of June 30, 2019	As of June 30, 2018
Current and other assets	\$ 7,753,390	\$ 8,011,151
Capital assets, net	23,705,586	24,696,986
Total assets	<u>31,458,976</u>	<u>32,708,137</u>
Deferred outflows	<u>1,819,804</u>	<u>2,003,614</u>
Current and other liabilities	677,996	1,190,887
Long-term liabilities	15,531,381	17,760,048
Total liabilities	<u>16,209,377</u>	<u>18,950,935</u>
Deferred inflows	<u>1,718,051</u>	<u>935,120</u>
Net position:		
Net investment in capital assets	19,283,466	19,784,122
Restricted	2,515,573	2,697,296
Unrestricted	(6,447,687)	(7,655,722)
Total net position	<u>\$ 15,351,352</u>	<u>\$ 14,825,696</u>

At the end of the current fiscal year the District reported positive balances in two categories of net position while unrestricted net position reported a deficit of \$6.4 million. The deficit is due to the District's proportionate share of the state pension plan's unfunded liability. The same situation held true for the prior fiscal year.

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

- The addition of \$310,563 in capital assets primarily due to District-wide acquisitions of vehicles, furniture, and equipment.
- The retirement of \$490,774 of bonds and premium.
- The decrease of \$1.8 million in the net pension liability.

**WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019**

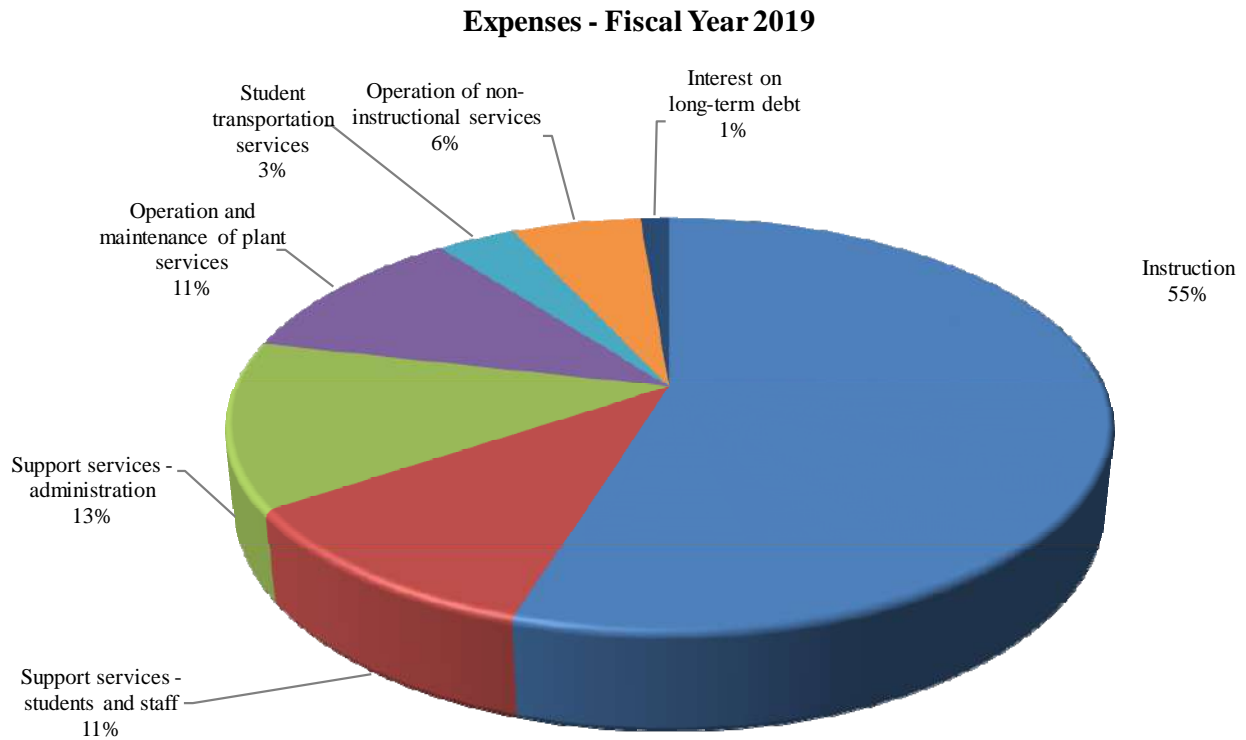
GOVERNMENT-WIDE FINANCIAL ANALYSIS

Changes in net position. The District's total revenues for the current fiscal year were \$14.8 million. The total cost of all programs and services was \$14.3 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2019 and June 30, 2018.

	<u>Fiscal Year Ended June 30, 2019</u>	<u>Fiscal Year Ended June 30, 2018</u>
Revenues:		
Program revenues:		
Charges for services	\$ 534,787	\$ 417,416
Operating grants and contributions	3,123,721	3,419,434
Capital grants and contributions	72,176	123,051
General revenues:		
Property taxes	6,204,827	5,717,283
Investment income	87,300	80,210
Unrestricted county aid	400,296	308,455
Unrestricted state aid	4,388,350	3,243,949
Total revenues	<u>14,811,457</u>	<u>13,309,798</u>
Expenses:		
Instruction	7,828,753	8,407,481
Support services - students and staff	1,541,987	1,578,166
Support services - administration	1,853,359	2,027,781
Operation and maintenance of plant services	1,579,713	1,665,081
Student transportation services	493,532	633,032
Operation of non-instructional services	811,577	855,459
Interest on long-term debt	176,880	197,505
Total expenses	<u>14,285,801</u>	<u>15,364,505</u>
Changes in net position	525,656	(2,054,707)
Net position, beginning	<u>14,825,696</u>	<u>16,880,403</u>
Net position, ending	<u><u>\$ 15,351,352</u></u>	<u><u>\$ 14,825,696</u></u>

**WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019**

GOVERNMENT-WIDE FINANCIAL ANALYSIS



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

- Unrestricted state aid increased by \$1.1 million primarily due to a change in the state formula for computing equalization assistance to fund salary raises for teachers and other staff members.
- Property tax revenues increased \$487,544 primarily due to an increase in the District's tax rates.
- Instructional expenses decreased by \$578,728 mainly as a result of the loss of additional TIF4 funding.

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

**WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

	Year Ended June 30, 2019		Year Ended June 30, 2018	
	Total	Net (Expense)/	Total	Net (Expense)/
	Expenses	Revenue	Expenses	Revenue
Instruction	\$ 7,828,753	\$ (5,442,614)	\$ 8,407,481	\$ (5,782,238)
Support services - students and staff	1,541,987	(1,276,272)	1,578,166	(1,361,705)
Support services - administration	1,853,359	(1,685,316)	2,027,781	(1,824,468)
Operation and maintenance of plant services	1,579,713	(1,525,056)	1,665,081	(1,639,534)
Student transportation services	493,532	(469,412)	633,032	(610,791)
Operation of non-instructional services	811,577	20,433	855,459	11,637
Interest on long-term debt	176,880	(176,880)	197,505	(197,505)
Total	\$ 14,285,801	\$ (10,555,117)	\$ 15,364,505	\$ (11,404,604)

- The cost of all governmental activities this year was \$14.3 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$3.7 million.
- Net cost of governmental activities of \$10.6 million was financed by general revenues, which are made up of primarily property taxes of \$6.2 million and state and county aid of \$4.8 million. Investment earnings accounted for \$87,300 of funding.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

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

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$6.2 million, an increase of \$228,363.

**WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The General Fund comprises 64 percent of the total fund balance. Approximately \$3.7 million, or 93 percent of the General Fund's fund balance is unassigned.

The General Fund is the principal operating fund of the District. The fund balance increased \$509,136 to \$4.0 million as of fiscal year end. General Fund revenues increased \$1.4 million, or 16 percent, primarily due to an increase in state aid and grants due to a change in the state formula for computing equalization assistance. General Fund expenditures increased \$294,518 or three percent.

The fund balance in the Classroom Site Fund increased \$91,885 to \$1.0 million primarily due to additional dollars allocated per student and less money paid out.

The Other Federal Projects Fund's fund balance decreased \$11,136 to a \$42,693 deficit.

The fund balance in the Debt Service Fund increased \$18,205 to \$29,613.

BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the General Fund annual expenditure budget. The difference between the original budget and the final amended budget was a \$29,733 decrease or less than one percent.

Significant variances for the final amended budget and actual revenues resulted from the District not being required by the State of Arizona to prepare a revenue budget. A schedule showing the original and final budget amounts compared to the District's actual financial activity for the General Fund is provided in this report as required supplementary information. The significant favorable variance of \$211,882 in instruction expenditures was primarily a result of retiring teachers.

**WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end the District had invested \$42.0 million in capital assets, including school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. This amount represents a net increase prior to depreciation of \$260,452 from the prior fiscal year, primarily due to the purchase of District vehicles, furniture, and equipment. Total depreciation expense for the current fiscal year was \$1.3 million.

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

	As of June 30, 2019	As of June 30, 2018
Capital assets - non-depreciable	\$ 2,304,471	\$ 2,304,471
Capital assets - depreciable, net	21,401,115	22,392,515
Total	\$ 23,705,586	\$ 24,696,986

Additional information on the District's capital assets can be found in Note 7.

Debt Administration. At year-end, the District had \$4.5 million in long-term debt outstanding, \$510,000 due within one year. Long-term debt decreased by \$490,744 due to principal repayments and amortization of bond premiums.

The District's general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds (up to 15 percent of the total net full cash assessed valuation) and the statutory debt limit on Class B bonds (the greater of 10 percent of the net full cash assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$18.9 million and the Class B debt limit is \$12.6 million, which are more than the District's total outstanding general obligation and Class B debt, respectively.

Additional information on the District's long-term debt can be found in Notes 9 and 10.

**WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Many factors were considered by the District's administration during the process of developing the fiscal year 2019-20 budget. Among them:

- Fiscal year 2018-19 budget balance carry forward (estimated \$373,958).
- District student population (estimated 1,100).
- Employee salaries and benefit package.
- Technology needs of the District.

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

Budgeted expenditures in the General Fund increased two percent to \$9.5 million in fiscal year 2018-19 primarily due to an increase in the per-pupil funding formula. No new programs were added to the 2019-20 budget.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Business and Finance Department, Wilson Elementary School District No. 7, 3025 East Fillmore Street, Phoenix, Arizona 85008.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
STATEMENT OF NET POSITION
JUNE 30, 2019

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 5,878,274
Property taxes receivable	205,979
Deposits	32,562
Due from governmental entities	1,487,528
Prepaid items	121,399
Total current assets	7,725,742
Noncurrent assets:	
Net other postemployment benefit assets	27,648
Capital assets not being depreciated	2,304,471
Capital assets, net of accumulated depreciation	21,401,115
Total noncurrent assets	23,733,234
Total assets	31,458,976
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Pension and other postemployment benefit plan items	1,819,804
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	221,083
Accrued payroll and employee benefits	363,704
Compensated absences payable	40,000
Accrued interest payable	93,209
Bonds payable	510,000
Total current liabilities	1,227,996
Noncurrent liabilities:	
Non-current portion of long-term obligations	14,981,381
Total noncurrent liabilities	14,981,381
Total liabilities	16,209,377
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension and other postemployment benefit plan items	1,718,051
<u>NET POSITION</u>	
Net investment in capital assets	19,283,466
Restricted	2,515,573
Unrestricted	(6,447,687)
Total net position	\$ 15,351,352

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

**WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019**

Functions/Programs	Expenses	Program Revenues			Governmental Activities	Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		
Governmental activities:						
Instruction	\$ 7,828,753	\$ 517,527	\$ 1,796,436	\$ 72,176		\$ (5,442,614)
Support services - students and staff	1,541,987		265,715			(1,276,272)
Support services - administration	1,853,359		168,043			(1,685,316)
Operation and maintenance of plant services	1,579,713		54,657			(1,525,056)
Student transportation services	493,532		24,120			(469,412)
Operation of non-instructional services	811,577	17,260	814,750			20,433
Interest on long-term debt	176,880					(176,880)
Total governmental activities	<u>\$ 14,285,801</u>	<u>\$ 534,787</u>	<u>\$ 3,123,721</u>	<u>\$ 72,176</u>		<u>(10,555,117)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes	5,086,597
Property taxes, levied for debt service	707,170
Property taxes, levied for capital outlay	411,060
Investment income	87,300
Unrestricted county aid	400,296
Unrestricted state aid	4,388,350
Total general revenues	<u>11,080,773</u>

Changes in net position

525,656

Net position, beginning of year

14,825,696

Net position, end of year

\$ 15,351,352

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

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FUND FINANCIAL STATEMENTS

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2019

	General	Classroom Site	Other Federal Projects
<u>ASSETS</u>			
Cash and investments	\$ 2,825,990	\$ 1,069,614	\$
Property taxes receivable	173,822		
Deposits			
Due from governmental entities	1,069,965	89,609	151,483
Due from other funds	282,605		
Prepaid items	121,399		
Total assets	\$ 4,473,781	\$ 1,159,223	\$ 151,483
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 165,776	\$	\$
Due to other funds			133,542
Accrued payroll and employee benefits	188,550	142,303	15,349
Bonds payable			
Bond interest payable			
Total liabilities	354,326	142,303	148,891
Deferred inflows of resources:			
Unavailable revenues - property taxes	137,361		
Unavailable revenues - intergovernmental			45,285
Total deferred inflows of resources	137,361		45,285
Fund balances (deficits):			
Nonspendable	121,399		
Restricted	138,262	1,016,920	
Unassigned	3,722,433		(42,693)
Total fund balances	3,982,094	1,016,920	(42,693)
 Total liabilities, deferred inflows of resources and fund balances	 \$ 4,473,781	 \$ 1,159,223	 \$ 151,483

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

<u>Debt Service</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 626,862	\$ 1,355,808	\$ 5,878,274
20,125	12,032	205,979
	32,562	32,562
	176,471	1,487,528
		282,605
		121,399
<u>\$ 646,987</u>	<u>\$ 1,576,873</u>	<u>\$ 8,008,347</u>
\$	\$ 55,307	\$ 221,083
	149,063	282,605
	17,502	363,704
510,000		510,000
93,209		93,209
<u>603,209</u>	<u>221,872</u>	<u>1,470,601</u>
14,165	8,413	159,939
	134,625	179,910
<u>14,165</u>	<u>143,038</u>	<u>339,849</u>
29,613	1,410,276	121,399
	(198,313)	2,595,071
<u>29,613</u>	<u>1,211,963</u>	<u>3,481,427</u>
		6,197,897
<u>\$ 646,987</u>	<u>\$ 1,576,873</u>	<u>\$ 8,008,347</u>

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WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2019

Total governmental fund balances		\$ 6,197,897
<p>Amounts reported for <i>governmental activities</i> in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		
Governmental capital assets	\$ 42,004,619	
Less accumulated depreciation	<u>(18,299,033)</u>	23,705,586
<p>Some receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds.</p>		
Property taxes	159,939	
Intergovernmental	<u>179,910</u>	339,849
<p>Deferred outflows and inflows of resources related to pensions/OPEB are applicable to future periods and, therefore, are not reported in the funds.</p>		
Deferred outflows of resources related to pensions/OPEB	1,819,804	
Deferred inflows of resources related to pensions/OPEB	<u>(1,718,051)</u>	101,753
<p>The Net OPEB asset is not a current financial resource and, therefore, is not reported in the funds.</p>		
		27,648
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.</p>		
Compensated absences payable	(225,579)	
Unamortized premium	(123,375)	
Net OPEB liability	(40,269)	
Net pension liability	(10,747,158)	
Bonds payable	<u>(3,885,000)</u>	<u>(15,021,381)</u>
Net position of governmental activities		\$ <u>15,351,352</u>

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

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

	<u>General</u>	<u>Classroom Site</u>	<u>Other Federal Projects</u>
Revenues:			
Other local	\$ 923,155	\$ 15,251	\$ 422
Property taxes	5,115,101		
State aid and grants	3,802,421	537,655	
Federal aid, grants and reimbursements			1,239,139
Total revenues	<u>9,840,677</u>	<u>552,906</u>	<u>1,239,561</u>
Expenditures:			
Current -			
Instruction	4,650,771	459,581	1,051,677
Support services - students and staff	1,279,900	1,440	27,770
Support services - administration	1,467,080		165,942
Operation and maintenance of plant services	1,452,517		2,810
Student transportation services	291,260		
Operation of non-instructional services	68,204		1,789
Capital outlay	11,673		709
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	<u>9,221,405</u>	<u>461,021</u>	<u>1,250,697</u>
Excess (deficiency) of revenues over expenditures	<u>619,272</u>	<u>91,885</u>	<u>(11,136)</u>
Other financing sources (uses):			
Transfers in	90,970		
Transfers out			
Total other financing sources (uses)	<u>90,970</u>		
Changes in fund balances	<u>710,242</u>	<u>91,885</u>	<u>(11,136)</u>
Fund balances (deficits), beginning of year	3,472,958	925,035	(31,557)
Increase (decrease) in reserve for prepaid items	(201,106)		
Fund balances (deficits), end of year	<u>\$ 3,982,094</u>	<u>\$ 1,016,920</u>	<u>\$ (42,693)</u>

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

Debt Service	Non-Major Governmental Funds	Total Governmental Funds
\$ 9,556	\$ 159,068	\$ 1,107,452
704,766	421,146	6,241,013
	48,274	4,388,350
	1,823,219	3,062,358
<u>714,322</u>	<u>2,451,707</u>	<u>14,799,173</u>
	773,232	6,935,261
	226,739	1,535,849
	4,264	1,637,286
	11,162	1,466,489
	48,348	339,608
	714,537	784,530
	960,675	973,057
510,000		510,000
187,624		187,624
<u>697,624</u>	<u>2,738,957</u>	<u>14,369,704</u>
<u>16,698</u>	<u>(287,250)</u>	<u>429,469</u>
1,507		92,477
	(92,477)	(92,477)
<u>1,507</u>	<u>(92,477)</u>	
<u>18,205</u>	<u>(379,727)</u>	<u>429,469</u>
11,408	1,591,690	5,969,534
		(201,106)
<u>\$ 29,613</u>	<u>\$ 1,211,963</u>	<u>\$ 6,197,897</u>

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019

Changes in fund balances - total governmental funds **\$ 429,469**

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

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

Expenditures for capitalized assets	\$ 310,563	
Less current year depreciation	<u>(1,285,342)</u>	(974,779)

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

Property taxes	(36,186)	
Intergovernmental	<u>48,470</u>	12,284

Repayments of long-term debt principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 510,000

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

Current year pension/OPEB contributions	909,123	
Pension/OPEB expense	<u>(140,729)</u>	768,394

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

Prepaid items	(201,106)	
Loss on disposal of assets	(16,621)	
Amortization of issuance premium	10,744	
Compensated absences	<u>(12,729)</u>	<u>(219,712)</u>

Changes in net position in governmental activities **\$ 525,656**

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

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2019

	Agency
<u>ASSETS</u>	
Cash and investments	\$ 44,144
Total assets	\$ 44,144
 <u>LIABILITIES</u>	
Deposits held for others	\$ 30,645
Due to student groups	13,499
Total liabilities	\$ 44,144

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

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Wilson Elementary School District No. 7 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

A. Reporting Entity

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

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

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

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

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. Government-Wide and Fund Financial Statements

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

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

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

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

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

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Financial Statements – Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. As permitted by generally accepted accounting principles the District applies the “early recognition” option for debt service payments. Property tax resources are provided in the Debt Service Fund during the current year for the payment of debt service principal and interest due early in the following year (less than one month). Therefore, the expenditures and related liabilities have been recognized in the current period.

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

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

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

The District reports the following major governmental funds:

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

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Classroom Site Fund – The Classroom Site Fund accounts for the financial activity for the portion of state sales tax collections and permanent state school fund earnings as approved by the voters in 2000.

Other Federal Projects Fund – The Other Federal Projects Fund accounts for financial assistance received for other supplemental federal projects.

Debt Service Fund – The Debt Service Fund accounts for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs.

Additionally, the District reports the following fund type:

Fiduciary Funds – The Fiduciary Funds are Agency Funds which account for resources held by the District on behalf of others. This fund type includes the Student Activities Fund which accounts for monies raised by students to finance student clubs and organizations held by the District as an agent. In addition, funds that account for voluntary deductions made to the flexible spending account before the monies are requested for reimbursement by the employees are included in the Agency Funds.

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

D. Cash and Investments

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

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

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

E. Investment Income

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

F. Receivables and Payables

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

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

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

G. Property Tax Calendar

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

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

H. Prepaid Items

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

I. Capital Assets

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

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

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

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

Land improvements	5 - 30 years
Buildings and improvements	5 - 50 years
Vehicles, furniture and equipment	3 - 20 years

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

J. Deferred Outflows/Inflows of Resources

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

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

K. Compensated Absences

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

L. Pensions and Other Postemployment Benefits

For purposes of measuring the net pension and other postemployment benefit (OPEB) assets and 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.

M. 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. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Deferred amounts on refunding result from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

N. Interfund Activity

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

O. Net Position Flow Assumption

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

P. Estimates

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

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

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

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

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

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

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

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

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

	<u>General Fund</u>	<u>Classroom Site Fund</u>	<u>Other Federal Projects Fund</u>	<u>Debt Service Fund</u>	<u>Non-Major Governmental Funds</u>
Fund Balances:					
Nonspendable:					
Prepaid items	\$ 121,399	\$	\$	\$	\$
Restricted:					
Debt service				29,613	
Capital projects	138,262				
Bond building projects					96,255
Voter approved initiatives		1,016,920			383,449
Federal and state projects					152,427
Food service					531,601
Civic center					62,279
Extracurricular activities					135,638
Insurance refund					32,166
Other purposes					16,461
Unassigned	<u>3,722,433</u>		<u>(42,693)</u>		<u>(198,313)</u>
Total fund balances	<u>\$ 3,982,094</u>	<u>\$ 1,016,920</u>	<u>\$ (42,693)</u>	<u>\$ 29,613</u>	<u>\$ 1,211,963</u>

NOTE 3 – RESTRICTED NET POSITION

The table below provides detail of the major components of the District’s restricted net position at year end.

	<u>Governmental Activities</u>
Restricted Net Position:	
Debt service	\$ 43,778
Capital projects	138,262
Voter approved initiatives	1,400,369
Federal and state projects	155,019
Food service	531,601
Civic center	62,279
Extracurricular activities	135,638
Insurance refund	32,166
Other purposes	16,461
Total	<u>\$ 2,515,573</u>

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 4 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

	Deficit
Major Fund:	
Other Federal Projects	\$ 42,693
Non-Major Governmental Fund:	
County, City, and Town Grants	406
Title I Grants	24,777
Professional Development and Technology Grants	2,730
Title IV Grants	23,391
Limited English & Immigrant Students	27,956
Special Education Grants	55,771
Unrestricted Capital Outlay	63,282

The deficits arose because of operations during the year and because of pending grant reimbursements. Additional revenues received in fiscal year 2019-20 are expected to eliminate the deficits.

NOTE 5 – CASH AND INVESTMENTS

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure the District’s deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the District’s deposits was \$49,144 and the bank balance was \$210,468.

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

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

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

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 5 – CASH AND INVESTMENTS

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

	Average Maturities	Fair Value
County Treasurer’s investment pool	318 days	\$ 5,873,274
Total		\$ 5,873,274

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

Credit Risk. The District has no investment policy that would further limit its investment choices. As of year end, the District’s investment in the County Treasurer’s investment pool did not receive a credit quality rating from a national rating agency.

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

NOTE 6 – RECEIVABLES

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

	General Fund	Classroom Site Fund	Other Federal Projects Fund	Non-Major Governmental Funds
Due from other governmental entities:				
Due from federal government	\$	\$	\$ 151,483	\$ 154,993
Due from state government	1,069,965	89,609		21,478
Net due from governmental entities	\$ 1,069,965	\$ 89,609	\$ 151,483	\$ 176,471

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 7 – CAPITAL ASSETS

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

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 2,304,471	\$	\$	\$ 2,304,471
Total capital assets, not being depreciated	<u>2,304,471</u>			<u>2,304,471</u>
Capital assets, being depreciated:				
Land improvements	3,353,788			3,353,788
Buildings and improvements	32,365,566	109,813	50,111	32,425,268
Vehicles, furniture and equipment	3,720,342	200,750		3,921,092
Total capital assets being depreciated	<u>39,439,696</u>	<u>310,563</u>	<u>50,111</u>	<u>39,700,148</u>
Less accumulated depreciation for:				
Land improvements	(2,166,558)	(121,084)		(2,287,642)
Buildings and improvements	(12,442,433)	(832,449)	(33,490)	(13,241,392)
Vehicles, furniture and equipment	(2,438,190)	(331,809)		(2,769,999)
Total accumulated depreciation	<u>(17,047,181)</u>	<u>(1,285,342)</u>	<u>(33,490)</u>	<u>(18,299,033)</u>
Total capital assets, being depreciated, net	<u>22,392,515</u>	<u>(974,779)</u>	<u>16,621</u>	<u>21,401,115</u>
Governmental activities capital assets, net	<u>\$ 24,696,986</u>	<u>\$ (974,779)</u>	<u>\$ 16,621</u>	<u>\$ 23,705,586</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 922,589
Support services – students and staff	51,146
Support services – administration	171,171
Operation and maintenance of plant services	90,086
Student transportation services	31,059
Operation of non-instructional services	19,291
Total depreciation expense – governmental activities	<u>\$ 1,285,342</u>

NOTE 8 – SHORT TERM DEBT – REVOLVING LINE OF CREDIT

The District has a \$2.5 million revolving line of credit to provide cash flow during the year to mitigate the impact of timing differences of expenditures and the receipt of state aid and property tax revenues. At year end, the District had \$2.5 million in unused line of credit.

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 9 – GENERAL OBLIGATION BONDS PAYABLE

Bonds payable at year end, consisted of the following outstanding general obligation bonds. Of the total amount originally authorized, all has been issued. The bonds are callable with interest payable semiannually. Property taxes from the Debt Service Fund are used to pay bonded debt. The District’s legal debt limit is \$18.9 million, and the available margin is \$14.5 million.

<u>Purpose</u>	<u>Original Amount Issued</u>	<u>Interest Rates</u>	<u>Remaining Maturities</u>	<u>Outstanding Principal June 30, 2019</u>	<u>Due Within One Year</u>
Governmental activities:					
School Improvement Bonds Series of 2005 A	\$ 7,070,000	4.125-4.25%	7/1/19-21	\$ 300,000	\$ 100,000
School Improvement Bonds Series of 2005 B	2,930,000	4.0-4.25%	7/1/19-24	1,245,000	185,000
School Improvement Bonds Series of 2012 A	1,900,000	4.0-5.0%	7/1/19-32	1,325,000	200,000
School Improvement Bonds Series of 2012 B	1,700,000	2.0-4.5%	7/1/19-30	<u>1,525,000</u>	<u>25,000</u>
Total				<u>\$ 4,395,000</u>	<u>\$ 510,000</u>

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

Year ending June 30:	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2020	\$ 510,000	\$ 176,406
2021	420,000	158,027
2022	455,000	140,556
2023	385,000	123,600
2024	370,000	107,800
2025-29	1,680,000	305,300
2030-33	<u>575,000</u>	<u>48,375</u>
Total	<u>\$ 4,395,000</u>	<u>\$ 1,060,064</u>

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 10 – CHANGES IN LONG-TERM LIABILITIES

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 4,875,000	\$	\$ 480,000	\$ 4,395,000	\$ 510,000
Premium	134,119		10,744	123,375	
Total bonds payable	<u>5,009,119</u>		<u>490,744</u>	<u>4,518,375</u>	<u>510,000</u>
Net OPEB liability	28,904	11,365		40,269	
Net pension liability	12,509,175		1,762,017	10,747,158	
Compensated absences payable	212,850	178,959	166,230	225,579	40,000
Governmental activity long-term liabilities	<u>\$ 17,760,048</u>	<u>\$ 190,324</u>	<u>\$ 2,418,991</u>	<u>\$ 15,531,381</u>	<u>\$ 550,000</u>

NOTE 11 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At year end, interfund balances were as follows:

Due to/from other funds:

	General Fund
Other Federal Projects Fund	\$ 133,542
Non-Major Governmental Funds	149,063
Total Due from Other Funds	<u>\$ 282,605</u>

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

Interfund transfers:

	Transfers in		
	General Fund	Debt Service Fund	Total
Transfers out			
Non-Major Governmental Funds	\$ 90,970	\$ 1,507	\$ 92,477
Total	<u>\$ 90,970</u>	<u>\$ 1,507</u>	<u>\$ 92,477</u>

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

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 12 – CONTINGENT LIABILITIES

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

NOTE 13 – RISK MANAGEMENT

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

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

The District joined the School Medical Insurance Trust (SMIT) together with other school districts in the state for risks of loss related to employee health and accident claims. SMIT is a public entity risk pool currently operating as a common risk management and insurance program for school district. The agreement provides that SMIT will be self-sustaining through members' premiums and will reinsure through commercial companies for claims in excess of specified amounts for each insured event.

The District continues to carry commercial insurance for all other risks of loss, including liability for student injuries insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

Aggregate Amounts. At June 30, 2019, the District reported the following aggregate amounts related to pensions and OPEB for all plans to which it contributes:

	Pension	OPEB
Net assets	\$	\$ (27,648)
Net liability	10,747,158	40,269
Deferred outflows of resources	1,708,966	110,838
Deferred inflows of resources	1,632,178	85,873
Expense	98,077	42,652
Contributions	861,356	47,767

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

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

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

Retired and disabled members, with at least five years of credited service, are eligible to receive health insurance premium benefits. 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 five to nine 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 long-term disability benefit in the event they become unable to perform their work. The monthly benefit is equal to two-thirds of their 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 current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.80 percent (11.64 percent for retirement and 0.16 percent for long-term disability) of the members’ annual covered payroll, and the District was required by statute to contribute at the actuarially determined rate of 11.80 percent (11.18 percent for retirement, 0.46 percent for health insurance premium benefit, and 0.16 percent for long-term disability) of the active members’ annual covered payroll. The District’s contributions for the year ended June 30, 2019 were as follows:

	Contributions
Pension	\$ 861,356
Health Insurance Premium	35,440
Long-Term Disability	12,327

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Employers are also required to pay an Alternate Contribution Rate (ACR), for retired members who return to work in positions that would typically be filled by an employee who contributes to ASRS. The District was required by statute to contribute at the actuarially determined rate of 10.53 percent (10.41 for retirement, 0.06 percent for health insurance premium benefit, and 0.06 percent for long-term disability). ACR contributions are included in employer contributions presented above.

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

Pension and OPEB Assets/Liability. The net pension and OPEB assets/liability were measured as of June 30, 2018. 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, 2017, to the measurement date of June 30, 2018. The total liability as of June 30, 2018 reflects changes in actuarial assumptions based on the results of an actuarial experience study for the five-year period ended June 30, 2016, including decreasing the discount rate from 8.0 percent to 7.5 percent, changing the projected salary increases from 3-6.75 percent to 2.7-7.2 percent, decreasing the inflation rate from 3 percent to 2.3 percent, and changing the mortality rates. The District’s proportion of the net assets/liability was based on the District’s actual contributions to the applicable plan relative to the total of all participating employers’ contributions to the plan for the year ended June 30, 2018.

At June 30, 2019, the District reported the following amounts for its proportionate share of the ASRS plans net assets/liability. In addition, at June 30, 2018, the District’s percentage proportion for each plan and the related change from its proportion measured as of June 30, 2017 was:

	Net (Assets) Liability	District % Proportion	Increase (Decrease)
Pension	\$ 10,747,158	0.077	(0.003)
Health Insurance Premium	(27,648)	0.077	(0.002)
Long-Term Disability	40,269	0.077	(0.003)

Pension/OPEB Expense and Deferred Outflows/Inflows of Resources. The District has deferred outflows and inflows of resources related to the net pension and OPEB assets/liabilities. Certain changes in the net pension and OPEB assets/liability are recognized as pension and OPEB expense over a period of time rather than the year of occurrence. For the year ended June 30, 2019, the District recognized pension and OPEB expense as follows:

	Expense
Pension	\$ 98,077
Health Insurance Premium	28,209
Long-Term Disability	14,443

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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 Premium	Long-Term Disability
Differences between expected and actual experience	\$ 296,075	\$	\$ 1,030
Changes of assumptions or other inputs	284,389	53,319	8,722
Changes in proportion and differences between contributions and proportionate share of contributions	267,146		
Contributions subsequent to the measurement date	861,356	35,440	12,327
Total	\$ 1,708,966	\$ 88,759	\$ 22,079
	Deferred Inflows of Resources		
	Pension	Health Insurance Premium	Long-Term Disability
Differences between expected and actual experience	\$ 59,247	\$ 25,518	\$
Changes of assumptions or other inputs	952,883		
Net difference between projected and actual earnings on pension investments	258,444	55,231	3,900
Changes in proportion and differences between contributions and proportionate share of contributions	361,604	220	1,004
Total	\$ 1,632,178	\$ 80,969	\$ 4,904

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

The amounts of deferred outflows of resources resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as an adjustment of the net pension and OPEB assets/liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized in pension and OPEB expense as follows:

Year Ending June 30:	Pension	Health Insurance Premium	Long-Term Disability
2020	\$ 116,355	\$ (10,757)	\$ (22)
2021	(392,981)	(10,757)	(23)
2022	(392,040)	(10,756)	(23)
2023	(115,902)	1,013	1,023
2024		3,607	1,214
Thereafter			2,679

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

	Pension	OPEB
Actuarial valuation date	June 30, 2017	June 30, 2017
Actuarial roll forward date	June 30, 2018	June 30, 2018
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return	7.5%	7.5%
Projected salary increases	2.7-7.2%	Not applicable
Inflation	2.3%	2.3%
Permanent base increases	Included	Not applicable
Mortality rates	2017 SRA Scale U-MP	Health Ins: 2017 SRA Scale U-MP, LTD: 2012 GLDT
Healthcare cost trend rate	Not applicable	Not applicable

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

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	50%	5.50%
Fixed income	30	3.83
Real estate	20	5.85
Total	<u>100%</u>	

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

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

	Proportionate share of the net (assets) liability		
	1% Decrease	Current Discount Rate	1% Increase
Rate	6.5%	7.5%	8.5%
Pension	\$ 15,320,321	\$ 10,747,158	\$ 6,926,354
Health Insurance Premium	97,962	(27,648)	(134,643)
Long-Term Disability	45,636	40,269	35,062

Pension and OPEB Plan Fiduciary Net Position. Detailed information about the pension and OPEB plan’s fiduciary net position is available in the separately issued ASRS financial report. The report is available on the ASRS website at www.azasrs.gov.

REQUIRED SUPPLEMENTARY INFORMATION

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL
YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other local	\$	\$	\$ 784,717	\$ 784,717
Property taxes			5,115,101	5,115,101
State aid and grants			3,802,421	3,802,421
Total revenues			<u>9,702,239</u>	<u>9,702,239</u>
Expenditures:				
Current -				
Instruction	5,022,611	4,828,611	4,616,729	211,882
Support services - students and staff	1,418,771	1,260,038	1,185,114	74,924
Support services - administration	1,183,886	1,321,886	1,366,784	(44,898)
Operation and maintenance of plant services	1,328,921	1,503,921	1,420,946	82,975
Student transportation services	354,131	354,131	290,369	63,762
Operation of non-instructional services	24,568	34,568	35,803	(1,235)
Total expenditures	<u>9,332,888</u>	<u>9,303,155</u>	<u>8,915,745</u>	<u>387,410</u>
Changes in fund balances	<u>(9,332,888)</u>	<u>(9,303,155)</u>	<u>786,494</u>	<u>10,089,649</u>
Fund balances, beginning of year			1,564,872	1,564,872
Increase (decrease) in reserve for prepaid items			(92,979)	(92,979)
Fund balances (deficits), end of year	<u>\$ (9,332,888)</u>	<u>\$ (9,303,155)</u>	<u>\$ 2,258,387</u>	<u>\$ 11,561,542</u>

See accompanying notes to this schedule.

**WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CLASSROOM SITE
YEAR ENDED JUNE 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other local	\$	\$	\$ 15,251	\$ 15,251
State aid and grants			537,655	537,655
Total revenues			<u>552,906</u>	<u>552,906</u>
Expenditures:				
Current -				
Instruction	1,438,704	1,693,300	459,581	1,233,719
Support services - students and staff			1,440	(1,440)
Total expenditures	<u>1,438,704</u>	<u>1,693,300</u>	<u>461,021</u>	<u>1,232,279</u>
Changes in fund balances	<u>(1,438,704)</u>	<u>(1,693,300)</u>	<u>91,885</u>	<u>1,785,185</u>
Fund balances, beginning of year			925,035	925,035
Fund balances (deficits), end of year	<u>\$ (1,438,704)</u>	<u>\$ (1,693,300)</u>	<u>\$ 1,016,920</u>	<u>\$ 2,710,220</u>

See accompanying notes to this schedule.

**WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
OTHER FEDERAL PROJECTS
YEAR ENDED JUNE 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other local	\$	\$	\$ 422	\$ 422
Federal aid, grants and reimbursements			1,239,139	1,239,139
Total revenues			<u>1,239,561</u>	<u>1,239,561</u>
Expenditures:				
Current -				
Instruction		1,246,219	1,051,677	194,542
Support services - students and staff		29,000	27,770	1,230
Support services - administration		166,504	165,942	562
Operation and maintenance of plant services		2,810	2,810	
Operation of non-instructional services		1,800	1,789	11
Capital outlay		709	709	
Total expenditures		<u>1,447,042</u>	<u>1,250,697</u>	<u>196,345</u>
Changes in fund balances		<u>(1,447,042)</u>	<u>(11,136)</u>	<u>1,435,906</u>
Fund balances (deficits), beginning of year			(31,557)	(31,557)
Fund balances (deficits), end of year	<u>\$</u>	<u>\$ (1,447,042)</u>	<u>\$ (42,693)</u>	<u>\$ 1,404,349</u>

See accompanying notes to this schedule.

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WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
ARIZONA STATE RETIREMENT SYSTEM
LAST FIVE FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Measurement date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension (assets) liability	0.08%	0.08%	0.08%	0.08%	0.08%
District's proportionate share of the net pension (assets) liability	\$ 10,747,158	\$ 12,509,175	\$ 12,252,637	\$ 12,144,684	\$ 11,619,226
District's covered payroll	\$ 7,658,587	\$ 7,826,855	\$ 7,113,576	\$ 7,221,331	\$ 7,052,561
District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	140.33%	159.82%	172.24%	168.18%	164.75%
Plan fiduciary net position as a percentage of the total pension liability	73.40%	69.92%	67.06%	68.35%	69.49%

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 861,356	\$ 834,786	\$ 843,735	\$ 771,823	\$ 786,403
Contributions in relation to the actuarially determined contribution	<u>861,356</u>	<u>834,786</u>	<u>843,735</u>	<u>771,823</u>	<u>786,403</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 7,704,436	\$ 7,658,587	\$ 7,826,855	\$ 7,113,576	\$ 7,221,331
Contributions as a percentage of covered payroll	11.18%	10.90%	10.78%	10.85%	10.89%

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

See accompanying notes to this schedule.

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
ARIZONA STATE RETIREMENT SYSTEM - HEALTH INSURANCE PREMIUM
JUNE 30, 2019

	<u>2019</u>	<u>2018</u>
Measurement date	June 30, 2018	June 30, 2017
District's proportion of the net OPEB (assets) liability	0.08%	0.08%
District's proportionate share of the net OPEB (assets) liability	\$ (27,648)	\$ (43,165)
District's covered payroll	\$ 7,658,587	\$ 7,826,855
District's proportionate share of the net OPEB (assets) liability as a percentage of its covered payroll	-0.36%	-0.55%
Plan fiduciary net position as a percentage of the total OPEB liability	102.20%	103.57%

SCHEDULE OF OPEB CONTRIBUTIONS
ARIZONA STATE RETIREMENT SYSTEM - HEALTH INSURANCE PREMIUM
JUNE 30, 2019

	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 35,440	\$ 33,697
Contributions in relation to the actuarially determined contribution	<u>35,440</u>	<u>33,697</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 7,704,436	\$ 7,658,587
Contributions as a percentage of covered payroll	0.46%	0.44%

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

See accompanying notes to this schedule.

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
ARIZONA STATE RETIREMENT SYSTEM - LONG-TERM DISABILITY
JUNE 30, 2019

	<u>2019</u>	<u>2018</u>
Measurement date	June 30, 2018	June 30, 2017
District's proportion of the net OPEB (assets) liability	0.08%	0.08%
District's proportionate share of the net OPEB (assets) liability	\$ 40,269	\$ 28,904
District's covered payroll	\$ 7,658,587	\$ 7,826,855
District's proportionate share of the net OPEB (assets) liability as a percentage of its covered payroll	0.53%	0.37%
Plan fiduciary net position as a percentage of the total OPEB liability	77.83%	84.44%

SCHEDULE OF OPEB CONTRIBUTIONS
ARIZONA STATE RETIREMENT SYSTEM - LONG-TERM DISABILITY
JUNE 30, 2019

	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 12,327	\$ 12,254
Contributions in relation to the actuarially determined contribution	12,327	12,254
Contribution deficiency (excess)	\$	\$
District's covered payroll	\$ 7,704,436	\$ 7,658,587
Contributions as a percentage of covered payroll	0.16%	0.16%

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

See accompanying notes to this schedule.

**WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2019**

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

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

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

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

	Total Expenditures	Fund Balances End of Year
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	\$ 9,221,405	\$ 3,982,094
Activity budgeted as special revenue funds	(270,153)	(695,666)
Activity budgeted as capital projects funds	(41,454)	(1,028,041)
Current-year prepaid items	108,127	
Prior-year prepaid items	(102,180)	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	\$ 8,915,745	\$ 2,258,387

NOTE 2 – PENSION AND OPEB PLAN SCHEDULES

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

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

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

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GOVERNMENTAL FUNDS

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2019

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
<u>ASSETS</u>			
Cash and investments	\$ 1,259,553	\$ 96,255	\$ 1,355,808
Property taxes receivable		12,032	12,032
Deposits	32,562		32,562
Due from governmental entities	176,471		176,471
Total assets	<u>\$ 1,468,586</u>	<u>\$ 108,287</u>	<u>\$ 1,576,873</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 17,802	\$ 37,505	\$ 55,307
Due to other funds	119,667	29,396	149,063
Accrued payroll and employee benefits	17,502		17,502
Total liabilities	<u>154,971</u>	<u>66,901</u>	<u>221,872</u>
Deferred inflows of resources:			
Unavailable revenues - property taxes		8,413	8,413
Unavailable revenues - intergovernmental	134,625		134,625
Total deferred inflows of resources	<u>134,625</u>	<u>8,413</u>	<u>143,038</u>
Fund balances (deficits):			
Restricted	1,314,021	96,255	1,410,276
Unassigned	(135,031)	(63,282)	(198,313)
Total fund balances	<u>1,178,990</u>	<u>32,973</u>	<u>1,211,963</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,468,586</u>	<u>\$ 108,287</u>	<u>\$ 1,576,873</u>

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
YEAR ENDED JUNE 30, 2019

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
Revenues:			
Other local	\$ 120,571	\$ 38,497	\$ 159,068
Property taxes		421,146	421,146
State aid and grants	48,274		48,274
Federal aid, grants and reimbursements	<u>1,823,219</u>		<u>1,823,219</u>
Total revenues	<u>1,992,064</u>	<u>459,643</u>	<u>2,451,707</u>
Expenditures:			
Current -			
Instruction	773,232		773,232
Support services - students and staff	226,739		226,739
Support services - administration	4,264		4,264
Operation and maintenance of plant services	11,162		11,162
Student transportation services	48,348		48,348
Operation of non-instructional services	714,537		714,537
Capital outlay	70,463	890,212	960,675
Total expenditures	<u>1,848,745</u>	<u>890,212</u>	<u>2,738,957</u>
Excess (deficiency) of revenues over expenditures	<u>143,319</u>	<u>(430,569)</u>	<u>(287,250)</u>
Other financing sources (uses):			
Transfers out	<u>(90,970)</u>	<u>(1,507)</u>	<u>(92,477)</u>
Total other financing sources (uses)	<u>(90,970)</u>	<u>(1,507)</u>	<u>(92,477)</u>
Changes in fund balances	<u>52,349</u>	<u>(432,076)</u>	<u>(379,727)</u>
Fund balances, beginning of year	1,126,641	465,049	1,591,690
Fund balances, end of year	<u>\$ 1,178,990</u>	<u>\$ 32,973</u>	<u>\$ 1,211,963</u>

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2019

	Instructional Improvement	County, City, and Town Grants	Title I Grants
<u>ASSETS</u>			
Cash and investments	\$ 361,971	\$	\$
Deposits			
Due from governmental entities	21,478		24,777
Total assets	\$ 383,449	\$	\$ 24,777
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds		406	18,148
Accrued payroll and employee benefits			6,629
Total liabilities	\$	406	24,777
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			24,777
Fund balances (deficits):			
Restricted	383,449		
Unassigned		(406)	(24,777)
Total fund balances	383,449	(406)	(24,777)
 Total liabilities, deferred inflows of resources and fund balances	 \$ 383,449	 \$	 \$ 24,777

<u>Professional Development and Technology Grants</u>	<u>Title IV Grants</u>	<u>Limited English & Immigrant Students</u>	<u>Special Education Grants</u>	<u>E-Rate</u>	<u>Food Service</u>
\$	\$	\$	\$	\$ 139,558	\$ 496,696
2,730	23,391	27,956	55,771	12,869	32,562
<u>\$ 2,730</u>	<u>\$ 23,391</u>	<u>\$ 27,956</u>	<u>\$ 55,771</u>	<u>\$ 152,427</u>	<u>\$ 536,757</u>
\$	\$	\$	\$	\$	\$ 3,018
1,581	15,805	27,956	55,771		
1,149	7,586				2,138
<u>2,730</u>	<u>23,391</u>	<u>27,956</u>	<u>55,771</u>		<u>5,156</u>
<u>2,730</u>	<u>23,391</u>	<u>27,956</u>	<u>55,771</u>		
(2,730)	(23,391)	(27,956)	(55,771)	152,427	531,601
<u>(2,730)</u>	<u>(23,391)</u>	<u>(27,956)</u>	<u>(55,771)</u>	<u>152,427</u>	<u>531,601</u>
<u>\$ 2,730</u>	<u>\$ 23,391</u>	<u>\$ 27,956</u>	<u>\$ 55,771</u>	<u>\$ 152,427</u>	<u>\$ 536,757</u>

(Continued)

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2019

	Civic Center	Community School	Extracurricular Activities Fees Tax Credit
<u>ASSETS</u>			
Cash and investments	\$ 62,279	\$ 3,580	\$ 150,422
Deposits			
Due from governmental entities			
Total assets	\$ 62,279	\$ 3,580	\$ 150,422
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$ 14,784
Due to other funds			
Accrued payroll and employee benefits			
Total liabilities			14,784
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Fund balances (deficits):			
Restricted	62,279	3,580	135,638
Unassigned			
Total fund balances	62,279	3,580	135,638
 Total liabilities, deferred inflows of resources and fund balances	\$ 62,279	\$ 3,580	\$ 150,422

<u>Fingerprint</u>	<u>Textbooks</u>	<u>Insurance Refund</u>	<u>Totals</u>
\$ 867	\$ 12,014	\$ 32,166	\$ 1,259,553
			32,562
			176,471
<u>\$ 867</u>	<u>\$ 12,014</u>	<u>\$ 32,166</u>	<u>\$ 1,468,586</u>
\$	\$	\$	\$ 17,802
			119,667
			17,502
			<u>154,971</u>
			<u>134,625</u>
867	12,014	32,166	1,314,021
			(135,031)
<u>867</u>	<u>12,014</u>	<u>32,166</u>	<u>1,178,990</u>
<u>\$ 867</u>	<u>\$ 12,014</u>	<u>\$ 32,166</u>	<u>\$ 1,468,586</u>

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2019

	Instructional Improvement	County, City, and Town Grants	Title I Grants
Revenues:			
Other local	\$ 9,366	\$ 9,524	\$
State aid and grants	48,274		
Federal aid, grants and reimbursements			507,518
Total revenues	57,640	9,524	507,518
Expenditures:			
Current -			
Instruction	30,766	120	422,480
Support services - students and staff	159		96,697
Support services - administration			3,394
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services		16,891	
Capital outlay			
Total expenditures	30,925	17,011	522,571
Excess (deficiency) of revenues over expenditures	26,715	(7,487)	(15,053)
Other financing sources (uses):			
Transfers out			(9,724)
Total other financing sources (uses)			(9,724)
Changes in fund balances	26,715	(7,487)	(24,777)
Fund balances (deficits), beginning of year	356,734	7,081	
Fund balances (deficits), end of year	\$ 383,449	\$ (406)	\$ (24,777)

Professional Development and Technology Grants	Title IV Grants	Limited English & Immigrant Students	Special Education Grants	E-Rate	Food Service
\$	\$	\$	\$	\$ 1,563	\$ 22,696
<u>27,239</u>	<u>121,636</u>	<u>37,574</u>	<u>188,277</u>	<u>51,883</u>	<u>889,092</u>
<u>27,239</u>	<u>121,636</u>	<u>37,574</u>	<u>188,277</u>	<u>53,446</u>	<u>911,788</u>
	59,403	59,321	164,455		
29,969	24,623	6,039	67,939		
		170	700		
	813			1,668	6,385
					673,596
	<u>13,580</u>		<u>1,194</u>		<u>55,689</u>
<u>29,969</u>	<u>98,419</u>	<u>65,530</u>	<u>234,288</u>	<u>1,668</u>	<u>735,670</u>
<u>(2,730)</u>	<u>23,217</u>	<u>(27,956)</u>	<u>(46,011)</u>	<u>51,778</u>	<u>176,118</u>
	<u>(2,081)</u>		<u>(9,760)</u>		<u>(69,405)</u>
	<u>(2,081)</u>		<u>(9,760)</u>		<u>(69,405)</u>
<u>(2,730)</u>	<u>21,136</u>	<u>(27,956)</u>	<u>(55,771)</u>	<u>51,778</u>	<u>106,713</u>
	(44,527)			100,649	424,888
<u>\$ (2,730)</u>	<u>\$ (23,391)</u>	<u>\$ (27,956)</u>	<u>\$ (55,771)</u>	<u>\$ 152,427</u>	<u>\$ 531,601</u>

(Continued)

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2019

	Civic Center	Community School	Extracurricular Activities Fees Tax Credit
Revenues:			
Other local	\$ 1,105	\$ 30,102	\$ 45,128
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	1,105	30,102	45,128
Expenditures:			
Current -			
Instruction			36,575
Support services - students and staff		228	1,085
Support services - administration			
Operation and maintenance of plant services		3,109	
Student transportation services			47,535
Operation of non-instructional services		24,050	
Capital outlay			
Total expenditures		27,387	85,195
Excess (deficiency) of revenues over expenditures	1,105	2,715	(40,067)
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	1,105	2,715	(40,067)
Fund balances (deficits), beginning of year	61,174	865	175,705
Fund balances, end of year	\$ 62,279	\$ 3,580	\$ 135,638

<u>Fingerprint</u>	<u>Textbooks</u>	<u>Insurance Refund</u>	<u>Grants and Gifts to Teachers</u>	<u>Totals</u>
\$ 18	\$ 353	\$ 715	\$ 1	\$ 120,571
				48,274
				1,823,219
<u>18</u>	<u>353</u>	<u>715</u>	<u>1</u>	<u>1,992,064</u>
			112	773,232
				226,739
				4,264
				11,162
				48,348
				714,537
				70,463
			<u>112</u>	<u>1,848,745</u>
<u>18</u>	<u>353</u>	<u>715</u>	<u>(111)</u>	<u>143,319</u>
				(90,970)
				<u>(90,970)</u>
<u>18</u>	<u>353</u>	<u>715</u>	<u>(111)</u>	<u>52,349</u>
849	11,661	31,451	111	1,126,641
<u>\$ 867</u>	<u>\$ 12,014</u>	<u>\$ 32,166</u>	<u>\$</u>	<u>\$ 1,178,990</u>

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2019

	Instructional Improvement		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 9,366	\$ 9,366
State aid and grants		48,274	48,274
Federal aid, grants and reimbursements			
Total revenues		57,640	57,640
Expenditures:			
Current -			
Instruction	340,914	30,766	310,148
Support services - students and staff		159	(159)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	340,914	30,925	309,989
Excess (deficiency) of revenues over expenditures	(340,914)	26,715	367,629
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	(340,914)	26,715	367,629
Fund balances (deficits), beginning of year		356,734	356,734
Fund balances (deficits), end of year	\$ (340,914)	\$ 383,449	\$ 724,363

County, City, and Town Grants			Title I Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 9,524	\$ 9,524	\$	\$	\$
	<u>9,524</u>	<u>9,524</u>		<u>507,518</u>	<u>507,518</u>
				<u>507,518</u>	<u>507,518</u>
	120	(120)	530,557	422,480	108,077
			97,500	96,697	803
			4,000	3,394	606
26,752	16,891	9,861			
<u>26,752</u>	<u>17,011</u>	<u>9,741</u>	<u>632,057</u>	<u>522,571</u>	<u>109,486</u>
<u>(26,752)</u>	<u>(7,487)</u>	<u>19,265</u>	<u>(632,057)</u>	<u>(15,053)</u>	<u>617,004</u>
				<u>(9,724)</u>	<u>(9,724)</u>
				<u>(9,724)</u>	<u>(9,724)</u>
<u>(26,752)</u>	<u>(7,487)</u>	<u>19,265</u>	<u>(632,057)</u>	<u>(24,777)</u>	<u>607,280</u>
	7,081	7,081			
<u>\$ (26,752)</u>	<u>\$ (406)</u>	<u>\$ 26,346</u>	<u>\$ (632,057)</u>	<u>\$ (24,777)</u>	<u>\$ 607,280</u>

(Continued)

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2019

	Professional Development and Technology Grants		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		27,239	27,239
Total revenues		27,239	27,239
Expenditures:			
Current -			
Instruction			
Support services - students and staff	30,466	29,969	497
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	30,466	29,969	497
Excess (deficiency) of revenues over expenditures	(30,466)	(2,730)	27,736
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	(30,466)	(2,730)	27,736
Fund balances (deficits), beginning of year			
Fund balances (deficits), end of year	\$ (30,466)	\$ (2,730)	\$ 27,736

Title IV Grants			Limited English & Immigrant Students		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	121,636	121,636		37,574	37,574
	121,636	121,636		37,574	37,574
147,184	59,403	87,781	67,625	59,321	8,304
24,650	24,623	27	7,000	6,039	961
			200	170	30
825	813	12			
13,600	13,580	20			
186,259	98,419	87,840	74,825	65,530	9,295
(186,259)	23,217	209,476	(74,825)	(27,956)	46,869
	(2,081)	(2,081)			
	(2,081)	(2,081)			
(186,259)	21,136	207,395	(74,825)	(27,956)	46,869
	(44,527)	(44,527)			
\$ (186,259)	\$ (23,391)	\$ 162,868	\$ (74,825)	\$ (27,956)	\$ 46,869

(Continued)

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2019

	Special Education Grants		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		188,277	188,277
Total revenues		188,277	188,277
Expenditures:			
Current -			
Instruction	204,523	164,455	40,068
Support services - students and staff	68,000	67,939	61
Support services - administration	700	700	
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	1,200	1,194	6
Total expenditures	274,423	234,288	40,135
Excess (deficiency) of revenues over expenditures	(274,423)	(46,011)	228,412
Other financing sources (uses):			
Transfers in			
Transfers out		(9,760)	(9,760)
Total other financing sources (uses)		(9,760)	(9,760)
Changes in fund balances	(274,423)	(55,771)	218,652
Fund balances (deficits), beginning of year			
Fund balances (deficits), end of year	\$ (274,423)	\$ (55,771)	\$ 218,652

Medicaid Reimbursement			E-Rate		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 466	\$ 466	\$	\$ 1,563	\$ 1,563
	<u>466</u>	<u>466</u>		<u>51,883</u>	<u>51,883</u>
	<u>466</u>	<u>466</u>		<u>53,446</u>	<u>53,446</u>
131,000	12,722	118,278			
1,000	891	109	69,121	1,668	67,453
<u>132,000</u>	<u>13,613</u>	<u>118,387</u>	<u>69,121</u>	<u>1,668</u>	<u>67,453</u>
<u>(132,000)</u>	<u>(13,147)</u>	<u>118,853</u>	<u>(69,121)</u>	<u>51,778</u>	<u>120,899</u>
<u>(132,000)</u>	<u>(13,147)</u>	<u>118,853</u>	<u>(69,121)</u>	<u>51,778</u>	<u>120,899</u>
	166,337	166,337		100,649	100,649
<u>\$ (132,000)</u>	<u>\$ 153,190</u>	<u>\$ 285,190</u>	<u>\$ (69,121)</u>	<u>\$ 152,427</u>	<u>\$ 221,548</u>

(Continued)

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2019

	Food Service		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 22,696	\$ 22,696
State aid and grants			
Federal aid, grants and reimbursements		889,092	889,092
Total revenues		<u>911,788</u>	<u>911,788</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services	6,400	6,385	15
Student transportation services			
Operation of non-instructional services	887,900	673,596	214,304
Capital outlay	55,700	55,689	11
Total expenditures	<u>950,000</u>	<u>735,670</u>	<u>214,330</u>
Excess (deficiency) of revenues over expenditures	<u>(950,000)</u>	<u>176,118</u>	<u>1,126,118</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(69,405)	(69,405)
Total other financing sources (uses)		<u>(69,405)</u>	<u>(69,405)</u>
Changes in fund balances	<u>(950,000)</u>	<u>106,713</u>	<u>1,056,713</u>
Fund balances (deficits), beginning of year		424,888	424,888
Fund balances (deficits), end of year	<u>\$ (950,000)</u>	<u>\$ 531,601</u>	<u>\$ 1,481,601</u>

Civic Center			Community School		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 1,105	\$ 1,105	\$	\$ 30,102	\$ 30,102
	<u>1,105</u>	<u>1,105</u>		<u>30,102</u>	<u>30,102</u>
			300	228	72
			3,200	3,109	91
60,961		60,961	33,500	24,050	9,450
<u>60,961</u>		<u>60,961</u>	<u>37,000</u>	<u>27,387</u>	<u>9,613</u>
<u>(60,961)</u>	<u>1,105</u>	<u>62,066</u>	<u>(37,000)</u>	<u>2,715</u>	<u>39,715</u>
<u>(60,961)</u>	<u>1,105</u>	<u>62,066</u>	<u>(37,000)</u>	<u>2,715</u>	<u>39,715</u>
	61,174	61,174		865	865
<u>\$ (60,961)</u>	<u>\$ 62,279</u>	<u>\$ 123,240</u>	<u>\$ (37,000)</u>	<u>\$ 3,580</u>	<u>\$ 40,580</u>

(Continued)

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2019

	Auxiliary Operations		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 290	\$ 290
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		290	290
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services	200	516	(316)
Student transportation services			
Operation of non-instructional services	9,800	6,094	3,706
Capital outlay			
Total expenditures	10,000	6,610	3,390
Excess (deficiency) of revenues over expenditures	(10,000)	(6,320)	3,680
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	(10,000)	(6,320)	3,680
Fund balances (deficits), beginning of year		21,853	21,853
Fund balances (deficits), end of year	\$ (10,000)	\$ 15,533	\$ 25,533

Extracurricular Activities Fees Tax Credit			Gifts and Donations		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 45,128	\$ 45,128	\$	\$ 33,357	\$ 33,357
	<u>45,128</u>	<u>45,128</u>		<u>33,357</u>	<u>33,357</u>
67,832	36,575	31,257	202,474	20,099	182,375
2,000	1,085	915	17,900	17,119	781
			600	600	
50,000	47,535	2,465			
			24,500	24,214	286
			4,000	3,367	633
<u>119,832</u>	<u>85,195</u>	<u>34,637</u>	<u>249,474</u>	<u>65,399</u>	<u>184,075</u>
<u>(119,832)</u>	<u>(40,067)</u>	<u>79,765</u>	<u>(249,474)</u>	<u>(32,042)</u>	<u>217,432</u>
<u>(119,832)</u>	<u>(40,067)</u>	<u>79,765</u>	<u>(249,474)</u>	<u>(32,042)</u>	<u>217,432</u>
	175,705	175,705		196,133	196,133
<u>\$ (119,832)</u>	<u>\$ 135,638</u>	<u>\$ 255,470</u>	<u>\$ (249,474)</u>	<u>\$ 164,091</u>	<u>\$ 413,565</u>

(Continued)

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2019

	Fingerprint		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 18	\$ 18
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	18	18	18
Expenditures:			
Current -			
Instruction	1,200		1,200
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	1,200		1,200
Excess (deficiency) of revenues over expenditures	(1,200)	18	1,218
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	(1,200)	18	1,218
Fund balances (deficits), beginning of year		849	849
Fund balances (deficits), end of year	\$ (1,200)	\$ 867	\$ 2,067

Textbooks			Indirect Costs		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 353	\$ 353	\$	\$ 13,818	\$ 13,818
	<u>353</u>	<u>353</u>		<u>13,818</u>	<u>13,818</u>
10,000		10,000	8,000	7,168	832
			80,000	77,667	2,333
			386,328	99,696	286,632
<u>10,000</u>	<u></u>	<u>10,000</u>	<u>474,328</u>	<u>184,531</u>	<u>289,797</u>
<u>(10,000)</u>	<u>353</u>	<u>10,353</u>	<u>(474,328)</u>	<u>(170,713)</u>	<u>303,615</u>
				90,970	90,970
				<u>90,970</u>	<u>90,970</u>
<u>(10,000)</u>	<u>353</u>	<u>10,353</u>	<u>(474,328)</u>	<u>(79,743)</u>	<u>394,585</u>
	11,661	11,661		442,595	442,595
<u>\$ (10,000)</u>	<u>\$ 12,014</u>	<u>\$ 22,014</u>	<u>\$ (474,328)</u>	<u>\$ 362,852</u>	<u>\$ 837,180</u>

(Continued)

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2019

	Insurance Refund		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 715	\$ 715
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		715	715
Expenditures:			
Current -			
Instruction	32,000		32,000
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	32,000		32,000
Excess (deficiency) of revenues over expenditures	(32,000)	715	32,715
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	(32,000)	715	32,715
Fund balances (deficits), beginning of year		31,451	31,451
Fund balances (deficits), end of year	\$ (32,000)	\$ 32,166	\$ 64,166

Grants and Gifts to Teachers			Totals		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 1	\$ 1	\$	\$ 168,502	\$ 168,502
				48,274	48,274
				1,823,219	1,823,219
	<u>1</u>	<u>1</u>		<u>2,039,995</u>	<u>2,039,995</u>
500	112	388	1,743,809	813,221	930,588
			327,816	321,525	6,291
			391,828	104,560	287,268
			78,921	11,678	67,243
			51,825	49,239	2,586
			1,043,413	744,845	298,568
			74,500	73,830	670
<u>500</u>	<u>112</u>	<u>388</u>	<u>3,712,112</u>	<u>2,118,898</u>	<u>1,593,214</u>
<u>(500)</u>	<u>(111)</u>	<u>389</u>	<u>(3,712,112)</u>	<u>(78,903)</u>	<u>3,633,209</u>
				90,970	90,970
				<u>(90,970)</u>	<u>(90,970)</u>
<u>(500)</u>	<u>(111)</u>	<u>389</u>	<u>(3,712,112)</u>	<u>(78,903)</u>	<u>3,633,209</u>
	111	111		1,953,559	1,953,559
<u>\$ (500)</u>	<u>\$</u>	<u>\$ 500</u>	<u>\$ (3,712,112)</u>	<u>\$ 1,874,656</u>	<u>\$ 5,586,768</u>

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DEBT SERVICE FUND

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

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2019

	Debt Service		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 9,556	\$ 9,556
Property taxes		704,766	704,766
Total revenues		<u>714,322</u>	<u>714,322</u>
Expenditures:			
Debt service -			
Principal retirement	550,000	510,000	40,000
Interest and fiscal charges	200,000	187,624	12,376
Total expenditures	<u>750,000</u>	<u>697,624</u>	<u>52,376</u>
Excess (deficiency) of revenues over expenditures	<u>(750,000)</u>	<u>16,698</u>	<u>766,698</u>
Other financing sources (uses):			
Transfers in		1,507	1,507
Total other financing sources (uses)		<u>1,507</u>	<u>1,507</u>
Changes in fund balances	<u>(750,000)</u>	<u>18,205</u>	<u>768,205</u>
Fund balances, beginning of year		11,408	11,408
Fund balances (deficits), end of year	<u>\$ (750,000)</u>	<u>\$ 29,613</u>	<u>\$ 779,613</u>

CAPITAL PROJECTS FUNDS

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

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

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

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

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

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

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2019

	Unrestricted Capital Outlay	Bond Building	Totals
<u>ASSETS</u>			
Cash and investments	\$	\$ 96,255	\$ 96,255
Property taxes receivable	12,032		12,032
Total assets	\$ 12,032	\$ 96,255	\$ 108,287
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 37,505	\$	\$ 37,505
Due to other funds	29,396		29,396
Total liabilities	66,901		66,901
Deferred inflows of resources:			
Unavailable revenues - property taxes	8,413		8,413
Fund balances (deficits):			
Restricted		96,255	96,255
Unassigned	(63,282)		(63,282)
Total fund balances	(63,282)	96,255	32,973
 Total liabilities, deferred inflows of resources and fund balances	\$ 12,032	\$ 96,255	\$ 108,287

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WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2019

	Unrestricted Capital Outlay	Bond Building	Building Renewal Grant
Revenues:			
Other local	\$ 36,986	\$ 1,507	\$ 4
Property taxes	421,146		
Total revenues	458,132	1,507	4
Expenditures:			
Capital outlay	890,212		
Total expenditures	890,212		
Excess (deficiency) of revenues over expenditures	(432,080)	1,507	4
Other financing sources (uses):			
Transfers out		(1,507)	
Total other financing sources (uses)		(1,507)	
Changes in fund balances	(432,080)		4
Fund balances (deficits), beginning of year	368,798	96,255	(4)
Fund balances (deficits), end of year	\$ (63,282)	\$ 96,255	\$

Totals

\$ 38,497
421,146
459,643

890,212
890,212
(430,569)

(1,507)
(1,507)
(432,076)

465,049
\$ 32,973

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2019

	School Plant		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
Revenues:			
Other local	\$	\$ 86,542	\$ 86,542
Property taxes			
Total revenues		<u>86,542</u>	<u>86,542</u>
Expenditures:			
Current -			
Instruction			
Operation and maintenance of plant services	879,006	31,055	847,951
Operation of non-instructional services	3,000	2,093	907
Capital outlay	8,400	8,306	94
Total expenditures	<u>890,406</u>	<u>41,454</u>	<u>848,952</u>
Excess (deficiency) of revenues over expenditures	<u>(890,406)</u>	<u>45,088</u>	<u>935,494</u>
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	<u>(890,406)</u>	<u>45,088</u>	<u>935,494</u>
Fund balances (deficits), beginning of year		800,860	800,860
Fund balances (deficits), end of year	<u>\$ (890,406)</u>	<u>\$ 845,948</u>	<u>\$ 1,736,354</u>

Insurance Proceeds			Litigation Recovery		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 974	\$ 974	\$	\$ 2,991	\$ 2,991
	<u>974</u>	<u>974</u>		<u>2,991</u>	<u>2,991</u>
132,000		132,000	135,000		135,000
<u>132,000</u>		<u>132,000</u>	<u>135,000</u>		<u>135,000</u>
<u>(132,000)</u>	<u>974</u>	<u>132,974</u>	<u>(135,000)</u>	<u>2,991</u>	<u>137,991</u>
<u>(132,000)</u>	<u>974</u>	<u>132,974</u>	<u>(135,000)</u>	<u>2,991</u>	<u>137,991</u>
	42,857	42,857		135,271	135,271
<u>\$ (132,000)</u>	<u>\$ 43,831</u>	<u>\$ 175,831</u>	<u>\$ (135,000)</u>	<u>\$ 138,262</u>	<u>\$ 273,262</u>

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WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2019

	Unrestricted Capital Outlay		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 36,986	\$ 36,986
Property taxes		421,146	421,146
Total revenues		458,132	458,132
Expenditures:			
Current -			
Instruction			
Operation and maintenance of plant services			
Operation of non-instructional services			
Capital outlay	1,175,503	890,212	285,291
Total expenditures	1,175,503	890,212	285,291
Excess (deficiency) of revenues over expenditures	(1,175,503)	(432,080)	743,423
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	(1,175,503)	(432,080)	743,423
Fund balances (deficits), beginning of year		368,798	368,798
Fund balances (deficits), end of year	\$ (1,175,503)	\$ (63,282)	\$ 1,112,221

<u>Bond Building</u>			<u>Building Renewal Grant</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
\$	\$ 1,507	\$ 1,507	\$	\$ 4	\$ 4
	<u>1,507</u>	<u>1,507</u>		<u>4</u>	<u>4</u>
			<u>7,600</u>		<u>7,600</u>
			<u>7,600</u>		<u>7,600</u>
	<u>1,507</u>	<u>1,507</u>	<u>(7,600)</u>	<u>4</u>	<u>7,604</u>
	<u>(1,507)</u>	<u>(1,507)</u>			
	<u>(1,507)</u>	<u>(1,507)</u>			
			<u>(7,600)</u>	<u>4</u>	<u>7,604</u>
	<u>96,255</u>	<u>96,255</u>		<u>(4)</u>	<u>(4)</u>
<u>\$</u>	<u>\$ 96,255</u>	<u>\$ 96,255</u>	<u>\$ (7,600)</u>	<u>\$</u>	<u>\$ 7,600</u>

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WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2019

	Totals		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 129,004	\$ 129,004
Property taxes		421,146	421,146
Total revenues		<u>550,150</u>	<u>550,150</u>
Expenditures:			
Current -			
Instruction	267,000		267,000
Operation and maintenance of plant services	879,006	31,055	847,951
Operation of non-instructional services	3,000	2,093	907
Capital outlay	1,191,503	898,518	292,985
Total expenditures	<u>2,340,509</u>	<u>931,666</u>	<u>1,408,843</u>
Excess (deficiency) of revenues over expenditures	<u>(2,340,509)</u>	<u>(381,516)</u>	<u>1,958,993</u>
Other financing sources (uses):			
Transfers out		(1,507)	(1,507)
Total other financing sources (uses)		<u>(1,507)</u>	<u>(1,507)</u>
Changes in fund balances	<u>(2,340,509)</u>	<u>(383,023)</u>	<u>1,957,486</u>
Fund balances (deficits), beginning of year		1,444,037	1,444,037
Fund balances (deficits), end of year	<u>\$ (2,340,509)</u>	<u>\$ 1,061,014</u>	<u>\$ 3,401,523</u>

AGENCY FUNDS

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

Flexible Spending Withholding - to account for voluntary deductions temporarily held by the District as an agent.

**WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
 COMBINING STATEMENT OF ASSETS AND LIABILITIES
 AGENCY FUNDS
 JUNE 30, 2019**

	<u>Student Activities</u>	<u>Flex Spending Withholding</u>	<u>Totals</u>
<u>ASSETS</u>			
Cash and investments	\$ 13,499	\$ 30,645	\$ 44,144
Total assets	<u>\$ 13,499</u>	<u>\$ 30,645</u>	<u>\$ 44,144</u>
<u>LIABILITIES</u>			
Deposits held for others	\$	\$ 30,645	\$ 30,645
Due to student groups	13,499		13,499
Total liabilities	<u>\$ 13,499</u>	<u>\$ 30,645</u>	<u>\$ 44,144</u>

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2019

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<u>STUDENT ACTIVITIES FUND</u>				
<u>Assets</u>				
Cash and investments	\$ <u>9,415</u>	<u>66,900</u>	<u>62,816</u>	\$ <u>13,499</u>
Total assets	\$ <u><u>9,415</u></u>	\$ <u><u>66,900</u></u>	<u><u>62,816</u></u>	\$ <u><u>13,499</u></u>
<u>Liabilities</u>				
Due to student groups	\$ <u>9,415</u>	\$ <u>66,900</u>	<u>62,816</u>	\$ <u>13,499</u>
Total liabilities	\$ <u><u>9,415</u></u>	\$ <u><u>66,900</u></u>	<u><u>62,816</u></u>	\$ <u><u>13,499</u></u>
<u>FLEX SPENDING WITHHOLDING</u>				
<u>Assets</u>				
Cash and investments	\$ <u>26,122</u>	\$ <u>28,940</u>	<u>24,417</u>	\$ <u>30,645</u>
Total assets	\$ <u><u>26,122</u></u>	\$ <u><u>28,940</u></u>	<u><u>24,417</u></u>	\$ <u><u>30,645</u></u>
<u>Liabilities</u>				
Deposits held for others	\$ <u>26,122</u>	\$ <u>28,940</u>	<u>24,417</u>	\$ <u>30,645</u>
Total liabilities	\$ <u><u>26,122</u></u>	\$ <u><u>28,940</u></u>	<u><u>24,417</u></u>	\$ <u><u>30,645</u></u>
<u>TOTAL AGENCY FUNDS</u>				
<u>Assets</u>				
Cash and investments	\$ <u>35,537</u>	\$ <u>95,840</u>	<u>87,233</u>	\$ <u>44,144</u>
Total assets	\$ <u><u>35,537</u></u>	\$ <u><u>95,840</u></u>	<u><u>87,233</u></u>	\$ <u><u>44,144</u></u>
<u>Liabilities</u>				
Deposits held for others	\$ <u>26,122</u>	\$ <u>28,940</u>	<u>24,417</u>	\$ <u>30,645</u>
Due to student groups	<u>9,415</u>	<u>66,900</u>	<u>62,816</u>	<u>13,499</u>
Total liabilities	\$ <u><u>35,537</u></u>	\$ <u><u>95,840</u></u>	<u><u>87,233</u></u>	\$ <u><u>44,144</u></u>

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STATISTICAL SECTION

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Net Position:					
Net investment in capital assets	\$ 19,283,466	\$ 19,784,122	\$ 20,199,199	\$ 20,965,504	\$ 21,476,124
Restricted	2,515,573	2,697,296	4,515,647	3,795,160	4,234,113
Unrestricted	(6,447,687)	(7,655,722)	(7,836,389)	(8,822,880)	(10,670,841)
Total net position	\$ 15,351,352	\$ 14,825,696	\$ 16,878,457	\$ 15,937,784	\$ 15,039,396
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Net Position:					
Net investment in capital assets	\$ 22,495,079	\$ 23,396,378	\$ 24,369,501	\$ 22,883,674	\$ 20,655,595
Restricted	3,158,431	3,455,933	2,942,242	2,559,053	1,432,186
Unrestricted	3,035,743	3,442,709	3,598,098	3,827,299	5,396,095
Total net position	\$ 28,689,253	\$ 30,295,020	\$ 30,909,841	\$ 29,270,026	\$ 27,483,876

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

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Expenses					
Instruction	\$ 7,828,753	\$ 8,407,481	\$ 8,249,707	\$ 7,712,209	\$ 7,832,833
Support services - students and staff	1,541,987	1,578,166	1,800,203	1,592,429	1,792,102
Support services - administration	1,853,359	2,027,781	1,605,536	1,590,197	1,551,643
Operation and maintenance of plant services	1,579,713	1,665,081	1,750,964	1,583,438	1,570,662
Student transportation services	493,532	633,032	415,506	366,893	366,295
Operation of non-instructional services	811,577	855,459	820,163	824,576	756,655
Interest on long-term debt	176,880	197,505	216,500	233,505	243,707
Total expenses	<u>14,285,801</u>	<u>15,364,505</u>	<u>14,858,579</u>	<u>13,903,247</u>	<u>14,113,897</u>
Program Revenues					
Charges for services:					
Instruction	517,527	369,879	276,195	408,928	290,870
Operation of non-instructional services	17,260	47,537	46,423	8,915	2,079
Other activities					57,169
Operating grants and contributions	3,123,721	3,419,434	4,293,534	3,797,689	3,241,819
Capital grants and contributions	72,176	123,051	4,266	41,579	166,225
Total program revenues	<u>3,730,684</u>	<u>3,959,901</u>	<u>4,620,418</u>	<u>4,257,111</u>	<u>3,758,162</u>
Net (Expense)/Revenue	<u>\$ (10,555,117)</u>	<u>\$ (11,404,604)</u>	<u>\$ (10,238,161)</u>	<u>\$ (9,646,136)</u>	<u>\$ (10,355,735)</u>

(Continued)

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Expenses					
Instruction	\$ 7,732,734	\$ 7,940,289	\$ 7,568,140	\$ 7,578,173	\$ 7,960,466
Support services - students and staff	1,837,414	1,886,538	1,600,467	1,988,059	1,884,960
Support services - administration	1,483,330	1,448,972	1,432,779	1,514,968	1,543,331
Operation and maintenance of plant services	1,608,197	1,710,272	1,582,060	1,710,143	1,616,105
Student transportation services	396,751	383,604	358,637	382,586	249,061
Operation of non-instructional services	767,656	726,337	747,170	703,862	780,457
Interest on long-term debt	197,590	140,456	118,224	249,869	375,875
Total expenses	<u>14,023,672</u>	<u>14,236,468</u>	<u>13,407,477</u>	<u>14,127,660</u>	<u>14,410,255</u>
Program Revenues					
Charges for services:					
Instruction	318,120	303,650	177,193	2,209	227,581
Operation of non-instructional services	11,149	23,216	97,265	35,257	108,678
Other activities	26,200	2,650	32,659	119,892	85,102
Operating grants and contributions	3,050,425	3,237,269	3,233,576	3,594,173	3,502,702
Capital grants and contributions	20,653	21,595	73,012	511,795	39,283
Total program revenues	<u>3,426,547</u>	<u>3,588,380</u>	<u>3,613,705</u>	<u>4,263,326</u>	<u>3,963,346</u>
Net (Expense)/Revenue	<u>\$ (10,597,125)</u>	<u>\$ (10,648,088)</u>	<u>\$ (9,793,772)</u>	<u>\$ (9,864,334)</u>	<u>\$ (10,446,909)</u>

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

(Concluded)

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Net (Expense)/Revenue	\$ (10,555,117)	\$ (11,404,604)	\$ (10,238,161)	\$ (9,646,136)	\$ (10,355,735)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	5,086,597	4,986,522	5,398,469	4,917,026	4,520,751
Property taxes, levied for debt service	707,170	280,695	973,556	724,654	594,897
Property taxes, levied for capital outlay	411,060	450,066	742,272	721,584	470,794
Investment income	87,300	80,210	40,814	35,094	34,184
Unrestricted county aid	400,296	308,455	351,730	344,777	336,468
Unrestricted state aid	4,388,350	3,243,949	3,671,993	3,801,389	3,526,477
Unrestricted federal aid					3,256
Total general revenues	<u>11,080,773</u>	<u>9,349,897</u>	<u>11,178,834</u>	<u>10,544,524</u>	<u>9,486,827</u>
Changes in Net Position	<u>\$ 525,656</u>	<u>\$ (2,054,707)</u>	<u>\$ 940,673</u>	<u>\$ 898,388</u>	<u>\$ (868,908)</u>

(Continued)

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Net (Expense)/Revenue	\$ (10,597,125)	\$ (10,648,088)	\$ (9,793,772)	\$ (9,864,334)	\$ (10,446,909)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	4,521,958	5,250,001	6,400,254	4,760,351	4,520,488
Property taxes, levied for debt service	415,428	341,170	324,302	2,530,196	2,330,642
Property taxes, levied for capital outlay	457,803	1,080,308	1,150,147	1,627,407	1,148,310
Investment income	30,054	16,393	9,996	40,540	74,830
Unrestricted county aid	302,645	294,474	279,845	251,783	273,050
Unrestricted state aid	3,263,446	3,047,640	3,257,460	2,410,801	3,189,863
Unrestricted federal aid	24	3,281	11,583	29,406	281,623
Total general revenues	<u>8,991,358</u>	<u>10,033,267</u>	<u>11,433,587</u>	<u>11,650,484</u>	<u>11,818,806</u>
Changes in Net Position	<u>\$ (1,605,767)</u>	<u>\$ (614,821)</u>	<u>\$ 1,639,815</u>	<u>\$ 1,786,150</u>	<u>\$ 1,371,897</u>

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

(Concluded)

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Fund:					
Nonspendable	\$ 121,399	\$ 322,505	\$ 213,619	\$ 165,514	\$ 182,580
Restricted	138,262	135,271	132,479	129,959	128,765
Unassigned	3,722,433	3,015,182	3,340,891	2,920,585	2,395,902
Total General Fund	\$ 3,982,094	\$ 3,472,958	\$ 3,686,989	\$ 3,216,058	\$ 2,707,247
All Other Governmental Funds:					
Restricted	\$ 2,456,810	\$ 2,572,664	\$ 5,274,574	\$ 4,942,250	\$ 5,535,031
Unassigned	(241,006)	(76,088)			
Total all other governmental funds	\$ 2,215,804	\$ 2,496,576	\$ 5,274,574	\$ 4,942,250	\$ 5,535,031

(Continued)

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
General Fund:					
Nondisposable	\$ 635,660	\$ 702,103	\$ 1,108,004	\$ 1,233,609	\$
Restricted	148,300	147,519	146,037	144,308	
Unassigned	2,239,560	2,705,412	1,983,106	(539,929)	
Reserved					1,154,672
Unreserved					(408,244)
Total General Fund	<u>\$ 3,023,520</u>	<u>\$ 3,555,034</u>	<u>\$ 3,237,147</u>	<u>\$ 837,988</u>	<u>\$ 746,428</u>
All Other Governmental Funds:					
Restricted	\$ 4,547,006	\$ 3,107,209	\$ 2,569,493	\$ 2,155,363	\$
Assigned				918,924	
Unassigned	(38,913)	(104,039)			
Reserved					
Unreserved, reported in:					
Special revenue funds					2,058,416
Capital projects funds					3,675,427
Debt service fund					78,841
Total all other governmental funds	<u>\$ 4,508,093</u>	<u>\$ 3,003,170</u>	<u>\$ 2,569,493</u>	<u>\$ 3,074,287</u>	<u>\$ 5,812,684</u>

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

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

(Concluded)

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Federal sources:					
Federal grants	\$ 2,173,266	\$ 2,475,066	\$ 3,288,904	\$ 2,759,944	\$ 2,585,909
National School Lunch Program	889,092	875,025	786,221	941,204	810,754
Total federal sources	<u>3,062,358</u>	<u>3,350,091</u>	<u>4,075,125</u>	<u>3,701,148</u>	<u>3,396,663</u>
State sources:					
State equalization assistance	3,755,253	2,654,860	3,171,661	3,309,094	3,056,246
State grants			59,288	43,337	
School Facilities Board				7,597	19,186
Other revenues	633,097	589,089	500,332	492,295	470,231
Total state sources	<u>4,388,350</u>	<u>3,243,949</u>	<u>3,731,281</u>	<u>3,852,323</u>	<u>3,545,663</u>
Local sources:					
Property taxes	6,241,013	5,771,376	7,105,668	6,335,758	5,600,747
County aid	400,296	308,455	351,730	344,777	336,468
Food service sales	8,822	5,164	11,359		2,528
Investment income	120,894	80,210	40,814	35,094	34,184
Other revenues	577,440	519,753	428,099	560,019	358,086
Total local sources	<u>7,348,465</u>	<u>6,684,958</u>	<u>7,937,670</u>	<u>7,275,648</u>	<u>6,332,013</u>
Total revenues	<u><u>\$ 14,799,173</u></u>	<u><u>\$ 13,278,998</u></u>	<u><u>\$ 15,744,076</u></u>	<u><u>\$ 14,829,119</u></u>	<u><u>\$ 13,274,339</u></u>

(Continued)

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Federal sources:					
Federal grants	\$ 2,157,830	\$ 2,306,447	\$ 2,287,617	\$ 2,986,996	\$ 2,609,051
State Fiscal Stabilization (ARRA)				29,406	281,623
Education Jobs			14,528	191,814	
National School Lunch Program	809,319	774,401	777,465	735,853	765,610
Total federal sources	<u>2,967,149</u>	<u>3,080,848</u>	<u>3,079,610</u>	<u>3,944,069</u>	<u>3,656,284</u>
State sources:					
State equalization assistance	2,821,699	2,667,121	2,546,841	2,067,653	2,536,117
State grants	78,528	74,748	79,794	82,421	136,674
School Facilities Board			390,108	43,540	410,892
Other revenues	441,747	380,519	320,511	299,608	324,145
Total state sources	<u>3,341,974</u>	<u>3,122,388</u>	<u>3,337,254</u>	<u>2,493,222</u>	<u>3,407,828</u>
Local sources:					
Property taxes	5,434,757	6,947,903	7,985,362	8,758,777	7,958,273
County aid	302,645	294,474	279,845	251,783	273,050
Food service sales	11,149	23,030	24,743	28,285	29,574
Investment income	30,054	16,393	9,996	40,540	74,830
Other revenues	411,946	378,939	384,757	227,755	410,883
Total local sources	<u>6,190,551</u>	<u>7,660,739</u>	<u>8,684,703</u>	<u>9,307,140</u>	<u>8,746,610</u>
Total revenues	<u>\$ 12,499,674</u>	<u>\$ 13,863,975</u>	<u>\$ 15,101,567</u>	<u>\$ 15,744,431</u>	<u>\$ 15,810,722</u>

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

(Concluded)

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Expenditures:					
Current -					
Instruction	\$ 6,935,261	\$ 7,109,738	\$ 7,197,547	\$ 6,977,321	\$ 6,310,026
Support services - students and staff	1,535,849	1,530,811	1,629,983	1,420,905	1,351,366
Support services - administration	1,637,286	1,634,919	1,421,202	1,401,886	1,424,540
Operation and maintenance of plant services	1,466,489	1,499,620	1,590,815	1,530,517	1,462,342
Student transportation services	339,608	325,342	314,567	342,067	291,019
Operation of non-instructional services	784,530	811,793	796,186	802,636	722,237
Capital outlay	973,057	2,779,441	1,341,382	1,716,442	1,605,960
Debt service -					
Interest and fiscal charges	187,624	208,249	227,244	244,249	254,451
Principal retirement	510,000	480,000	470,000	460,000	380,000
Bond issuance costs					97,488
Total expenditures	<u>\$ 14,369,704</u>	<u>\$ 16,379,913</u>	<u>\$ 14,988,926</u>	<u>\$ 14,896,023</u>	<u>\$ 13,899,429</u>
Expenditures for capitalized assets	\$ 310,563	\$ 1,302,047	\$ 447,088	\$ 1,568,889	\$ 1,089,397
Debt service as a percentage of noncapital expenditures	5%	5%	5%	5%	5%

(Continued)

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Expenditures:					
Current -					
Instruction	\$ 6,288,991	\$ 6,000,295	\$ 5,956,282	\$ 5,805,422	\$ 6,023,655
Support services - students and staff	1,424,491	1,593,614	1,309,334	1,732,427	1,729,560
Support services - administration	1,260,695	1,316,715	1,314,601	1,357,917	1,365,284
Operation and maintenance of plant services	1,592,127	1,545,897	1,395,389	1,635,835	1,504,936
Student transportation services	327,783	345,563	309,637	245,545	231,852
Operation of non-instructional services	724,562	704,290	676,357	667,052	735,165
Capital outlay	1,277,343	819,680	1,621,773	4,591,135	2,377,584
Debt service -					
Interest and fiscal charges	202,782	140,456	118,224	249,869	354,146
Principal retirement	270,000	240,000	380,000	2,185,000	2,700,000
Bond issuance costs	84,500				26,286
Total expenditures	<u>\$ 13,453,274</u>	<u>\$ 12,706,510</u>	<u>\$ 13,081,597</u>	<u>\$ 18,470,202</u>	<u>\$ 17,048,468</u>
Expenditures for capitalized assets	\$ 669,228	\$ 755,749	\$ 1,125,109	\$ 3,360,741	\$ 1,478,052
Debt service as a percentage of noncapital expenditures	4%	3%	4%	16%	20%

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

(Concluded)

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
OTHER FINANCING SOURCES AND USES AND NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Excess (deficiency) of revenues over expenditures	\$ 429,469	\$ (3,100,915)	\$ 755,150	\$ (66,904)	\$ (625,090)
Other financing sources (uses):					
General obligation bonds issued					1,700,000
Premium on sale of bonds					88,835
Transfers in	92,477	142,111	16,837	155,002	68,129
Transfers out	(92,477)	(142,111)	(16,837)	(155,002)	(68,129)
Total other financing sources (uses)	1,993,452	(244,735)	(91,879)	(206,994)	(45,896)
Changes in fund balances	\$ 429,469	\$ (3,100,915)	\$ 755,150	\$ (66,904)	\$ 1,163,745
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Excess (deficiency) of revenues over expenditures	\$ (953,600)	\$ 1,157,465	\$ 2,019,970	\$ (2,725,771)	\$ (1,237,746)
Other financing sources (uses):					
General obligation bonds issued	1,900,000				2,930,000
Premium on sale of bonds	93,452				50,565
Transfers in	379,585	244,735	91,879	206,994	45,896
Transfers out	(379,585)	(244,735)	(91,879)	(206,994)	(45,896)
Total other financing sources (uses)	1,993,452	(244,735)	(91,879)	(206,994)	(45,896)
Changes in fund balances	\$ 1,039,852	\$ 1,157,465	\$ 2,019,970	\$ (2,725,771)	\$ 1,742,819

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

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
NET LIMITED VALUE AND FULL CASH VALUE OF TAXABLE PROPERTY BY CLASS
LAST TEN FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Commercial, Industrial, Utilities and Mining	\$ 97,280,528	\$ 102,275,921	\$ 85,461,049	\$ 74,877,175	\$ 73,102,214
Agricultural and Vacant	2,124,953	2,183,196	2,484,492	2,769,346	2,667,056
Residential (Owner Occupied)	599,202	564,723	561,290	535,597	538,413
Residential (Rental)	2,106,129	2,428,828	2,281,503	2,179,427	1,867,708
Railroad, Private Cars and Airlines	343,613	360,976	340,803	367,296	381,637
Historical Property					318,020
Total	<u>\$ 102,454,425</u>	<u>\$ 107,813,644</u>	<u>\$ 91,129,137</u>	<u>\$ 80,728,841</u>	<u>\$ 78,875,048</u>
Gross Full Cash Value	\$ 2,538,874,701	\$ 2,529,310,435	\$ 2,430,275,685	\$ 2,304,810,851	\$ 2,194,527,312
Ratio of Net Limited Assessed Value to Gross Full Cash Value	4%	4%	4%	4%	4%
Total Direct Rate	5.99	5.69	6.82	6.87	6.75

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Commercial, Industrial, Utilities and Mining	\$ 76,982,497	\$ 89,758,818	\$ 102,636,212	\$ 124,359,200	\$ 137,111,740
Agricultural and Vacant	2,810,303	3,077,677	4,374,870	4,845,584	4,274,168
Residential (Owner Occupied)	498,189	779,471	1,015,067	2,059,866	2,591,292
Residential (Rental)	1,481,509	1,390,831	1,884,960	2,083,571	1,844,720
Railroad, Private Cars and Airlines	310,897	317,388	295,335	297,162	309,486
Historical Property	389,892	320,971	152,582	164,097	166,000
Total	<u>\$ 82,473,287</u>	<u>\$ 95,645,156</u>	<u>\$ 110,359,026</u>	<u>\$ 133,809,480</u>	<u>\$ 146,297,406</u>
Gross Full Cash Value	\$ 2,288,757,320	\$ 2,504,824,477	\$ 2,752,126,376	\$ 2,923,535,459	\$ 3,079,963,254
Ratio of Net Limited Assessed Value to Gross Full Cash Value	4%	4%	4%	5%	5%
Total Direct Rate	6.39	7.03	6.99	6.32	5.22

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

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

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
NET FULL CASH ASSESSED VALUE OF TAXABLE PROPERTY BY CLASS
LAST TEN FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Commercial, Industrial, Utilities and Mining	\$ 116,816,880	\$ 117,479,476	\$ 96,374,724	\$ 81,065,220	\$ 73,561,426
Agricultural and Vacant	2,485,335	2,490,736	2,883,612	3,162,965	2,997,081
Residential (Owner Occupied)	1,467,689	1,120,386	1,040,197	776,341	695,840
Residential (Rental)	4,661,236	5,019,477	3,574,170	3,052,859	2,310,823
Railroad, Private Cars and Airlines	414,026	420,409	364,680	374,258	385,161
Historical Property					1,208,476
Total	\$ 125,845,166	\$ 126,530,484	\$ 104,237,383	\$ 88,431,643	\$ 81,158,807
Gross Full Cash Value	\$ 2,538,874,701	\$ 2,529,310,435	\$ 2,430,275,685	\$ 2,304,810,851	\$ 2,194,527,312
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	5%	5%	4%	4%	4%
Estimated Net Full Cash Value	\$ 802,470,775	\$ 806,293,495	\$ 667,973,173	\$ 538,908,138	\$ 491,889,419
Total Direct Rate	5.99	5.69	6.82	6.87	6.75

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Commercial, Industrial, Utilities and Mining	\$ 77,133,979	\$ 89,872,463	\$ 103,070,472	\$ 133,498,046	\$ 152,443,316
Agricultural and Vacant	2,830,353	3,099,674	4,435,338	5,935,132	6,067,080
Residential (Owner Occupied)	499,196	780,955	1,016,934	2,082,570	3,424,802
Residential (Rental)	1,498,370	1,591,855	2,095,067	2,196,163	2,497,018
Railroad, Private Cars and Airlines	313,839	323,447	329,841	355,209	365,600
Historical Property	1,520,578	1,283,885	610,327	689,112	730,405
Total	\$ 83,796,315	\$ 96,952,279	\$ 111,557,979	\$ 144,756,232	\$ 165,528,221
Gross Full Cash Value	\$ 2,288,757,320	\$ 2,504,824,477	\$ 2,752,126,376	\$ 2,923,535,459	\$ 3,079,963,254
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	4%	4%	4%	5%	5%
Estimated Net Full Cash Value	\$ 504,528,518	\$ 579,960,921	\$ 665,483,334	\$ 848,065,326	\$ 955,713,294
Total Direct Rate	6.39	7.03	6.99	6.32	5.22

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

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

**WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
PROPERTY TAX ASSESSMENT RATIOS
LAST TEN FISCAL YEARS**

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Commercial, Industrial, Utilities and Mining	18 %	18 %	18 %	19 %	19 %
Agricultural and Vacant	15	15	15	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	14	15	14	15	16

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Commercial, Industrial, Utilities and Mining	20 %	20 %	20 %	21 %	22 %
Agricultural and Vacant	16	16	16	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	15	15	15	17	18

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

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

**WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Overlapping Rates								District Direct Rates		
	State Equalization	County	Community College District	Flood Control District	Central AZ Water Conservation District	City of Phoenix	Phoenix Union High School District	Primary	Secondary	Total	
	2019	0.47	1.40	1.38	0.18	0.14	2.14	5.20	2.33	3.66	5.99
2018	0.49	1.40	1.41	0.18	0.14	2.16	5.03	4.17	1.52	5.69	
2017	0.50	1.40	1.47	0.18	0.14	2.17	5.07	4.46	2.36	6.82	
2016	0.51	1.36	1.49	0.16	0.14	1.82	4.96	4.46	2.41	6.87	
2015	0.51	1.32	1.52	0.14	0.14	1.82	4.62	4.46	2.29	6.75	
2014	0.51	1.28	1.53	0.14	0.14	1.82	4.82	4.46	1.93	6.39	
2013	0.47	1.24	1.38	0.18	0.10	1.82	4.27	4.81	2.22	7.03	
2012	0.43	1.24	1.21	0.18	0.10	1.82	3.76	5.09	1.90	6.99	
2011	0.36	1.05	0.97	0.15	0.10	1.82	3.25	3.40	2.92	6.32	
2010	0.33	0.99	0.88	0.14	0.10	1.82	2.95	2.71	2.51	5.22	

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

**WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
PRINCIPAL PROPERTY TAXPAYERS
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR**

<u>Taxpayer</u>	<u>2019</u>		<u>2010</u>	
	<u>Net Limited Assessed Valuation</u>	<u>Percentage of District's Net Limited Assessed Valuation</u>	<u>Net Full Cash Assessed Valuation</u>	<u>Percentage of District's Net Full Cash Assessed Valuation</u>
Rio Salado Commerce Park LLC	4,462,493	4.36 %		%
Centurylink Communications LLC	4,246,330	4.14		
Arizona Public Service Company	4,195,864	4.10	4,453,686	2.69
Eastgroup Properties L P	2,917,200	2.85		
Meritex Sky Harbor LLC	1,981,896	1.93		
Ryan Building Offices Sdco Inc	1,934,283	1.89		
Qwest Corporation	1,486,831	1.45	4,495,532	2.72
Master International Corporation/Etal	1,188,277	1.16	1,786,038	1.08
Runbeck Properties LLC	1,127,303	1.10		
Presson Corporation/Derik Ventures Inc	930,937	0.91		
Arizona MSA #26 (Corp 501/001)			7,425,879	4.49
Eastgroup Properties LP			4,305,596	2.60
Ryan Building Offices SDCO Inc			2,782,858	1.68
Thomas Terence W			2,193,763	1.33
Dvelco Manufacturing Of Arizona			2,088,531	1.26
Presson Advisory LLC			1,774,921	1.07
Nextel Property Tax Department			1,756,437	1.06
Total	<u>\$ 24,471,414</u>	<u>23.89 %</u>	<u>\$ 33,063,241</u>	<u>19.98 %</u>

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

Note: On November 6, 2012, voters approved Proposition 117, an amendment to the Arizona Constitution. Beginning with Tax Year 2015 (Fiscal Year 2016), both primary and secondary taxes are levied against the net limited assessed value.

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Fiscal Years	Collected to the End of the Current Fiscal Year	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2019	\$ 6,286,312	\$ 6,091,514	96.90 %	\$	\$ 6,091,514	96.90 %
2018	5,623,939	5,467,444	97.22	26,410	5,493,854	97.69
2017	7,057,346	6,865,079	97.28	186,498	7,051,577	99.92
2016	6,225,058	6,085,116	97.75	137,067	6,222,183	99.95
2015	5,693,758	5,245,229	92.12	446,709	5,691,938	99.97
2014	5,450,444	5,253,443	96.39	196,285	5,449,728	99.99
2013	6,707,873	6,490,854	96.76	215,938	6,706,792	99.98
2012	7,951,610	7,599,062	95.57	339,358	7,938,420	99.83
2011	9,425,436	8,972,171	95.19	426,907	9,399,078	99.72
2010	7,848,878	7,439,928	94.79	398,647	7,838,575	99.87

Source: The source of this information is the Maricopa County Treasurer's records.

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

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

**WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	General Obligation Bonds					Total Outstanding Debt				
	General Obligation Bonds	Less: Amounts Restricted for Principal	Total	Percentage of Estimated Actual Value	Per Capita	Total	Percentage of Estimated Actual Value	Per Capita	Percentage of Personal Income	
2019	\$ 4,518,375	\$ 43,778	\$ 4,474,597	0.18 %	\$ 1,045	\$ 4,518,375	0.18 %	\$ 1,055	0.002 %	
2018	5,009,119	23,169	4,985,950	0.20	1,342	5,009,119	0.20	1,349	0.003	
2017	5,489,863	417,760	5,072,103	0.21	1,045	5,489,863	0.23	1,131	0.002	
2016	5,960,607	131,547	5,829,060	0.25	1,201	5,960,607	0.26	1,228	0.003	
2015	6,351,351	100,433	6,250,918	0.28	905	6,351,351	0.29	920	0.004	
2014	4,843,260	105,155	4,738,105	0.21	686	4,843,260	0.21	701	0.003	
2013	3,095,000	98,296	2,996,704	0.12	434	3,095,000	0.12	448	0.002	
2012	3,475,000	115,356	3,359,644	0.12	487	3,475,000	0.13	503	0.002	
2011	8,360,000	150,227	8,209,773	0.28	1,189	8,360,000	0.29	1,211	0.006	
2010	7,430,000	78,841	7,351,159	0.24	1,065	7,430,000	0.24	1,076	0.005	

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

**WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2019**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Overlapping:			
Maricopa Community College District	\$ 380,740,000	0.26 %	\$ 989,924
City of Phoenix	1,149,785,000	0.84	9,658,194
Phoenix Union High School District	384,290,000	2.05	7,877,945
Subtotal, Overlapping Debt			<u>18,526,063</u>
Direct:			
Wilson Elementary School District No. 7			<u>4,511,931</u>
Total Direct and Overlapping Governmental Activities Debt			<u>\$ 23,037,994</u>

DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation		4.38 %
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 5,375	
As a Percentage of Net Limited Assessed Valuation		22.46 %
As a Percentage of Gross Full Cash Value		0.91 %

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

- Notes:**
- 1) Estimated percentage of debt outstanding applicable to the District is calculated based on a portion of the District's net limited assessed valuation as a percentage of the net limited assessed valuation of the overlapping jurisdiction.
 - 2) Outstanding debt as of June 30, 2018 is presented for the overlapping governments as this is the most recent available information.

**WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

Class B Bond Legal Debt Margin Calculation for Fiscal Year 2019:

Net full cash assessed valuation	\$ 125,845,166
Debt limit (10% of assessed value)	12,584,517
Debt applicable to limit	<u>4,395,000</u>
Legal debt margin	<u><u>\$ 8,189,517</u></u>

Total Legal Debt Margin Calculation for Fiscal Year 2019:

Net full cash assessed valuation	\$ 125,845,166
Debt limit (15% of assessed value)	18,876,775
Debt applicable to limit	<u>4,395,000</u>
Legal debt margin	<u><u>\$ 14,481,775</u></u>

Fiscal Year Ended June 30

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Debt Limit	\$ 18,876,775	\$ 18,979,573	\$ 15,635,607	\$ 13,264,746	\$ 12,173,821
Total net debt applicable to limit	<u>4,395,000</u>	<u>4,875,000</u>	<u>5,345,000</u>	<u>5,805,000</u>	<u>6,185,000</u>
Legal debt margin	<u><u>\$ 14,481,775</u></u>	<u><u>\$ 14,104,573</u></u>	<u><u>\$ 10,290,607</u></u>	<u><u>\$ 7,459,746</u></u>	<u><u>\$ 5,988,821</u></u>
Total net debt applicable to the limit as a percentage of debt limit	23%	26%	34%	44%	51%

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Debt Limit	\$ 12,569,447	\$ 14,542,842	\$ 16,733,697	\$ 21,713,435	\$ 24,829,233
Total net debt applicable to limit	<u>4,755,000</u>	<u>3,095,000</u>	<u>3,475,000</u>	<u>8,360,000</u>	<u>7,430,000</u>
Legal debt margin	<u><u>\$ 7,814,447</u></u>	<u><u>\$ 11,447,842</u></u>	<u><u>\$ 13,258,697</u></u>	<u><u>\$ 13,353,435</u></u>	<u><u>\$ 17,399,233</u></u>
Total net debt applicable to the limit as a percentage of debt limit	38%	21%	21%	39%	30%

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

Notes: 1) The District's general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds outstanding and the statutory debt limit on Class B bonds outstanding. The calculations of the debt margins are presented in detail for the current fiscal year only.

2) Prior to FY17, net bond premium was restricted by amount and not subject to the statutory debt limit. Beginning with FY17, any additional net premium used for capital projects, bond counsel, printing and preparation of offering documents, a financial advisor, paying agent costs or to pay down debt is counted against both debt limits with the exception of amounts of premium deposited into the Debt Service Fund or a refunding escrow to pay interest payments.

**WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
COUNTY-WIDE DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands)</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>	<u>Estimated District Population</u>
2018	4,294,460	210,370,180	47,694	4.1	4,282
2017	4,307,033	196,286,191	45,573	3.9	3,714
2016	4,137,076	280,120,037	40,415	4.5	4,852
2015	4,076,349	184,784,917	42,092	5.5	4,852
2014	4,087,191	168,483,421	41,222	5.9	6,905
2013	3,944,859	154,926,697	39,273	6.7	6,905
2012	3,824,058	147,374,500	38,238	9.1	6,905
2011	3,843,370	142,864,275	37,352	8.4	6,905
2010	3,817,117	142,091,618	35,319	8.5	6,905
2009	4,023,331	147,122,078	37,168	8.3	6,905

Sources: The source of the "Personal Income" and "Per Capita" information is the Bureau of Economic Analysis. The source of the "Population" and "Unemployment Rate" information from 2009 through 2010 is the University of Arizona, Eller College of Management, Economic and Business Research Center. For 2011 through 2016 and 2018, the source of the information is the Arizona Office of Employment and Population Statistics. For 2017, the source is the U.S. Department of Commerce and the Bureau of Labor Statistics.

**WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
PRINCIPAL EMPLOYERS
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR**

<u>Employer</u>	<u>2019</u>		<u>2010</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Banner Health	45,894	2.23 %	27,431	1.43 %
State of Arizona	37,040	1.80	52,420	2.73
Walmart Inc.	33,619	1.63	31,280	1.63
Fry's Food Stores	20,165	0.98		
Wells Fargo & Co.	16,300	0.79	14,000	0.73
University of Arizona	15,967	0.78		
Amazon.com Inc.	15,000	0.73		
Arizona State University	14,889	0.72	12,043	0.63
City of Phoenix	14,821	0.72	16,375	0.85
Maricopa County	13,595	0.66	12,996	0.68
Apollo Group Inc.			12,299	0.64
Raytheon Co.			11,500	0.60
Honeywell			10,145	0.53
Total	<u>227,290</u>	<u>11.04 %</u>	<u>200,489</u>	<u>10.45 %</u>
Total employment	<u>2,060,000</u>		<u>1,923,600</u>	

Source: The source of this information is The Business Journal Book of Lists.

Note: Information is presented County-wide.

**WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS**

	Full-time Equivalent Employees as of June 30				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Supervisory					
Superintendent	1	1	1	1	1
Consultants/supervisors of instruction	2	2			
Principals	2	2	2	2	2
Assistant principals	1	2			
Total supervisory	<u>6</u>	<u>7</u>	<u>3</u>	<u>3</u>	<u>3</u>
Instruction					
Teachers	73	79	79	72	75
Aides	4	34	25	37	31
Total instruction	<u>77</u>	<u>113</u>	<u>104</u>	<u>109</u>	<u>106</u>
Student Services					
Counselors/Advisors	1	1			
Librarians	1	1	1	1	1
Technicians	3	2	2		
Total student services	<u>5</u>	<u>4</u>	<u>3</u>	<u>1</u>	<u>1</u>
Support and Administration					
Service workers	71	50	50	35	34
Total support and administration	<u>71</u>	<u>50</u>	<u>50</u>	<u>35</u>	<u>34</u>
Total	<u><u>159</u></u>	<u><u>174</u></u>	<u><u>160</u></u>	<u><u>148</u></u>	<u><u>144</u></u>

(Continued)

**WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS**

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Supervisory					
Superintendent	1	1	1	1	1
Consultants/supervisors of instruction					
Principals	2	2	2	2	2
Assistant principals					
Total supervisory	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>
Instruction					
Teachers	75	75	78	77	81
Aides	33	37	35	35	32
Total instruction	<u>108</u>	<u>112</u>	<u>113</u>	<u>112</u>	<u>113</u>
Student Services					
Counselors/Advisors					
Librarians			1		
Technicians	2	2	1	1	1
Total student services	<u>2</u>	<u>2</u>	<u>2</u>	<u>1</u>	<u>1</u>
Support and Administration					
Service workers	34	31	31	35	39
Total support and administration	<u>34</u>	<u>31</u>	<u>31</u>	<u>35</u>	<u>39</u>
Total	<u><u>147</u></u>	<u><u>148</u></u>	<u><u>149</u></u>	<u><u>151</u></u>	<u><u>156</u></u>

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

(Concluded)

**WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
OPERATING STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Average Daily Membership	Operating Expenditures	Cost per Pupil	Percentage Change	Expenses	Cost per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Free/Reduced Students
2019	1,100	\$ 12,699,023	\$ 11,545	(1.83) %	\$ 14,285,801	\$ 12,987	(7.19) %	77	14.3	86.0 %
2018	1,098	12,912,223	11,760	0.25	15,364,505	13,993	3.97	113	9.7	88.0
2017	1,104	12,950,300	11,730	4.09	14,858,579	13,459	7.16	104	10.6	86.0
2016	1,107	12,475,332	11,269	14.14	13,903,247	12,559	4.20	109	10.2	95.9
2015	1,171	11,561,530	9,873	0.44	14,113,897	12,053	1.59	106	11.0	95.9
2014	1,182	11,618,649	9,830	(5.52)	14,023,672	11,864	(7.83)	108	10.9	95.9
2013	1,106	11,506,374	10,404	8.67	14,236,468	12,872	9.93	112	9.9	95.9
2012	1,145	10,961,600	9,573	(8.82)	13,407,477	11,710	(9.66)	113	10.1	95.9
2011	1,090	11,444,198	10,499	4.17	14,127,660	12,961	3.44	112	9.7	93.8
2010	1,150	11,590,452	10,079	(2.10)	14,410,255	12,531	0.70	113	10.2	92.6

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

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

**WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
CAPITAL ASSETS INFORMATION
LAST TEN FISCAL YEARS**

	Fiscal Year Ended June 30									
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<u>Schools</u>										
Elementary										
Buildings	3	3	3	3	3	3	3	3	3	3
Square feet	76,964	76,964	76,964	76,964	76,964	76,964	76,964	76,964	76,964	76,964
Capacity	1,475	1,475	1,475	1,475	1,475	1,475	1,475	1,475	1,475	1,475
Enrollment	593	858	858	875	996	807	741	786	730	764
Middle										
Buildings	1	1	1	1	1	1	1	1	1	1
Square feet	86,895	86,895	86,895	86,895	86,895	86,895	86,895	86,895	86,895	86,895
Capacity	952	952	952	952	952	952	952	952	952	952
Enrollment	638	249	249	240	241	375	360	353	348	386
Other										
Buildings	3	3	3	3	3	3	3	3	3	3
Square feet	13,782	13,782	13,782	13,782	13,782	13,782	13,782	13,782	13,782	13,782
<u>Administrative</u>										
Buildings	1	1	1	1	1	1	1	1	1	1
Square feet	4,322	4,322	4,322	4,322	4,322	4,322	4,322	4,322	4,322	4,322
<u>Transportation</u>										
Buses	2	2	2	2	2	2	2	2	2	2
<u>Athletics</u>										
Baseball/softball	1	1	1	1	1	1	1	1	1	1
Playgrounds	2	2	2	2	2	2	2	2	2	2
Classroom Bldg./Leased to Charter HS										
Buildings	1	1	1	1	1	1	1	1	1	1
Square feet	18,100	18,100	18,100	18,100	18,100	18,100	18,100	18,100	18,100	18,100
Capacity	400	400	400	400	400	400	400	400	400	400

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



Wilson Elementary School District No. 7
Single Audit Reporting Package
Year Ended June 30, 2019

**WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
SINGLE AUDIT REPORTING PACKAGE
FOR THE YEAR ENDED JUNE 30, 2019**

<u>CONTENTS</u>	<u>Page</u>
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1
Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	3
Schedule of Expenditures of Federal Awards	6
Notes to the Schedule of Expenditures of Federal Awards	7
Schedule of Findings and Questioned Costs	8
Auditee Response	
Cover Letter	11
Corrective Action Plan	12

**Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance with
*Government Auditing Standards***

Independent Auditor's Report

Governing Board
Wilson Elementary School District No. 7

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund of Wilson Elementary School District No. 7, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Wilson Elementary School District No. 7's basic financial statements, and have issued our report thereon dated December 24, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Wilson Elementary School District No. 7's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Wilson Elementary School District No. 7's internal control. Accordingly, we do not express an opinion on the effectiveness of Wilson Elementary School District No. 7's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item FS-2019-001 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Wilson Elementary School District No. 7's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Wilson Elementary School District No. 7's Response to Finding

Wilson Elementary School District No. 7's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Wilson Elementary School District No. 7's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Phoenix, Arizona
December 24, 2019

**Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance; and
Report on Schedule of Expenditures of Federal Awards
Required by the Uniform Guidance**

Independent Auditor's Report

Governing Board
Wilson Elementary School District No. 7

Report on Compliance for Each Major Federal Program

We have audited Wilson Elementary School District No. 7's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Wilson Elementary School District No. 7's major federal programs for the year ended June 30, 2019. Wilson Elementary School District No. 7's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Wilson Elementary School District No. 7's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Wilson Elementary School District No. 7's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Wilson Elementary School District No. 7's compliance.

Opinion on Each Major Federal Program

In our opinion, Wilson Elementary School District No. 7 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of Wilson Elementary School District No. 7 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Wilson Elementary School District No. 7's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Wilson Elementary School District No. 7's internal control over compliance.

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

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

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

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund of Wilson Elementary School District No. 7 as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Wilson Elementary School District No. 7's basic financial statements. We issued our report thereon dated December 24, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Phoenix, Arizona
December 24, 2019

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Fiscal Period 7/1/2018 - 6/30/2019

<i>Federal Awarding Agency/Program Title</i>	<i>Federal CFDA Number</i>	<i>Name of Funder Pass-Through Entity</i>	<i>Identifying Number Assigned By Funder Pass-Through Entity</i>	<i>Federal Expenditures</i>	<i>Federal Program Total</i>	<i>Cluster Name</i>	<i>Cluster Total</i>
DEPARTMENT OF AGRICULTURE							
SCHOOL BREAKFAST PROGRAM	10.553	ARIZONA DEPARTMENT OF EDUCATION	7AZ300AZ3	\$145,321	\$145,321	CHILD NUTRITION CLUSTER	\$903,866
NATIONAL SCHOOL LUNCH PROGRAM	10.555	ARIZONA DEPARTMENT OF EDUCATION	7AZ300AZ3	\$681,249	\$736,272	CHILD NUTRITION CLUSTER	\$903,866
NATIONAL SCHOOL LUNCH PROGRAM	10.555	ARIZONA DEPARTMENT OF EDUCATION	7AZ300AZ3	\$55,023	\$736,272	CHILD NUTRITION CLUSTER	\$903,866
SUMMER FOOD SERVICE PROGRAM FOR CHILDREN	10.559	ARIZONA DEPARTMENT OF EDUCATION	7AZ300AZ3	\$22,273	\$22,273	CHILD NUTRITION CLUSTER	\$903,866
TOTAL DEPARTMENT OF AGRICULTURE				<u>\$903,866</u>			
DEPARTMENT OF EDUCATION							
TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES	84.010	ARIZONA DEPARTMENT OF EDUCATION	S010A180003	\$532,295	\$532,295	N/A	\$0
SPECIAL EDUCATION_ GRANTS TO STATES	84.027	ARIZONA DEPARTMENT OF EDUCATION	H027A180007	\$231,481	\$231,481	SPECIAL EDUCATION CLUSTER (IDEA)	\$244,048
SPECIAL EDUCATION_ PRESCHOOL GRANTS	84.173	ARIZONA DEPARTMENT OF EDUCATION	H173A180003	\$12,567	\$12,567	SPECIAL EDUCATION CLUSTER (IDEA)	\$244,048
TWENTY-FIRST CENTURY COMMUNITY LEARNING CENTERS	84.287	ARIZONA DEPARTMENT OF EDUCATION	S287C180003	\$79,317	\$79,317	N/A	\$0
ENGLISH LANGUAGE ACQUISITION STATE GRANTS	84.365	ARIZONA DEPARTMENT OF EDUCATION	S365A180003	\$65,530	\$65,530	N/A	\$0
IMPROVING TEACHER QUALITY STATE GRANTS	84.367	ARIZONA DEPARTMENT OF EDUCATION	S367A180049	\$29,969	\$29,969	N/A	\$0
TEACHER INCENTIVE FUND	84.374	MARICOPA COUNTY	N/A	\$580,378	\$580,378	N/A	\$0
PRESCHOOL DEVELOPMENT GRANTS	84.419	ARIZONA DEPARTMENT OF EDUCATION	S419A150009	\$260,402	\$260,402	N/A	\$0
STUDENT SUPPORT AND ACADEMIC ENRICHMENT PROGRAM	84.424	ARIZONA DEPARTMENT OF EDUCATION	S424A170003	\$21,183	\$21,183	N/A	\$0
TOTAL DEPARTMENT OF EDUCATION				<u>\$1,813,122</u>			
DEPARTMENT OF HEALTH AND HUMAN SERVICES							
HEAD START	93.600	CITY OF PHOENIX	N/A	\$409,917	\$409,917	N/A	\$0
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES				<u>\$409,917</u>			
TOTAL EXPENDITURE OF FEDERAL AWARDS				<u><u>\$3,126,905</u></u>			

The accompanying Notes to the Schedule of Expenditures of Federal Awards are an integral part of the schedule.

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Fiscal Period 7/1/2018 - 6/30/2019

Significant Accounting Policies Used in Preparing the SEFA

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of Wilson Elementary School District No.7 under programs of the federal government for the year ended June 30, 2019. The information in the Schedule is presented in accordance with the requirements of the Uniform Guidance. Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the applicable Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Any negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

10% De Minimis Cost Rate

The auditee did not use the de minimis cost rate.

Catalog of Federal Domestic Assistance Numbers

The program titles and CFDA numbers were obtained from the federal or pass-through grantor or the 2019 Catalog of Federal Domestic Assistance. When no CFDA number had been assigned to a program, the two-digit federal agency identifier, a period, and the federal contract number were used. When there was no federal contract number, the two-digit federal agency identifier, a period, and the word unknown were used.

**WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

Summary of Auditor's Results:

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Significant deficiency(ies) identified: No
- Material weakness(es) identified: Yes

Noncompliance material to financial statements noted: No

Federal Awards

Internal control over major programs:

- Significant deficiency(ies) identified: No
- Material weakness(es) identified: No

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with §200.516 of Uniform Guidance: No

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555, 10.559	Child Nutrition Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee: Yes

Findings Related to Financial Statements Reported in Accordance with *Government Auditing Standards*: Yes

Findings and Questioned Costs Related to Federal Awards: No

Summary Schedule of Prior Audit Findings required to be reported: No

**WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

**FINDINGS RELATED TO FINANCIAL STATEMENTS REPORTED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Finding Number: FS-2019-001

Repeat Finding: No

Type of Finding: Material Weakness

Description: Internal Controls Over Cash

CRITERIA

District management is responsible for establishing and maintaining internal controls that include controls over the District's cash balances and related financial activity. Bank accounts and cash on deposit with the County Treasurer should be fully reconciled to the District's financial records on a monthly basis to ensure funds on deposit and amounts reported in the general ledger are accurate. All differences noted on reconciliations should be reviewed and resolved in a timely manner.

CONDITION

The District did not have proper internal controls in place over cash and bank accounts, including reconciliations of cash balances, resolution of reconciling items, and initiation of wire transfers.

CAUSE

The District's policies and procedures over its cash and bank reconciliations were not always followed. Additionally, there was a lack of oversight by management not ensuring that the reconciliations were completed timely, or at all.

EFFECT

Without properly completed monthly reconciliations, the District may not be able to effectively manage its finances. Errors in revenues, expenditures, and cash balances may not be detected and corrected by the District in a timely manner. Fraudulent activity occurred during the fiscal year and was not detected timely.

CONTEXT

During our review of the District's accounting records, we noted the following:

- The District's bank accounts were not reconciled during the year. The District subsequently reconciled the accounts.
- Cash reconciliations to the County Treasurer's records were not performed on a timely basis.
- The District did not always research and resolve reconciling differences in a timely manner.
- The District does not have an approval process in place for initiating wire transfers/ACH payments.
- The Director of Business Services' personal online banking has access to the District's bank accounts and has the ability to transfer funds to and from the accounts.

**WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

**FINDINGS RELATED TO FINANCIAL STATEMENTS REPORTED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Finding Number: FS-2019-001

RECOMMENDATION

The District should design and implement effective internal control procedures to ensure the accounting records are free from material misstatements. The District must ensure that complete and accurate cash and bank reconciliations are performed monthly. Any reconciling items identified should be investigated and resolved promptly to ensure the District's accounting records are accurate. Additionally, internal controls and procedures should be developed and implemented over the wire transfers/ACH payments process. Finally, the District's bank accounts should be completely separated from any employees' personal accounts.

VIEWS OF RESPONSIBLE OFFICIALS

See Corrective Action Plan.



WILSON ELEMENTARY SCHOOL DISTRICT NO.7

3025 E. Fillmore Street • Phoenix, Arizona 85008
Phone (602) 681-2200 • Fax: (602-275-7517)

Antonio A. Sanchez, Superintendent

December 24, 2019

To Whom It May Concern:

The accompanying Corrective Action Plan has been prepared as required by U.S. Office of Management and Budget Uniform Guidance. The names of the contact person responsible for corrective action, the planned corrective action, and the anticipated completion date for each finding included in the current year's Schedule of Findings and Questioned Costs have been provided.

Sincerely,

Mary Love
Director of Business Services

WILSON ELEMENTARY SCHOOL DISTRICT NO. 7
CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2019

Findings Related to Financial Statements Reported in Accordance with *Government Auditing Standards*

Finding Number: FS-2019-001

Contact Person: Mary Love – Business Services Director

Anticipated Completion Date: March 1, 2020

Planned Corrective Action: The District has taken the following actions:

- The District's bank accounts were not reconciled during the year. The District subsequently reconciled the accounts.
 - The District employs a part-time employee who reconciles the account.
- Cash reconciliations to the County Treasurer's records were not performed on a timely basis.
 - The District contracts with an outside accountant to complete cash reconciliations.
- The District did not always research and resolve reconciling differences in a timely manner.
 - The District contracts with an outside accountant to research and resolve reconciling differences.
- The District does not have an approval process in place for initiating wire transfers/ACH payments.
 - The District does not intend to make any future ACH payments from this clearing account.
- The Director of Business Services' personal online banking has access to the District's bank accounts and has the ability to transfer funds to and from the accounts.
 - The District contacted the banking institution to remove unauthorized accounts.

Email

eric.taylor@heinfeldmeech.com

eric.taylor@heinfeldmeech.com

example@example.com

School District Name

Wilson Elementary School District

Uniform System of Financial Records Compliance Questionnaire
For Fiscal Year Ended June 30, 2019¹

Table of Contents

[Instructions](#)

[Budgeting](#)

[Accounting records](#)

[Cash and revenues](#)

[Supplies inventory](#)

[Property control](#)

[Expenditures](#)

[Credit cards and p-cards](#)

[Procurement](#)

[Classroom Site Fund](#)

[Payroll](#)

[Travel](#)

[Financial reporting](#)

[Information technology \(IT\)](#)

[Cooperative agreements and regional services](#)

[Student attendance reporting](#)

[Transportation support](#)

[Records management](#)

[Food Service Fund](#)

[Auxiliary Operations and Extracurricular Activities Fees Tax Credit Funds](#)

[Student Activities Fund](#)

[General long-term debt](#)

[Governing board/management procedures](#)

¹ This questionnaire must be used for fiscal year (FY) 2019 audits and thereafter.

INSTRUCTIONS

Arizona Revised Statutes (A.R.S.) §15-271 requires the Auditor General's Office to inform any school district failing to establish and maintain the requirements prescribed by the *Uniform System of Financial Records* (USFR) that it has 90 days to correct the cited deficiencies. To assist the Auditor

General's Office in determining whether a district has attained an acceptable degree of compliance with the requirements of the USFR, the audit firm must complete this USFR Compliance Questionnaire.

In addition, A.R.S. §§15-213(F) and 15-914(G) require districts to have a systematic review of their purchasing practices and average daily membership (ADM), respectively, performed in conjunction with their annual or biennial financial audit to determine whether the District is in compliance with the applicable procurement and student attendance laws and rules of the State of Arizona. Districts meet these requirements by having their audit firm complete the Expenditures and Procurement questions and Student Attendance Reporting questions included in the USFR Compliance Questionnaire.

The completed USFR Compliance Questionnaire must be submitted with the audit reporting package to our Office and the Arizona Department of Education (ADE). Once the audit firm has completed, reviewed, and signed the questionnaire, it must be submitted electronically to the Auditor General's Office by following the instructions at the bottom of the questionnaire. Audit firms should print the file to PDF to create the questionnaire document to distribute to ADE and the District.

The USFR Compliance Questionnaire must be completed in accordance with the requirements prescribed below by the Auditor General's Office and those not meeting the minimum requirements may be rejected.

- ◆ Sufficient, appropriate evidence must be obtained annually for each question to satisfactorily determine whether the District is in compliance with the USFR, and the evidence must be included in the audit documentation. If the evidence was obtained and documented during the financial statement audit, that evidence may be referenced to answer questions.
- ◆ Evidence may be obtained through test work, observation, examination, and client assertion. However, client assertion alone is not adequate evidence to support "Yes" answers to the questionnaire. Sufficient evidence of approval includes signatures or initials and dates.
- ◆ Population size should be considered in determining the number of items to test, and the items selected should be representative of the population. Also, additional instructions in the Expenditures and Procurement and Student Attendance Reporting sections prescribe minimum sample sizes that must be used for specific questions.
- ◆ The number of items tested must be sufficient to determine whether a deficiency was the result of an isolated incident or a recurring problem. Therefore, testing 1 transaction, record, or item is not sufficient.
- ◆ The sample size should be expanded if the audit firm cannot clearly determine whether the District is in compliance with the USFR on that question.
- ◆ For questions related to the establishment of policies and procedures, the audit firm must perform sufficient test work to determine that the procedures were implemented, followed, and systematically communicated to employees.
- ◆ For Governing Board/Management Procedures question 4, the audit firm should confirm management's appropriate action to resolve all allegations of theft, fraud, or misuse of district monies or assets by either examining copies of the incident reports or communicating with the agency involved in investigating the allegations.
 - If the audit firm determines that district management was aware of allegations but did not appropriately resolve them in a timely manner (e.g., no action was taken, actions were not documented, actions were delayed, inadequate, or inappropriate to the circumstances), the audit firm should answer the question "No." This includes instances where an external investigation is underway for allegations, but district management did not request the investigation, was not fully cooperating with the investigators, or was not otherwise attempting to resolve the allegations.
 - If the audit firm determines that district management was not aware of any allegations (based on inquiry, review of Governing Board minutes, search of local media coverage, and results of audit test work), the question should be answered "N/A."
 - If the audit firm finds evidence of theft, fraud, or misuse of district assets but does not find evidence that district management was aware of the possible theft, fraud, or misuse, the audit firm should appropriately investigate and report the theft, fraud, or misuse to the Auditor General's Office, but this question would be answered "N/A."
- ◆ A "Yes" answer indicates that the audit firm has determined that the District is in compliance with the USFR on that question and a "No" answer indicates the District does not comply. However, the final determination of compliance on each question, as well as overall compliance with the USFR, is made by the Auditor General's Office based on the evidence presented in the questionnaire, audit reports, the audit documentation, and any other sources of information available.

- ◆ All "No" answers must be adequately explained in the box below the question. Deficiencies must be described in sufficient detail to enable our Office to determine the nature and significance of the deficiency for: (a) assessing compliance with the USFR, (b) appropriately describing the deficiency in a report, and (c) testing compliance during a status review. The description should include the number of items tested and the number of exceptions noted, or dollar amount of the error.
- ◆ All "N/A" answers must be adequately explained in the box below the question, unless the reason for the N/A is obvious.
- ◆ Cash and Revenues questions apply to all of the District's cash and revenue, including food service, auxiliary operations, extracurricular activities fees tax credit, and student activities receipts and bank accounts, as applicable. Comments for "No" answers to these questions should indicate the type of receipt or bank account to which the deficiency applies.
- ◆ The questions in this compliance questionnaire do not address all requirements of the USFR. If the audit firm is aware of noncompliance with a requirement of the USFR, including the School District Procurement Rules and ADE's membership and attendance guidelines, that are not addressed in this questionnaire, the audit firm should include the compliance findings in its reports issued in accordance with *Governmental Auditing Standards and Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, if applicable.

The resulting audit documentation supporting the audit firm's answers on the questionnaire must be made available on request for the Auditor General's Office and ADE's review. To facilitate this review, the audit firm may wish to include in the audit documentation a copy of the questionnaire with references to the audit procedures performed for each question.

Budgeting–USFR IV

1. Was the proposed expenditure budget submitted electronically to the Superintendent of Public Instruction and the County School Superintendent (CSS), unless waived by the CSS, no later than July 5 or the date of publication or mailing of the notice of public hearing? A.R.S. §15-905(A)

 ▼

2. Was the notice of the public hearing/board meeting published, electronically transmitted to ADE, or mailed no later than 10 days before the meeting to adopt the budget? A.R.S. §15-905(C)

 ▼

3. Was proper notification of the proposed expenditure budget or summary of the proposed budget and the notice of hearing given? A.R.S. §15-905(C)

 ▼

- Published in a newspaper of general circulation within the District?
- Posted on ADE's website with a link on the District's website to ADE's website where the information could be viewed?
- Mailed to each household in the District?

4. Were the total budgeted expenditures on the adopted budget for the Maintenance and Operation (M&O) and Unrestricted Capital Outlay Funds less than or equal to the budgeted amounts on the published proposed budget? A.R.S. §15-905(E)

 ▼

5. Was the expenditure budget adopted no later than July 15 and filed electronically with the CSS and the Superintendent of Public Instruction by

 ▼

July 18? A.R.S. §15-905(B) and (E)

6. Did the District provide a link on its website to ADE's website where the District's proposed and adopted budgets could be viewed, regardless of publication method noted in #3 above? A.R.S. §15-905(A) and (E)

Yes ▼

7. Did the adopted expenditure budget include all funds? A.R.S. §15-905(A)(1)

Yes ▼

8. If the Governing Board received notification from ADE that the budget was in excess of the general budget limit or the unrestricted capital budget limit by 1 percent of the general budget limit did it give notice, hold a public meeting, and adopt a revised budget before December 15 which did not exceed those limits and file it electronically with the CSS and the Superintendent of Public Instruction by December 18? A.R.S. §15-905(E)

N/A ▼

Revision not required.

9. If the District revised the adopted expenditure budget, was the revision completed before May 15 and filed electronically with the CSS and the Superintendent of Public Instruction by May 18? A.R.S. §15-905(I)

Yes ▼

10. Were the total budgeted expenditures for the M&O Fund within the general budget limit and were the total budgeted expenditures for the Unrestricted Capital Outlay Fund within the unrestricted capital budget limit? A. R. S. §15-905(E)

Yes ▼

11. If the District had an over-expenditure in the prior year, did the District reduce its budget by the prior year's over-expenditure (or a portion of the prior year's over-expenditure, as approved by the Superintendent of Public Instruction) or was the District actively correcting its prior year's data pursuant to A.R.S. §15-915, which would reduce or eliminate the prior year's over-expenditure? A.R.S. §15-905(M)

N/A ▼

No prior year over-expenditures.

Accounting records–USFR VI-B

1. Were accounting records (i.e., journals, registers, ledgers, and other supplementary records) traceable from source documents to the financial statements?

No ▼

A fiscal year 2015-16 receivable in the School Safety Program Fund has not been removed from the District's accounting records.

2. Were transactions coded in accordance with the USFR Chart of Accounts?

No ▼

For 10 of 50 disbursements reviewed, the District did not code expenditures in accordance with the USFR chart of accounts. Additionally, a portion of county aid revenue was coded to object code 3110 rather than object code 2120.

3. Were accounting record responsibilities separated among employees, (i.e., initiate, approve, and record journal entries and transfers) so that 1 individual did not have complete authority over a transaction, or if adequate separation was not possible due to the District's limited staff size, were adequate management review procedures in place to compensate for employees performing incompatible functions?

Yes ▼

4. Were journal entries supported by documentation, signed, dated, and approved by someone other than the preparer, and sequentially numbered? (**Note:** Indicate in the comment below how many **adjusting** journal entries the district posted during the fiscal year.)

Yes ▼

Total adjusting journal entries processed: 69

5. If transfers were made, were they limited to those authorized by A.R.S. or the USFR §III Chart of Accounts–Authorized Transfers? (**Note:** do not include transfers appropriately made to reduce taxes.)

Yes ▼

6. If the District shared a financial data system with the CSS, did the District periodically review the transactions initiated by the CSS for propriety and was the review properly documented and dated? (Accounting responsibility program districts are not required to reconcile to the CSS.)

N/A ▼

District did not share a financial system with the CSS.

7. If the District did not share a financial data system with the CSS, did the District properly reconcile its records of cash balances by fund monthly with the CSS, and was the reconciliation properly supported, documented, and dated?

No ▼

The District did not perform a reconciliation of its cash balances to the CSS monthly.

8. If the District did not share a financial data system with the CSS, did the District properly reconcile its records of revenues, expenditures, expenses, and cash balances (as applicable), by fund, program, function, and object code at least at fiscal year-end with the CSS, and was the reconciliation reviewed and properly supported?

No ▼

The District did not reconcile its records of revenues, expenditures, expenses, and cash balance by fund, program, function, and object code with the CSS at fiscal year-end.

9. Were the District's records of cash balances reconciled to the County Treasurer's records at least monthly, by either the CSS or the District?

No ▼

Cash reconciliations to the Treasurer's records were not performed on a timely basis.

10. Were all reconciling differences with the CSS or County Treasurer's records documented, researched, and resolved in a timely manner?

No ▼

The District did not always research and resolve reconciling differences in a timely manner.

Cash and revenues–USFR VI-C and F

1. Did the District maintain and use the following authorized bank accounts only as prescribed by statute:

a. M&O Fund revolving bank account? A.R.S. §15-1101

Yes ▼

b. Miscellaneous receipts clearing bank account(s)? A.R.S. §15-341(A)(20)

No ▼

Miscellaneous receipts clearing bank account monies were not remitted to the County Treasurer at least monthly.

c. Food Service Fund clearing bank account(s)? A.G. Opinion I60-35

No ▼

Food Service Fund clearing bank account monies were not remitted to the County Treasurer at least monthly.

d. Food Service Fund revolving bank account? A.R.S. §15-1154

N/A ▼

No account.

e. Auxiliary Operations Fund bank account? A.R.S. §15-1126

N/A ▼

No account.

f. Auxiliary Operations Fund revolving bank account(s)? A.R.S. §15-1126

N/A ▼

No account.

g. Student Activities Fund bank account(s)? A.R.S. §15-1122

Yes ▼

h. Student Activities Fund revolving bank account? A.R.S. §15-1124

N/A ▼

No account.

i. Federal payroll tax withholdings bank account? USFR page VI-H-6

Yes ▼

j. State income tax withholdings bank account? A.R.S. §15-1222

Yes ▼

k. Employee insurance programs withholdings bank account(s)? A.R.S. §15-1223

Yes ▼

l. Payroll direct deposits clearing bank account? A.R.S. §15-1221

No ▼

The District carried a cash balance of approximately \$20,000 in the payroll direct deposits clearing bank account for the entire fiscal year. Additionally, deferred compensation payments were not always paid timely.

m. Electronic payments clearing bank account? A.R.S. §15-1221

N/A ▼

No account.

n. Grants and gifts to teachers bank account? A.R.S. §15-1224

N/A ▼

No account.

o. Principals' supplies bank account(s)? A.R.S. §15-354

N/A ▼

No account.

2. Were debit cards prohibited as a payment method associated with any District bank account?

Yes ▼

3. Did the District refrain from establishing any bank accounts not authorized by statute? If any unauthorized accounts exist, list the account name, purpose and status in the comment below.

Yes ▼

4. Were inactive bank accounts closed?

N/A ▼

No inactive accounts.

5. Were bank charges paid only from the M&O Fund revolving bank account, Food Service Fund revolving bank account, Auxiliary Operations Fund bank account, and Auxiliary Operations Fund revolving bank account(s) or, if bank charges were paid from bank accounts other than those listed, were the bank charges reimbursed from an appropriate district fund or bank account?

No ▼

Bank charges were paid from the miscellaneous receipts clearing, student activities fund, tax withholdings, and payroll direct deposits clearing bank accounts. The bank charges were not reimbursed from an appropriate District fund or bank account.

6. Were cash-handling and recordkeeping responsibilities separated among employees, (i.e., receiving, depositing, and recording revenues), to safeguard monies or, if adequate separation was not possible due to the District's limited staff size, were adequate management review procedures in place to compensate for employees performing incompatible functions?

Yes ▼

7. Were cash register receipts or sequentially numbered handwritten cash receipt forms issued to support cash received? (**Note:** The term "cash" includes currency on hand, such as petty cash funds and cash receipts not yet deposited; and negotiable instruments, such as drafts, checks, warrants, credit card transactions, and money orders.)

No ▼

For one of five extracurricular activities fees tax credit and one of five miscellaneous cash receipts reviewed, the deposit was not supported by a receipt.

8. Were cash receipt summary reports (i.e., Auxiliary Operations, Student Activities, Food Service) prepared to total the amount of cash received and deposited?

Yes ▼

9. Was cash received safeguarded in a locked cash drawer, cash register, or other secure location immediately upon receipt, and was access limited to only those employees who required access?

Yes ▼

10. Was cash received deposited intact daily, when significant, or at least weekly?

No ▼

Cash received through the food service program was not always deposited at least weekly throughout the year. In addition, for three of five auxiliary operations cash receipts reviewed, the deposits were not made timely. Additionally, for one of five miscellaneous cash receipts reviewed, the deposit was not supported by a receipt or a collection report. Therefore, it could not be determined if the deposit was made timely. Lastly, for one of five miscellaneous cash receipts reviewed, the deposit was not made timely.

11. For all monies deposited in a district bank account, were validated deposit slips or other evidence indicating the amount and date of deposit retained and agreed to applicable bank deposit slips or other deposit transmittal supporting documentation?

Yes ▼

12. Were all monies deposited with the County Treasurer by the District accompanied by a sequentially numbered deposit transmittal form or a treasurer's receipt?

Yes ▼

13. For all deposits with the County Treasurer, were validated treasurer's receipts or revenue posting reports reconciled to the District's accounting records and to copies of deposit transmittals or treasurer's receipts?

Yes ▼

14. Were all cash disbursements from bank accounts made with sequentially numbered checks or electronic fund transfers and was supporting documentation retained for each disbursement?

Yes ▼

15. Were all disbursements from clearing bank account(s) made only by electronic payment or check payable to the County Treasurer?

Yes ▼

16. Did the District refrain from pre-signing blank or incomplete checks and writing checks payable to cash or bearer?

Yes ▼

17. Were unused checks physically safeguarded and access to them limited to authorized personnel who were not check signers? (Not applicable to revolving funds as the revolving fund custodian should maintain the checks.)

Yes ▼

18. If signature stamps, signature plates, electronic, or digital signatures were used for approving accounting transactions, checks, and other district documents, were safeguards in place to limit access to only the employee whose signature they represent?

N/A ▼

No signature stamps, signature plates, electronic, or digital signatures.

19. Were all bank accounts reconciled monthly by an employee not involved in handling cash or issuing checks, or were reconciliations reviewed, signed, and dated by an employee independent of the process?

No ▼

The District's bank accounts were not reconciled throughout the year. The District subsequently performed reconciliations for the accounts. Two of the bank accounts had unreconciled differences at year end. Additionally, student activities bank account reconciliations were not always signed and dated by the preparer or reviewer.

Supplies inventory–USFR VI-D

1. To physically safeguard supplies inventories to prevent unauthorized use, theft, damage and obsolescence, did the District establish and follow effective internal control policies and procedures over supplies inventories?

N/A ▼

No supplies inventory.

2. If a perpetual inventory was maintained, were supplies inventory records investigated and adjusted to account for significant physical count differences when an actual physical inventory was performed?

N/A ▼

No supplies inventory.

3. Was a supplies inventory list maintained that included item and unit descriptions, purchase document numbers, quantities, unit costs, extended costs, page totals, and a grand total prepared at the end of each fiscal year for all supplies, including donated items?

N/A ▼

No supplies inventory.

Property control–USFR VI-E

1. Did the District prepare a capital assets list that included all land, land improvements, buildings, building improvements, and equipment with unit costs in excess of the District's adopted capitalization threshold? (Capitalization threshold cannot exceed \$5,000.)

Yes ▼

2. Does the capital assets list include the following information:

No ▼

- Location (school, department, building, room etc.)?
- Identification number for equipment (permanent tag number, serial number, barcode, etc.)?
- Description (name, model number, size, color, etc.)?

- Method of acquisition (purchase, construction, lease-purchase, trade, or donation)?
- Source of funding (fund used to purchase the asset)?
- Acquisition date (month and year the asset was received or constructed)?
- Purchase document number (purchase order, voucher, or other document number that can be traced to documents that support the information recorded on the list)?
- Actual cost, estimated historical cost, or acquisition value at the time of donation?

The District's capital asset listing does not utilize unique tag numbers for all individual items on the capital asset listing. As a result, items below the capitalization threshold were incorrectly added to the listing. Additionally, the District capitalized two items that did not appear to have the characteristics of capital assets.

3. Were the District's physical controls adequate to help prevent theft, loss, misuse, or damage of district property?

Yes ▼

4. Was documentation to support the information recorded on the capital assets list retained for all items on the list?

Yes ▼

5. Did the District maintain a stewardship list for items costing at least \$1,000 but less than the District's capitalization threshold that includes the location, identification number, description, and acquisition date?

Yes ▼

6. For (3) equipment items selected from the stewardship and capital asset lists, and for (3) equipment items selected from the premises, did the location and identifying number affixed to the asset agree

No ▼

For one of three items selected from the premises, the item's tag number did not agree to the list. Additionally, for one of three items selected from the premises, the item was not included on the list. Lastly, for one of three items selected from the list, the tag number on the item did not match the tag number on the list.

7. Did the District update the stewardship and capital assets lists at least annually for acquisitions, transfers, and disposals?

Yes ▼

8. Did the District reconcile capitalized acquisitions to capital expenditures at least annually?

Yes ▼

9. Did the District reconcile the previous year's June 30 capital assets list to the current year's June 30 capital assets list?

Yes ▼

10. Did the District develop physical inventory instructions and was the inventory conducted by an employee independent of capital asset purchasing, custodial, and recording keeping responsibilities?

Yes ▼

11. Was a physical inventory of all equipment taken at least every 3 years and reconciled to the stewardship and capital assets lists? **(Note: Regardless of the answer, the "Comments" should specifically indicate the year of the District's last physical inventory.)**

Yes ▼

Date of last physical inventory: December 2018

12. Did the District follow R7-2-1131(C) when disposing of stewardship and capital asset items except as authorized by A.R.S. §15-342(7), (18), and (35)?

No ▼

For two of five disposed items reviewed, the District did not identify the fair market value or the justification for disposal. Additionally, for three of five disposed items reviewed, the District did not complete a disposal authorization form. In addition, for one of five disposed items reviewed, the item was not listed on the District's asset list. Lastly, for two of five disposed items reviewed, the items did not have identification number tags.

13. Did the District maintain adequate insurance coverage for all insurable district property, as required by A.R.S. §15-341(A)(6)?

Yes ▼

Expenditures–USFR VI-G

1. Were the responsibilities of expenditure processing separated among employees (i.e., voucher preparation, recordkeeping, and authorization) or, if this was not possible due to the District's limited staff size, were adequate management review procedures in place to compensate for employees performing incompatible functions?

No ▼

The District does not have an approval process in place for initiating wire transfers/ACH payments. Furthermore, it was noted that the Director of Business Services' personal online banking has access to the District's accounts and has the ability to transfer funds to and from the accounts.

2. Did the Governing Board obtain voter approval for the construction of buildings and purchase or lease of school sites unless otherwise exempted by

N/A ▼

A.R.S. §15-342(25)?

No such expenditures.

3. Before authorizing expenditures, did the District verify that sufficient cash was available in cash-controlled funds and budget capacity was available in budget-controlled funds, except as authorized in A.R.S. §§15-207, 15-304, 15-907, and 15-916?

Yes ▼

4. Were sequentially numbered purchase orders prepared before goods or services were ordered for all District expenditures (except for exempted items such as salaries and related costs, utilities, and in-state travel, or when a written contract was otherwise prepared), and were they approved by personnel authorized by the Governing Board before issuance to vendors?

No ▼

For one of 50 disbursements reviewed, the purchase order was prepared after the invoice was received.

5. If the District used blanket purchase orders, did they cover a definite time period and specify an expenditure limit?

Yes ▼

6. Were district monies that were restricted to specific purposes used only for allowable expenditures?

Yes ▼

7. Except for exempted items such as salaries and related costs, utilities, and in-state travel, were receiving reports prepared for all goods and services received that documented the date of receipt, quantity received, and signature of the recipient?

No ▼

For eight of 50 disbursements reviewed, the District could not provide a receiving report. Therefore it could not be determined whether goods and services were received prior to payment.

8. Did the accounts payable function include matching receiving reports, vendor invoices, and purchase orders before payment and maintaining documentation?

No ▼

For eight of 50 disbursements reviewed, the District could not provide a receiving report, therefore it could not be determined whether goods and services were received prior to payment.

9. Did the District periodically compare invoices to awarded contracts, including cooperative contracts, to verify billing amounts are correct and the contract terms and conditions were being met?

Yes ▼

10. Were warrants and electronic transfers compared to the applicable voucher and warrant/transfer register before distribution?

11. Were vouchers and supporting documentation, including invoices, stamped "paid" or otherwise marked to help prevent duplicate payments?

12. For levy funds, did the District prepare a list of liabilities, with supporting documentation by fund (and program for the M&O Fund) for goods or services, including payroll received but not paid for by June 30 and file an Advice of Encumbrance based on the list with the CSS by July 18? A.R.S. §15-906 (Accounting responsibility program districts should perform the duties described in A.R.S. §15-304.)

The District did not prepare an Advice of Encumbrance.

13. Did the District use monies received from a Career Technical Education District (CTED) only for vocational education and to supplement, rather than supplant, its base year vocational education spending?

No CTED revenues.

Credit cards and p-cards–USFR VI-G

1. Did the District develop specific policies and procedures to account for and control district credit cards and purchasing cards (p-cards) in accordance with USFR pages VI-G-15 through 20?

2. Did the District maintain separation of responsibilities for issuing cards; requesting, authorizing, and executing purchases; and payment processing?

3. Were cards issued only to those employees with a legitimate district purpose and with appropriate purchase limits based on the types of transactions for which the card was to be used?

4. Was a complete list of card users maintained to track possession of all cards?

5. For cards issued in the District's name, was a specific employee, who is not an authorized card user, designated to track the cards and account for all the cards' transactions for cards issued in the District's name, (e.g., fuel cards)?

 ▼

6. Was there evidence maintained that employees who make credit card purchases or process transactions were trained on the District's policies and procedures?

 ▼

7. Were signed card user agreements required and retained, that outline receipt of the District's card use policies and procedures, including possible disciplinary actions for misuse?

 ▼

8. Was all supporting documentation (i.e., receipts, transaction logs) from card users' transactions submitted and reviewed at least monthly?

 ▼

9. Were monthly billing statements sent directly to the District as well as the card user, if applicable?

 ▼

10. Did the District verify and document the receipt of any prepaid items, such as items purchased online, by phone, or fax, that resulted in card charges before goods or services were received?

 ▼

11. Did management perform and document periodic reviews to monitor purchases and vendor usage for compliance with applicable procurement rules and district policies?

 ▼

12. For p-cards, did the District use Merchant Category Codes to block unauthorized vendors or purchases and apply the purchasing limits necessary to meet operating requirements?

 ▼

13. Were credit card and p-card supporting documentation and billing statements received and reconciled by someone other than the card user before payment was made to the card issuer?

Yes ▼

For question 14, the audit firm must judgmentally select at least 3 monthly credit card/p-card (including fuel card) statements in total (from different cards/accounts, if the District has more than 1 card/account) and scan the statements for unusual or inappropriate purchases, or purchases not made within the District's policies and procedures. Then judgmentally select at least 5 individual transactions in total to review from the statements selected above, in addition to any unusual or inappropriate purchases noted on the statements selected.

14. Based on a scan of the statements and a review of the judgmentally selected transactions, were credit card and p-card purchases only for expenditures for authorized district purposes, within the dollar limits authorized for the employee making the purchase, and supported by appropriate receipts that clearly identify the employee making the purchase? (**Note:** If the answer is "No," the "Comments" should specifically indicate which of the above requirements were not complied with.)

Yes ▼

15. Were credit card and p-card statements paid timely to avoid finance charges and late fees?

Yes ▼

Procurement–USFR VI-G and R7-2-1001 et seq

To determine the District properly procured expenditures, the audit firm must select and test a specified number of procurements performed during the fiscal year based on the District's ADM as shown in the table below. Auditors should consider multiple expenditure transactions, including those made by credit card with vendors, purchases of like items, and multi-year contracts to determine the appropriate level of competitive purchasing required and for which question the expenditure should be tested. However, questions should be answered only for contracts awarded during the fiscal year.

The listed sample sizes represent the minimum level of required test work. The audit firm should use their judgment in determining whether a larger sample is needed.

District ADM	Sample Size
<1,000	5
1,000-5,000	10
>5,000	15

In the parentheses provided, indicate the actual number of contracts tested. If all contracts were tested, indicate such in the "Comments". Of the total awarded contracts selected for testing, at least 40 percent must be for competitive sealed bids and at least 40 percent must be for competitive sealed proposals. If these 40 percent thresholds cannot be met due to an inadequate population size, the audit firm must test all contracts made through competitive sealed bids or competitive sealed proposals, as applicable. Of the contracts selected, at least 1 awarded contract should be for traditional construction (design-bid-build), and at least 1 for qualified select bidders list (question 13), or construction-manager-at-risk, design-build, job-order-contracting (question 14), and specified professional services (question 29), as applicable. If the district acted as a lead district in a cooperative purchase, at least 2 of these contracts should be included in the sample selected (question 26).

Based upon review of (0) contracts,[(0)competitive sealed bids and (0) competitive sealed proposals], for the procurement of construction, materials, and services that exceeded \$100,000, indicate whether the District followed the School District

For solicitations prepared for competitive sealed bidding or competitive sealed proposals, did the District:

1. Publish and provide other adequate notice, as applicable, of the invitation for bid (IFB) or request for proposal (RFP)? R7-2-1022 or R7-2-1042(C)

N/A ▼

No sealed bids or proposals.

2. Compile and maintain a list of persons who requested to be added to a list of prospective bidders, if any, and furnish those bidders with notice of available bids? R7-2-1023

N/A ▼

No sealed bids or proposals.

3. Issue the IFB or RFP at least 14 days before the time and date set for bid opening or the closing date and time for receipt of proposals, as applicable, unless a shorter time was documented as necessary? R7-2-1024(A) or R7-2-1042(B)

N/A ▼

No sealed bids or proposals.

4. Include all information in the IFB or RFP, as required by R7-2-1024(B) or R7-2-1042(A)? (**Note:** If the answer is "No," the "Comments" must specifically indicate which requirements were not complied with.)

N/A ▼

No sealed bids or proposals.

5. Record the time and date sealed bids or proposals were received and store bids or proposals unopened until the time and date set for opening? R7-2-1029 or R7-2-1045

N/A ▼

No sealed bids or proposals.

If a multiple award was made for an IFB or RFP did the District (Questions 6-9):

6. Establish and follow procedures for the use of multiple award contracts? R7-2-1031(D) and R7-2-1050(C)

N/A ▼

No sealed bids or proposals.

7. Include in the solicitation(s) notification that multiple contracts may be awarded, the District's basis for determining whether to award multiple contracts, and the criteria for selecting vendors for the multiple contracts? R7-2-1031(C) and R7-2-1050(B)

N/A ▼

No sealed bids or proposals.

8. Determine, with the specific reason(s) in writing, that a single award was not advantageous to the District and retain documentation that supported the basis for a multiple award? R7-2-1031(D) and R7-2-1050(C)

N/A ▼

No sealed bids or proposals.

9. Limit contract awards to the least number of suppliers necessary to meet the District's requirements? R7-2-1031(D) and R7-2-1050(C)

N/A ▼

No sealed bids or proposals.

10. For contracts where only 1 responsive bid or proposal was received, determine that the price submitted was fair and reasonable and that either other prospective offerors had reasonable opportunity to respond or there was not adequate time for resolicitation, and retain documentation that supported the basis for the determination? R7-2-1032 or R7-2-1046(A)(1)

N/A ▼

No sealed bids or proposals.

11. For purchases made through competitive sealed bidding, did the District award contracts to the lowest responsible and responsive bidder whose bid conformed, in all material respects, to the requirements and evaluation criteria set forth in the IFB? (**Note:** If the answer is "No," the "Comments" should specifically indicate which requirements were not complied with.) R7-2-1031

N/A ▼

No sealed bids.

12. For purchases made through competitive sealed proposals, did the District award the contract to the offeror whose proposal was determined, with specific reason(s) in writing, to be most advantageous to the District based on the factors set forth in the RFP and retain documentation that supported the basis for the determination? (**Note:** If the answer is "No," the "Comments" should specifically indicate which requirements were not complied with.) R7-2-1050

N/A ▼

No sealed proposals.

13. If the District used a qualified select bidders list to procure construction services, did the District comply with the requirements of R7-2-1101?

N/A ▼

No qualified select bidders list.

14. If the District used construction-manager-at-risk, design-build, or job-order-contracting to procure construction services, did the District comply with the requirements of R7-2-1102 through R7-2-1115? (**Note:** If the answer is "No," the "Comments" should specifically indicate which requirements were not complied with.)

N/A ▼

No such procurements.

15. If the District procured goods and services using reverse auctions or electronic bidding, did the District comply with the requirements of R7-2-1018, R7-2-1021 or R7-2-1041? (**Note:** If the answer is "No," the "Comments" should specifically indicate which requirements were not complied with.)

N/A ▼

No such procurements.

16. If the District used a consultant(s) or advisory group(s) to assist with the specifications or procurement in specific areas, did the District comply with the requirements of R7-2-1008?

N/A ▼

No consultants or advisory groups used.

17. Did the District have a signed conflict of interest (procurement disclosure) statements in the procurement file, as required, for all employees with job responsibilities related to procurement or for non-employee consultants or technical advisors involved in a procurement process? R7-2-1008(C) and R7-2-1015

N/A ▼

No sealed proposals.

18. Based upon review of (8) purchases costing at least \$10,000 but less than \$50,000, did the District obtain and document oral price quotations from at least 3 vendors and follow the guidelines for oral price quotations prescribed by

No ▼

For one of eight purchases reviewed, three oral price quotations were not obtained. Population exhausted.

19. Based upon review of () purchases costing at least \$50,000 but less than \$100,000, did the District obtain written price quotations from at least 3 vendors and follow the guidelines for written price quotations prescribed by the

N/A ▼

No such purchases.

20. Did the District have written determinations, including for any specified professional services, construction, construction services, or materials to an entity selected from a qualified select bidders list or through a school purchasing cooperative, including how the determination was made? R7-2-1004

No ▼

For all purchases made through a purchasing cooperative reviewed, the District did not have written determinations, including how the determinations were made.

If the District used multi-term contracts for any of the contracts tested above:

21. Were the terms and conditions of renewal or extension, if any, included in the solicitation for bids, proposals, or quotations, and were monies available for

N/A ▼

the first fiscal year at the time of contracting? A.R.S. §15-213(K) and R7-2-1093

No multi-term contracts

22. For materials or services and contracts for job-order-contracting construction services that were entered into for more than 5 years, did the Governing Board determine in writing that a contract of longer duration would be advantageous to the District before the procurement solicitation was issued? A.R.S. §15-213(L) and R7-2-1093

N/A ▼

No such contracts.

23. Did the District have a cooperative purchasing agreement on file for each cooperative or lead district the District made purchases through? R7-2-1191 through R7-2-1195

Yes ▼

24. Did the District perform adequate due diligence for **each** cooperative or lead district the District made purchases during the audit period to help ensure that those purchases complied with the School District Procurement Rules? [Note: Indicate in the comment below the name of each cooperative or **lead district** the District purchased through and whether due diligence was adequate based on the guidelines provided on USFR page VI-G-13 and R7-2-1191(D).]

Yes ▼

State, 1GPA (Kyrene ESD, Paradise Valley USD), Omnia (Region 4 Education Service Center, Prince William County Public Schools), Mohave, GPPCS (Washington ESD), SAVE (Mesa USD, Tempe Union HSD)

25. Did the District refrain from purchasing goods or services using another district's or cooperative's contract, in which it was not included in the original solicitation, where the additional purchase by the District would have materially increased the estimated volume stated in the original solicitation? R7-2-1011

Yes ▼

Complete question 26 if the District acted as the lead district (e.g., obtained bids/proposals) in a cooperative purchase.

26. Based upon review of at least **2** contracts for which the District was the lead district in a procurement, did the District follow the procurement procedures required for competitive sealed bidding or competitive sealed proposals, as applicable, and take into consideration the total estimated volume of purchases for all public procurement units identified in the solicitation? R7-2-1011

N/A ▼

District did not act as lead.

Based upon review of all emergency and sole source procurements for questions 27 and 28:

27. Was the basis for each emergency procurement reasonable and did the District retain a written statement documenting the basis for the emergency, the selection of the particular contractor, and why the price paid was reasonable, and was such statement signed by the individual authorized to initiate emergency procurements? R7-2-1055 and R7-2-1056

N/A ▼

No emergency procurements.

28. Was the basis for the sole source procurement reasonable and did the District retain the Governing Board's written determination that there was only 1 source for required materials, service, or construction items purchased? R7-2-1053

N/A ▼

No sole source procurements.

29. If the District used contracts for specified professional services, did the District follow the School District Procurement Rules? R7-2-1117 through R7-2-1123

N/A ▼

No such contracts.

Based upon review of all purchases from employees and Governing Board members for questions 30-32:

30. Did the District follow the School District Procurement Rules, regardless of the expenditure amount, for any purchase of services from Governing Board members or goods or services from district employees?

N/A ▼

No such purchases.

31. For purchases of supplies, materials, and equipment from Governing Board members, did the District follow the School District Procurement Rules if the purchase exceeded \$100,000 or if the purchase was below the threshold, were the guidelines for written and oral price quotations followed? A.R.S. §38-503(C)

N/A ▼

No such purchases.

32. If a Governing Board member, officer, or employee had a substantial interest in any contract, sale, purchase, or service, did the individual submit a conflict of interest statement and refrain from voting upon or otherwise participating in any manner as an officer or employee in such contract, sale, or purchase? A.R.S. §§38-502(11) and 38-503

N/A ▼

No such purchases.

33. Were purchases under current General Services Administration (GSA) contracts authorized in writing by the Governing Board and limited to items included in contracts on GSA schedule 70-IT and schedule 84-Law Enforcement prior to making any purchases? A.R.S. §15-213(J) and R7-2-1196(C)

N/A ▼

No such purchases.

Classroom Site Fund–A.R.S. §15-977

1. Did the District properly allocate total Classroom Site Fund (CSF) revenues among the following funds: 011–Base Salary (20%), 012–Performance Pay (40%), and 013–Other (40%), as required by A.R.S. §15-977?

Yes ▼

2. For Fund 011, were expenditures only for teacher base salary increases, employment-related expenses, and registered warrant expense?

Yes ▼

3. For Fund 012, did the Governing Board adopt a performance-based compensation system as required by A.R.S. §15-977(C), including an individual teacher performance component?

Yes ▼

4. For Fund 012, were expenditures made only in accordance with its adopted performance-based teacher compensation system, including employment-related expenses and registered warrant expense?

Yes ▼

5. For Fund 013, were expenditures only for class size reduction, teacher compensation increases, assessment intervention programs, teacher development, dropout prevention programs, teacher liability insurance premiums, and registered warrant expense?

Yes ▼

6. For Fund 013, were monies spent for class size reduction, assessment intervention, and dropout prevention programs used only for instructional purposes as defined under the instruction function in the USFR Chart of Accounts and not used for school sponsored athletics?

N/A ▼

No Fund 013 monies used for these purposes.

7. Were teacher base salary increases (Fund 011), performance-based teacher compensation increases (Fund 012), and monies spent from Fund 013 for teacher compensation increases paid only to employees possessing a teaching certificate and employed to provide instruction related to the District's educational mission?

Yes ▼

8. Did the District record CSF revenues and expenditures in the separate CSFs (011-013) throughout the fiscal year, as monies were received and expended, rather than at year end?

Yes ▼

9. Did the District use CSF monies to supplement, rather than supplant, existing funding from all other sources? (See USFR Memorandum No. 194)

Yes ▼

10. If the District coded expenditures to any of the individual CSFs (011-013) that caused the District to exceed the CSF budget limit or the appropriate percentage allocation for the individual funds, did the District reclassify the expenditures to the M&O or other appropriate fund?

Yes ▼

11. If the District had a budget balance remaining at year-end in any of the 3 CSFs (011-013), were balances carried forward in the same funds to ensure that the restrictions placed on the original allocation of revenues is applied in future years?

No ▼

The calculation of the classroom site budget limit erroneously excluded prior year expenditures and interest earned, resulting in an over calculation of the budget limit by a combined \$288,028. This miscalculation did not result in a shifting of budget between funds.

Payroll-USFR VI-H

1. Were payroll processing responsibilities (i.e., payroll preparation, payroll authorization, and warrant distribution) adequately separated among employees or, if this was not possible due to the District's limited staff size, were adequate management review procedures in place to compensate for employees performing incompatible functions?

Yes ▼

2. Were written personnel and payroll policies and procedures, including salary and wage schedules, established by the Governing Board and available to employees?

Yes ▼

3. Did the District establish a delayed payroll system for hourly employees that did not delay payments more than 7 business days during its normal 2-week payroll processing cycle that allowed adequate time for payroll adjustments to be made if needed between the end of the pay period and the payment date?

Yes ▼

If the District provided prorated compensation payments to employees (Questions 4-6):

4. Were elections for prorated compensation made annually before any work was performed and not changed after work began?

Yes ▼

5. Were any adjustments to the annual compensation of employees who were receiving prorated wage payments based on the employee's official rate of pay?

Yes ▼

6. Did the District ensure that at no point during the year was an hourly employee paid for more than actual hours worked to date?

N/A ▼

No hourly employees receive prorated payments.

7. Did individual personnel files include appropriate supporting documentation, as listed on USFR pages VI-H-2 through 4?

Yes ▼

8. Did the District ensure that all employees who met membership criteria were enrolled in the Arizona State Retirement System (ASRS), and did the District withhold employee contributions and remit employee and district contributions in accordance with the *ASRS Employer Manual*?

No ▼

The District did not always remit contributions to the ASRS in a timely manner.

9. Did the District accurately calculate and remit alternative contribution rate payments to ASRS for all applicable positions filled by ASRS retirees? (<https://www.azasrs.gov/content/alternate-contribution-rate>)

Yes ▼

10. Did the District maintain a system to account for the accrual and use of vacation, sick leave, and compensatory time for all employees?

Yes ▼

11. Did the District's policies governing leave time include prescribed accrual rates for specified years of service, maximum amounts to be accrued, and disposition of accrued time upon separation of employment?

Yes ▼

12. Were attendance records, such as time sheets or timecards, prepared for each pay period for each employee subject to the *Fair Labor Standards Act*

Yes ▼

and approved by the employee and the employee's supervisor?

13. Were payroll registers supported by properly authorized notifications of employment, terminations, pay rate changes, withholding and voluntary deduction authorization forms, and work attendance/leave records?

Yes ▼

14. Were completed payroll registers or prepayroll registers, including any manual adjustments, reviewed and approved? (**Note:** Indicate in the comment below the amount of any over/under payments noted.)

No ▼

District documentation showed a \$0.25 raise for all classified staff. For seven of 23 classified employee payroll records reviewed, the raise did not appear to be paid to the employee.

15. Did employees participating in the various stages of processing payroll, preparing and approving vouchers, and distributing warrants document the steps (preparation, review, or approval) they performed?

Yes ▼

16. Were payroll warrants, warrant registers, direct deposit amounts, and payroll registers compared to the prepayroll register and voucher prior to distribution to employees?

Yes ▼

Travel-USFR VI-I

1. Did the Governing Board prescribe policies and procedures for reimbursing travel expenditures [lodging, meals, and incidentals] incurred for District purposes that were within the maximum reimbursement amounts established by the Director of ADOA, and were employees properly reimbursed? (**Note:** Indicate in the comment below the amount of any over payments noted.)

Yes ▼

2. Did the District reimburse mileage at the standard rate established by ADOA? (**Note:** Indicate in the comment below the amount of any overpayments noted.)

Yes ▼

3. Were all meal reimbursements for travel with no overnight stay or no substantial sleep/rest reported as a taxable employee benefit? (**Note:** Indicate in the comment below the amount of any overpayments noted.)

N/A ▼

No such reimbursements.

Financial reporting–USFR VII

Questions 1 through 6 should be answered based on review of the annual financial report (AFR) for the audit year.

1. Was the AFR, and the AFR summary (if one was prepared), filed electronically with the CSS and the Superintendent of Public Instruction by October 15? A.R.S. §15-904(A)

No ▼

The District's AFR was not filed with the County School Superintendent.

2. Did the District publish, mail, or provide a link on its website to ADE's website where the District's AFR could be viewed, by November 15? A.R.S. §15-904(A) and (C)

Yes ▼

3. Did budgeted expenditures as reported on the AFR agree with the District's most recently revised, adopted expenditure budget?

No ▼

Budgeted expenditures as reported on the AFR did not agree to the most recently revised expenditure budget for Fund 001 and Fund 695.

4. Did actual revenues and expenditures as reported on the AFR agree with the District's accounting records?

No ▼

Actual revenues as reported on the AFR did not agree with the District's accounting records for several funds. Actual expenditures as reported on the AFR did not agree with the District's accounting records for Fund 510.

5. Was all required information included in the AFR?

Yes ▼

6. Was adequate documentation retained to support amounts reported on the AFR and in the financial statements?

Yes ▼

Information technology (IT)–USFR IX

1. Was adequate separation of duties defined and documented related to program files and productions data for administration, authorization, programming, and operational responsibilities of the District's separate business systems, (i.e., IT, financial, student attendance, student payment systems, network, website) and did the District limit employee access to only those business functions or software necessary to perform their job function? If this was not possible due to the District's limited staff size, were adequate

No ▼

management review procedures in place? (**Note:** Indicate in the comment below if employees had incompatible duties or superuser access.)

Per review of the Visions user role listing, the District did not always adequately limit access based on the needs of the individual's job function in order to prevent unauthorized access to critical systems. One employee had more access than necessary.

Did the District adopt an IT framework and follow documented IT policies and procedures that: (Questions 2-5)

2. Addressed configuration/change management processes, (i.e., programming, operating, and modifying the system), and was such documentation available to the appropriate personnel?

Yes ▼

3. Addressed security risks of unauthorized access to the District's systems, network, and data, including through email, Internet use, VPN, wireless access, and mobile devices?

Yes ▼

4. Included employee security awareness training for prevention and detection of technology-related threats, (i.e., phone and email phishing, website attacks, and data breaches), and guidelines for responding to those incidents?

Yes ▼

5. Ensured terminated or transferred employees' and vendor access had been immediately revoked or modified? (**Note:** Indicate in the comment below if any terminated employees had access to the District's systems.)

No ▼

The District's information technology policies do not specifically address the process for removal or modification of terminated or transferred employees.

6. Were IT system software and hardware physically protected from improper access, theft, and environmental hazards, and did scheduled backup control procedures ensure uninterrupted operations and minimal loss of data?

Yes ▼

7. Were software applications (i.e., anti-virus, anti-spyware, anti-malware, systems patches), and general controls up to date and adequate to protect the integrity and reliability of the District's data (i.e., web-based applications, accounting, student attendance, and payroll systems)?

Yes ▼

8. Did the district ensure that vendor contracts or data sharing agreements with 3rd parties accessing, or hosting district data addressed controls to support security and processing integrity were in place before data was accessed/shared, and required appropriate security reviews?

Yes ▼

9. Were data changes in business (i.e., employee information, pay rates) and IT (i.e., user roles, access rights) systems properly authorized and approved prior to processing, and was the data periodically reviewed by a designated employee to ensure the validity, completeness, and accuracy of processed data and, if applicable, was corrective action taken?

Yes ▼

10. Did the District follow password security policies that required passwords of at least 8 characters, screen locks, repeated failed sign-on attempt lock-outs, and prohibited sharing of user IDs and passwords?

Yes ▼

11. Did the District's system provide an audit trail review and analysis function, or a report that enabled tracing of electronic transactions or records? (**Note:** If the system does not provide an electronic audit trail function, did the District have a documented manual process to audit transactions?)

Yes ▼

12. Did the IT system generate incident or error reports to identify security threats or other unusual activity, and were these reports routinely reviewed and the necessary corrective actions approved and completed?

Yes ▼

13. Did the District have a formal disaster recovery or contingency plan that would ensure successful resumption of system services in case of disruption or failure, and was it reviewed at least annually to confirm responsibilities, identify internal and external vulnerabilities, and remedy any deficiencies in the plan?

No ▼

The District did not have a complete formal disaster recovery or contingency plan.

Cooperative agreements and regional services–USFR X-C

1. Did the District have a fully executed copy of each intergovernmental agreement (IGA) on file and are payments for services made or received, as applicable? A.R.S. §11-952

Yes ▼

2. If the District was the fiscal agent, were the IGA monies maintained in the appropriate fund at the County Treasurer, and was a monthly financial report

N/A ▼

of receipts and disbursements provided to participants?

District was not the fiscal agent.

Student attendance reporting–ADE's School Finance External Guidelines

If test work performed in this section discloses a net overstatement or understatement of membership and/or absence days, based on A.R.S. and ADE's membership and attendance guidelines, report the net overstatement or understatement in the "Comments" below each applicable question.

1. Was school in session for at least 180 days or did the Governing Board adopt a calendar with an equivalent number of minutes of instruction per school year based on a different number of days of instruction? A.R.S. §15-341.01

Yes ▼

A.R.S. §§15-808(J)(1), 15-901(A)(1) and 15-901.07 prescribe the number of required instructional hours per grade level, including Arizona Online Instruction (AOI) Programs.

Instructional hours for common school students include hours in which a student is scheduled to attend a common school during the regular school day that shall be included in the calculation of the average daily membership for that student.

Instructional hours for high school students include regularly scheduled class periods intended for instructional purposes, which may include core subjects, elective subjects, lunch, study halls, music instruction, and other classes that advance the academic instruction of pupils, except that instructional purposes shall not include athletic practices or extracurricular clubs and activities.

2. Were preschool children with disabilities enrolled in a program that met at least 360 minutes a week that meets at least 216 hours over the minimum number of days?

Yes ▼

3. Was kindergarten in session for at least 356 hours or 346 hours for Arizona Online Instruction (AOI) Programs?

Yes ▼

4. Were grades 1 through 3 in session for at least 712 hours?

Yes ▼

5. Were grades 4 through 6 in session for at least 890 hours?

Yes ▼

6. Were grades 7 and 8 in session for at least 1,000 hours or 1,068 hours for AOI Programs?

Yes ▼

7. Were grades 9 through 12, other than AOI Programs, in session at least 720 hours?

8. Did grades 9 through 12, other than AOI Programs or those students enrolled in concurrent coursework, include at least 4 subjects, each of which if taught each school day for the minimum number of days required in a school year would meet a minimum of 123 hours a year?

9. Did grades 9 through 12 of AOI Programs include at least 4 courses throughout the year that meet at least 900 hours during the school year?

10. Did students in grades 9 through 12 enrolled in concurrent coursework attend at least 4 subjects? At least 1 subject must be taught at the District and, if taught each school day for the minimum number of days required in a school year, would meet a minimum of 123 hours a year. Students must earn 3 semester hours of credit or more for subjects taught at the community college or university.

For Student Attendance Reporting questions, the audit firm must select and test the specified number of transactions (records, entries, withdrawals, or days) as shown in the sample size instructions before each section. Those samples should include 3 or more grade levels and 3 or more schools, where applicable. The listed sample sizes represent the minimum level of required test work. The audit firm should use its judgment in determining whether a larger sample is needed. All student attendance records tested should be selected from the 100 days of school.

Write the actual number of transactions tested in the parentheses provided. If all transactions were tested, indicate such in the "Comments".

For questions 11-13, select at least 3 student attendance records.

11. If the District had an early (pre-) kindergarten program, based upon review of (3.....) early (pre-) kindergarten students' attendance records, did the District only calculate and submit membership/absence information for this program for students with disabilities? A.R.S. §15-901(A) (1)(c)(i) and USER Memorandum No. 175

12. Based upon review of (3.....) students' attendance records in kindergarten programs, if the instructional time for the year was between 356 and 692 hours, were students not in attendance for at least 3/4 of the day counted as being absent or, if the instructional time for the year was 692 hours or more, were students not in attendance at least 1/2 of the day counted as being absent?

13. If the District had an early first grade program, based upon review of (.....) early first grade students' attendance records, did the District calculate and submit membership/absence information for this program as it would for kindergarten? A R S 5615-901(A)(1)(a)(i) 15-

N/A ▼

No such program.

For questions 14 and 15, use the following sample sizes:

District ADM	Student Attendance Records
<1,000	5
1,000-5,000	10
>5,000	15

14. Based upon review of (10) students' attendance records at elementary and junior high schools in which attendance was based on half days, were students in attendance for less than 1/2 the day counted as being absent for 1 full day; were students in attendance for at least 1/2 day, but less than 3/4 of a day, counted as being absent for 1/2 day; and were students in attendance for at

Yes ▼

15. Based upon review of (.....) students' attendance records at elementary and junior high schools where attendance was based on quarter days, were students in attendance for more than 3/4 of the day counted in attendance for a day and students in attendance for 3/4 of the day or less counted in attendance for each quarter of

N/A ▼

Attendance based on half days.

For questions 16-30, use the following sample sizes:

District ADM	Student Attendance Records
<1,000	3
1,000-5,000	5
>5,000	7

16. Based upon review of (.....) high school students' attendance records whose attendance was reported in terms of absences, for all absence days reported in a 1 month period, did the District report absences in

N/A ▼

No high school.

17. For schools approved to report minutes of attendance, based upon review of the attendance records for a 1 month period for (.....) students whose attendance was reported in minutes, did the District report minutes of attendance only for actual classroom instruction attended

N/A ▼

No high school.

18. Based upon review of (.....) high school students' attendance records, did the District prorate the membership of the students enrolled in less than 4 subjects?

N/A ▼

No high school.

For students enrolled in a program provided by a CTED in a facility owned or operated by a school district:

19. For school districts --Based on a review of (.....) students' attendance records, did the District report the actual enrollment and attendance data for only the District classes the student was enrolled in at that school (excluding CTED program classes) under the District's CTDS number?

N/A ▼

No CTED students.

20. For school districts --Based on the review of (.....) students' attendance records for all absence days reported in a 1 month period, did the District calculate absences in accordance with the method(s) provided by ADE and based on the number of District classes the student was enrolled in and attended (excluding CTED program classes)?

N/A ▼

No CTED students.

21. For CTEDs --Based on a review of (.....) students' attendance records, did the CTED report actual enrollment and attendance data for only the CTED program classes the student was enrolled in at that satellite location (excluding school district classes)? [**Note:** Total membership claimed for the school district and the CTED satellite locations for

N/A ▼

Not a CTED.

For students enrolled in both a school district and CTED course(s) offered to eligible students in each member district of the CTED:

22. For CTEDs --Based on a review of (.....) students' attendance records for students enrolled in a CTED course provided at a qualifying centralized or leased centralized campus as described in A.R.S. §15-393 that meets for at least 150 minutes (not including any breaks) per class period, was the membership reported by the CTED as 0.75?

N/A ▼

Not a CTED.

23. For school districts and CTEDs --Based on a review of (.....) students' attendance records for students enrolled in both the school district and in CTED courses [including CTED courses provided at a community college pursuant to A.R.S. §15-393(K)], was the sum of the ADM no more than 1.75 and was the amount claimed by either entity no more

N/A ▼

No CTED students.

For school districts offering an AOI Program, based upon review of (.....) AOI students' attendance records for 4 weeks: (ADE's SF-0003-AOI Participation)

24. Was the guardian-approved or District computer-generated daily log describing the amount of time spent by the student on academic tasks maintained by the participating AOI school? A.R.S. §15-808(E)

N/A ▼

No AOI program.

25. Did the hours reported to ADE agree to the guardian-approved or District computer-generated daily log?

N/A ▼

No AOI program.

26. Were all students who participated in an AOI Program residents of this state? A.R.S. §15-808(B)

N/A ▼

No AOI program.

27. Was the students' Intended Full Time Equivalency Enrollment Statement maintained?

N/A ▼

No AOI program.

28. Based upon review of the student attendance records in questions 24 through 27, did the District follow its procedures, to redetermine the actual FTE for each student enrolled in an AOI Program, following a student's withdrawal or after the end of the school year?

N/A ▼

No AOI program.

29. Based upon review of (5) students' attendance records (all grades) for students withdrawn for having 10 consecutive unexcused absences, was the student only counted in membership through the last day of actual attendance or excused absence? A R S §15-901(A)(1)

No ▼

For one of five students' attendance records reviewed for students withdrawn for having 10 consecutive unexcused absences, the student was not properly counted in membership through the last day of actual attendance or excused absence.

30. Based upon review of (10) students' attendance records, does the student's name entered in the student management system match the name on the legal document on file? A R S §15-808(D)

Yes ▼

For questions 31 through 41, use the following sample sizes:

District ADM	Entries/Withdrawals
<1,000	5
1,000-5,000	10
>5,000	15

Based upon review of (10) entries (Note: Enrollment forms are not required for continuing students at the same school.): Questions 31-35

31. Were entry dates entered into the District's computerized attendance system within 5 working days after the actual date of entry and was documentation maintained to support the date of data entry?

Yes ▼

32. Did the entry date in the computerized attendance system agree to the entry form?

Yes ▼

33. Did the teachers' attendance registers, if used, and other documentation support the entry date in the computerized attendance system?

N/A ▼

Computerized system.

34. Did membership begin on the first day of actual attendance or, for continuing/pre-enrolled students, the first day that classroom instruction was offered, provided that the students actually attend within the first 10 days of school?

Yes ▼

35. Did the District obtain and maintain verifiable documentation of Arizona residency upon enrollment? A.R.S. §15-802(B)(1) and ADE's Arizona Residency Documentation Guidelines

Yes ▼

36. If the District admitted students who were nonresidents of Arizona, was the student excluded from the District's student count and state aid calculations, as applicable? A.R.S. §15-823(L)

N/A ▼

No such students.

37. If the District admitted students who were nonresidents of Arizona, was tuition charged, as applicable? A.R.S. §15-823

N/A ▼

No such students.

Based upon review of (10) withdrawals: (Questions 38-41)

38. Were the withdrawal dates entered into the District's computerized attendance system within 5 working days after the actual day of withdrawal and was documentation maintained to support the date of data entry? (**Note:** "Day of withdrawal" for determining timely data entry means: a. the later of the student's withdrawal date or the day the District was notified the student will not be returning; or b. the 10th day of unexcused absence for students withdrawn for having 10 consecutive unexcused absences.)

No ▼

For one of 10 withdrawals reviewed, the District did not document when the withdrawal was input into the District's computerized attendance system. As a result, it could not be determined if the data was input timely.

39. Did the withdrawal date in the attendance system agree to the withdrawal form? (**Note:** If the computerized attendance system requires the District to input the day following the withdrawal date for a student to be counted in membership through the last day of actual attendance or excused absence, the withdrawal date on the system should be the school day following the withdrawal date on the form.)

No ▼

For one of 10 withdrawals reviewed, the date per the computerized attendance system did not match the date on the withdrawal form.

40. Did the teachers' attendance registers, if used, and other supporting documentation agree to the withdrawal date in the computerized attendance system?

N/A ▼

Computerized system.

41. Was an *Official Notice of Pupil Withdrawal* form prepared and retained for each District withdrawal and signed by a District administrator? A.R.S. §15-827

Yes ▼

For question 42 use the following sample sizes:

District ADM	Days
<1,000	3
1,000-5,000	5
>5,000	7

42. Based upon review of () days for various schools, grades, and classes in the computerized attendance system, did the student absences from each day agree to the teachers' attendance registers, absence slips, or other

N/A ▼

District used only a computerized attendance system.

43. Did the District have adequate electronic or manual controls in place to ensure that any changes to the original record of student attendance data were properly authorized and documented, including the names or identification numbers of the persons making and authorizing the changes?

Yes ▼

44. Was the District's membership/absence information submitted to ADE electronically at least once every 20 school days for membership and 60 days for absence information through the last day of instruction (with the first 20 and 60 day periods beginning on the first day of school or the opening of SAIS or AzEDs, for current fiscal year data submission, whichever is later)? A.R.S. §§15-901(A)(1) and 15-1042(G) If membership/absence information was not submitted every 20 days, please include the reason in the comments.

Yes ▼

45. Based upon review of the District's student data uploaded to ADE (AzEDS ADM15 report), did the membership and absences agree to the District's computerized attendance system records for the first 100 days of school? (**Note:** For an AOI Program, review year-end attendance information.)

Yes ▼

Transportation support–ADE's SF-0002 Transportation Guidelines

1. Did the District accurately calculate and maintain documentation for miles reported on the Transportation Route Report submitted to ADE? A.R.S. §15-922

Yes ▼

2. Did the students reported as eligible students on the Transportation Route Report meet the definition in A.R.S. §15-901(A)(8)? (**Note:** If test work discloses a net under/overstatement of eligible students, report the net amount of the under/overstatement in the "Comments".)

Yes ▼

Records management–USFR X-E

1. Did the District dispose of records in accordance with the *General Retention Schedules for Education K-12* published by the Arizona State Library, Archives and Public Records? (<http://apps.azlibrary.gov/records/general.aspx>)

Yes ▼

2. Did the District follow policies and procedures to protect the security, maintenance and disposition of personally identifiable information and confidential records, such as student and employee information and social security numbers?

Yes ▼

Food Service Fund–USFR X-F

1. Did the District have a method to track the number of meals sold per day, such as prepayment accounts, student ID, or meal tickets?

Yes ▼

2. Were daily reports prepared that reconciled meal sales to cash collections, and were cash overages and shortages resolved?

Yes ▼

3. Did the actual expenditures as reported in the M&O Fund 001 and Capital Fund 610 columns on the Food Service page of the AFR agree with the District's accounting records for the audit year?

Yes ▼

4. Were expenditures reported in the M&O Fund 001 and Capital Fund 610 columns on the Food Service page of the AFR classified in accordance with the USFR Chart of Accounts for the audit year?

Yes ▼

Auxiliary Operations and Extracurricular Activities Fees Tax Credit Funds–USFR X-G

1. Did the Auxiliary Operations Fund bank or treasurer account include all monies raised in connection with the activities of school bookstores and athletics?

Yes ▼

2. Were extracurricular activities fees tax credit monies included in the Auxiliary Operations Fund or a separate Extracurricular Activities Fees Tax Credit Fund?

Yes ▼

3. Did the District use an auxiliary operations ticket log to control the issuance of tickets for athletic events?

N/A ▼

No charge for athletic events.

4. Were receipt forms and tickets sequentially numbered?

Yes ▼

5. Did the District prepare daily sales summaries of bookstore operations and athletic ticket sales that reconcile recorded sales and actual cash collected and daily cash receipt summaries of extracurricular activities fees tax credit monies that reconcile between cash receipts and actual cash collected?

6. If the District maintained an Auxiliary Operations Fund bank account, were checks signed by 2 employees designated by the Governing Board?

7. Were Auxiliary Operations Fund revolving bank accounts and petty cash funds established from the Auxiliary Operations Fund in amounts approved by the Governing Board, and operated on an imprest basis?

8. Did the District expend extracurricular activities fees tax credit monies only for activities that qualify as eligible activities under A.R.S. §§43-1089.01 and 15-342(24)? (See the Arizona Department of Revenue's website for guidance at: [www.azdor.gov/ ReportsResearch/SchoolTaxCredit.aspx](http://www.azdor.gov/ReportsResearch/SchoolTaxCredit.aspx))

Student Activities Fund–USFR X-H

1. Did the Governing Board appoint a student activities treasurer and, if applicable, assistant student activities treasurers?

2. Did the Student Activities Fund include only monies of student clubs, organizations, school plays, or other student entertainment that were raised through the efforts of students with the approval of the Governing Board? (**Note:** Raffles, bingo, and other forms of gambling are not legal events for student clubs.)

3. Were all Student Activities Fund monies deposited in a bank or treasurer account designated as the Student Activities Fund account?

4. Were reports prepared that reconciled sales to cash collected at student activities' events? (**Note:** when applicable, sales should be documented using

tickets, sequentially numbered cash receipts, a cash register, or count of items on hand before and after a sale.)

For two of five student activities cash receipts reviewed, the sales summaries did not reconcile sales to actual cash collected.

5. Did the District verify cash was available in the student club accounts before disbursements were made?

Yes ▼

6. Were disbursements from the Student Activities Fund and transfers of monies among student clubs properly authorized by or on behalf of the student members of a particular club and documented in the club minutes?

No ▼

For one of five student activities disbursements reviewed, the purchase was made prior to student approval.

7. If the District maintained a Student Activities Fund bank account, were checks signed by the student activities treasurer or assistant treasurer and one other person authorized by the Governing Board? A.R.S. §15-1122

Yes ▼

8. Was a Report of Cash Receipts, Disbursements, Transfers, and Cash Balances of the Student Activities Fund submitted to the Governing Board monthly?

Yes ▼

General long-term debt

If the District issued bonds during the year: (Questions 1 & 2)

1. If the bonds were approved by the voters on or after December 31, 1998, was class B bonded indebtedness less than the greater of \$1,500 per student count or 10 percent (20 percent for a unified district) of the net assessed value of the full cash value of the property within the District as provided by the Arizona Constitution, Article IX, Section 8, at the time the bonds were issued? A.R.S. §§15-1021(B) and (D)

N/A ▼

No bonds issued during the year.

2. Was total bonded indebtedness 15 percent (30 percent for a unified district) or less of the net assessed value of the full cash value of the property within the District as provided by the Arizona Constitution, Article IX, Sections 8 and 8.1, at the time the bonds were issued? A.R.S. §15-1021 (B) and (D)

N/A ▼

No bonds issued during the year.

3. Did the District refrain from expending bond proceeds for items having useful lives less than the average life of the bonds issued or 5 years? A.R.S. §15-1021(F)

N/A ▼

No expenditures using bond proceeds.

4. If the District had outstanding bonded indebtedness and a balance remained in the Bond Building Fund after the acquisition or construction of facilities for which the bonds were issued, did the Governing Board transfer the balance to the Debt Service Fund? A.R.S. §15-1024(B)

N/A ▼

Bond Building Fund still active.

5. If the District had no outstanding bonded indebtedness and a balance remained in the Bond Building Fund after the acquisition or construction of facilities for which the bonds were issued, did the Governing Board use the balance to reduce taxes? A.R.S. §15-1024(B)

N/A ▼

Bond Building Fund still active.

6. Were all monies earned as interest or otherwise derived from the investment of the proceeds of the sale of bonds credited to the Debt Service Fund or to the Bond Building Fund if authorized by the voters or federal laws or rules require the interest to be used for capital expenditures? A.R.S. §15-1024(C)

Yes ▼

Governing board/management procedures

1. Were written minutes prepared or a recording made of Governing Board meetings? A.R.S. §38-431.01(B)

Yes ▼

2. Did the District communicate what constitutes a conflict of interest to employees and governing board members, and maintain a file for those who have made such conflicts known to the District? A.R.S. §38-509

Yes ▼

3. If any purchases were made from vendors with whom a conflict existed, did the individual with the conflict refrain from voting upon or otherwise participating in any manner in such purchase? A.R.S. §38-503(B)

N/A ▼

No such purchases.

4. Did the District's management notify the Auditor General's Office and appropriately resolve all allegations of theft, fraud, or misuse of district monies and assets in a timely manner? (**Note:** If the answer is other than "N/A", the "Comments" should include a summary of the allegation and action taken by district management.)

No ▼


A former employee of the District is alleged to have forged the HR Director's signature on checks from the miscellaneous clearing account and deposited the checks into a personal bank account. Upon discovery, a police report was filed. However, the District did not report the fraud timely to the Auditor General's Office. The fraud appears to have occurred between July 2018 and March 2019. The total amount of misappropriated cash is estimated to be \$27,582.

This questionnaire was completed in accordance with the requirements of the Auditor General's Office as set forth in the instructions.

Audit Firm

Heinfeld, Meech & Co., P.C. ▼

Date

 12-24-2019

Date

Preparer (AUDIT FIRM Representative)

Eric S. Taylor, CPA, CGFM

Title

Partner

Is this your final submission?

- No, this is not my final submission.
- Yes, this is my final submission.

We highly recommend you review and print the final report before proceeding to the final submission