

VERNON ELEMENTARY SCHOOL DISTRICT NO. 9
90 CRN 3139 • PO BOX 89 • VERNON, ARIZONA 85940
TELEPHONE: 928-537-5463 • FAX: 928-537-1820

Governing Board

Mr. John Wilhelm – President, Mrs. Deanna Hunt – Clerk, Mrs. Irene Humphrey– Member

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Vernon Elementary School District No. 9 Governing Board and to the general public that the Vernon Elementary School District No. 9 Governing Board will hold a public meeting open to the public on **June 22, 2021, 4:00 PM**, at 90 CRN 3139, Vernon, AZ, 85940. The District's Attorney(s) may appear telephonically. The Governing Board reserves the right to change the order of the items on the agenda, with the exception of public hearings and bid awards.

SPECIAL MEETING AGENDA JUNE 22, 2021

I. CALL TO ORDER (*Mr. Wilhelm*)

II. ROLL CALL (*Mr. Wilhelm*)

III. ADOPTION OF THE AGENDA (*Mr. Wilhelm, Action*)

IV. PLEDGE OF ALLEGIANCE and PRAYER

V. CONSENT AGENDA - The Board may vote to pull an item off of the Consent Agenda for Board Discussion and Board Action and may vote on that item separately from those items contained in the Consent Agenda. Names and details may be viewed at the District's Business Office and copies of the minutes and may be viewed on the District website or obtained by contacting the District Office. Copies of vouchers may be viewed by contacting the District Office.

- 1) Approval to open a Clearing Account at Chase Bank for proceeds for asset dispositions.
- 2) Approval of Professional Organization Memberships for Dr. Chad Knippen.
- 3) Approval of Travel and Reimbursement for Dr. Chad Knippen to Phoenix, Az on July 8, 2021 for the Arizona Superintendent Collaboration Network.

VI. NEW BUSINESS

- 1) Discussion and possible action regarding the approval to post the Proposed District Expenditure Budget for the FY22 school year as required by A.R.S. §15-905(E)(1). (*Mr. Wilhelm action*).

Location: Vernon Elementary School - 90 CRN 3039 Vernon, Arizona 85940

VII. ADJOURNMENT

Dated this 24th day of June, 2021

Vernon Elementary School District #9 Governing Board

By: Karol Coffman

Governing Board Secretary

V.

Consent Agenda

Memo

To: Governing Board Members
From: Jeff Fuller, Interim Superintendent
cc: File
Date: 6/22/21
Re: Opening of Clearing Account at Chase Bank

Public Surplus requires direct deposit of funds dispersed to the school district for the sales of surplus items thru public online auction. In order to safeguard public funds, we are required by the Uniform System of Financial Records to set-up a clearing account to receive deposits into. These deposits will be remitted periodically to the Apache County Treasurer, recorded into our accounting records, and the Governing Board will receive monthly ledgers of the activity on the account.

Source: USFR VI-F-3

Recommended Motion: I move the School District Governing Board to approve the opening of a separate clearing account at Chase Bank for proceeds from online asset dispositions.

Deposits to Miscellaneous Receipts Clearing Bank Accounts

The governing board may establish one or more miscellaneous receipts clearing bank accounts, depending on a district's needs, in accordance with A.R.S. §15-341(A)(20). These accounts are used to safeguard and accumulate revenues the district receives directly until remitted to the county treasurer. Revenues received should be deposited intact daily, if significant, or at least weekly. All revenues deposited in miscellaneous receipts clearing bank accounts must be remitted to the county treasurer at least monthly. Districts must retain evidence from the financial institution indicating the amounts and dates of deposit. No disbursements are allowed from miscellaneous receipts clearing bank accounts other than remittances to the county treasurer.

The following procedures are recommended for depositing revenues into miscellaneous receipts clearing bank accounts. Districts should use similar procedures when using a Food Service Fund clearing bank account as described in §X-F, Food Service Fund.

<u>Performed by</u>	<u>Procedure</u>
Clearing Account Custodian	<ol style="list-style-type: none"> 1. Prepares a bank deposit slip(s) and deposits revenues daily, if significant, or at least weekly in the clearing account(s) indicated on the Miscellaneous Cash Receipts Summary. 2. Records the deposit in the detailed clearing bank account(s) records and retains supporting documentation, including evidence of deposit from the financial institution.

Remittances from Miscellaneous Receipts Clearing Bank Accounts

Districts must remit revenues deposited in the miscellaneous receipts clearing bank accounts to the county treasurer at least monthly. The following procedures are recommended for remittance.

<u>Performed by</u>	<u>Procedure</u>
Clearing Account Custodian	<ol style="list-style-type: none"> 1. Prepares a check payable to the county treasurer and updates the detailed clearing bank account records. The amount of the check should equal the total of all validated deposits made to the clearing account for revenues received since the last remittance. 2. Prepares a sequentially numbered Deposit Transmittal (see page VI-F-10) or a Treasurer's Receipt. <p style="margin-left: 40px;">Note: If the county treasurer does not use electronic Treasurer's Receipts, the treasurer may issue blocks of Treasurer's Receipts to the district to be prepared and submitted with deposits. When this procedure is followed, the district should establish controls over the unused Treasurer's Receipts to help ensure that all Treasurer's Receipts are accounted for and related revenues are accurately recorded.</p> 3. Submits check, Deposit Transmittal or Treasurer's Receipt, Miscellaneous Cash Receipts Summaries, and supporting documentation to the authorized check signer.

Performed by	Procedure
Authorized Check Signer	<ol style="list-style-type: none"> 4. Reviews mathematical accuracy and completeness of the Deposit Transmittal or Treasurer’s Receipt based on review of supporting documentation. Verifies that the check is made payable to the county treasurer and signs the check and Deposit Transmittal or Treasurer’s Receipt. 5. Submits the check and Deposit Transmittal or Treasurer’s Receipt to the county treasurer or county school superintendent, as appropriate. 6. Submits a copy of the Deposit Transmittal or Treasurer’s Receipt and supporting documentation to the recording clerk.
Recording Clerk	<ol style="list-style-type: none"> 7. Enters Deposit Transmittal or Treasurer’s Receipt number, date prepared, and amount in the Deposit Transmittal Control Log. Initials the Deposit Transmittal Control Log (see page VI-F-11). 8. Records revenue in the accounting records by fund and object based on the information on the Deposit Transmittal or Treasurer’s Receipt. 9. Retains Deposit Transmittal or Treasurer’s Receipt and supporting documentation. See procedures upon receipt of the Validated Treasurer’s Receipt on page VI-F-5.

Direct Remittances to the County Treasurer

The following procedures illustrate remittances of revenues directly to the county treasurer without temporarily depositing them in a miscellaneous receipts clearing bank account.

Performed by	Procedure
Clearing Account Custodian	<ol style="list-style-type: none"> 1. Prepares a sequentially numbered Deposit Transmittal or a Treasurer’s Receipt for revenues to be deposited directly to the county treasurer as indicated on the Miscellaneous Cash Receipt Summaries. <p style="margin-left: 40px;">Note: If the county treasurer does not use electronic Treasurer’s Receipts, the treasurer may issue blocks of Treasurer’s Receipts to the district to be prepared and submitted with deposits. When this procedure is followed, the district should establish controls over the unused Treasurer’s Receipts to help ensure that all Treasurer’s Receipts are accounted for and related revenues are accurately recorded.</p>
Supervisor	<ol style="list-style-type: none"> 2. Submits Deposit Transmittal or Treasurer’s Receipt, revenues, and supporting documentation to a supervisor for review. 3. Verifies account coding, mathematical accuracy, and completeness of the Deposit Transmittal or Treasurer’s Receipt based on review of revenues received and supporting documentation. 4. Approves Deposit Transmittal or Treasurer’s Receipt. 5. Submits revenue received and the Deposit Transmittal or Treasurer’s Receipt to the county treasurer or county school superintendent, as appropriate.

Performed by	Procedure
Supervisor	6. Submits a copy of the Deposit Transmittal or Treasurer’s Receipt and supporting documentation to the recording clerk.
Recording Clerk	7. Enters Deposit Transmittal or Treasurer’s Receipt number, date prepared, and amount in the Deposit Transmittal Control Log. Initials the Deposit Transmittal Control Log (see page VI-F-11). 8. Records revenue in the accounting records by fund and object based on the information on the Deposit Transmittal or Treasurer’s Receipt. 9. Retains Deposit Transmittal or Treasurer’s Receipt and supporting documentation.

Validated Treasurer’s Receipt

Districts should receive a validated Treasurer’s Receipt or revenue posting report from the county school superintendent for all revenue deposited by or on behalf of the district. The following procedures are recommended when the Treasurer’s Receipt or revenue posting report is received.

Performed by	Procedure
Recording Clerk	1. For deposits made by the district: a. Receives the validated Treasurer’s Receipt or revenue posting report from the county school superintendent. Enters the date received and the validated Treasurer’s Receipt number in the Deposit Transmittal Control Log. Initials the Deposit Transmittal Control Log (see page VI-F-11). b. Verifies that the amount and account coding recorded on the validated Treasurer’s Receipt or revenue posting report agrees to the amount and account coding posted to the accounting records. c. Reviews outstanding Treasurer’s Receipts or Deposit Transmittals at least monthly to determine their status. Investigates any Treasurer’s Receipts or Deposit Transmittals outstanding for an unusual length of time. 2. For deposits made by entities other than the district: a. Compares validated Treasurer’s Receipt or revenue posting report to supporting documentation, if applicable (e.g., reimbursement claims). b. Posts or reviews revenue transactions initiated by the county school superintendent to ensure accuracy of district’s accounting records. 3. For all deposits: a. Contacts the county treasurer or county school superintendent and resolves differences when the amount or account coding recorded on the validated Treasurer’s Receipt or revenue posting report does not agree with the district’s records.

Performed by	Procedure
Recording Clerk	b. Signs and dates validated Treasurer’s Receipt or revenue posting report to indicate review. c. Retains district’s copy of the Deposit Transmittal or Treasurer’s Receipt and supporting documentation with the validated Treasurer’s Receipt or revenue posting report.

REVENUE RECOGNITION

Proper accounting for revenues throughout the fiscal year and at fiscal year-end helps districts ensure that revenues are correctly stated in the financial statements and the Annual Financial Report. Districts should account for revenues in governmental funds on the modified accrual basis of accounting, which requires that revenues be recognized in the fiscal year in which they become measurable and available to pay liabilities of the current fiscal year. Under this basis of accounting, revenues for the year ended June 30 that were not received by June 30, but are expected to be received within 60 days after fiscal year-end, should be accrued. To help ensure revenues are recorded in the correct fiscal year, districts should notify the county school superintendent of the appropriate fiscal year in which to record revenues received during the 60-day period after fiscal year-end. Typical revenues that may need to be accrued include property taxes, federal reimbursements, tuition, and interest earned on investments. Information on the carryover of monies for state and federal grants is provided in §VI-J, State and Federal Financial Assistance.

REVENUE APPORTIONMENT

Although county school superintendents generally apportion district revenues, each district has the ultimate responsibility for ensuring that revenues are properly apportioned among its funds. The following paragraphs provide procedures for apportioning most of the various revenues that are not designated for one specific fund.

State and County Equalization Assistance

Equalization assistance is apportioned between the Maintenance and Operation (M&O) and Unrestricted Capital Outlay (UCO) Funds based on each fund’s budgeted expenditures. Therefore, apportionment of state and county equalization assistance should be based on ratios calculated from amounts recorded on the district’s adopted expenditure budget, as follows.

- A = Revenue Control Limit budgeted for the M&O Fund
- B = District Additional Assistance budgeted for the M&O Fund
- C = Revenue Control Limit budgeted for the UCO Fund
- D = District Additional Assistance budgeted for the UCO Fund

M&O Fund Ratio
$\frac{A + B}{A + B + C + D}$

UCO Fund Ratio
$\frac{C + D}{A + B + C + D}$

Property Taxes and Additional State Aid

Apportionment of property taxes should be based on ratios of the property tax levy in the budget year for the Maintenance and Operation, Unrestricted Capital Outlay, Adjacent Ways, and Debt Service Funds to the total property tax levy. Apportionment of additional state aid should be based on ratios of the primary property tax levy in the budget year for the Maintenance and Operation and Unrestricted Capital Outlay Funds to the total primary property tax levy for those funds. The ratios should be calculated after the tax rate is set by the county board of supervisors. Tax levy amounts should be obtained from the county school superintendent.

Interest Earned on Pooled Investments

Interest earned on pooled investments is apportioned by the county treasurer either monthly or quarterly to each district account based on an average daily, weekly, or monthly cash balance in accordance with the *Uniform Accounting Manual for Arizona County Treasurers*.

If the county treasurer maintains a separate account for each district fund, no further apportionment is required. However, if the county treasurer maintains the minimum number of accounts for each district as allowed in A.R.S. §15-996, the county school superintendent must further apportion interest earned from the pooled investments after it has been distributed by the county treasurer. As prescribed by A.R.S. §15-996(1), if the county treasurer maintains the minimum number of accounts, one treasurer's account must consist of the Maintenance and Operation, Unrestricted Capital Outlay, Adjacent Ways, and Classroom Site Funds and a second treasurer's account must consist of federal and state grant monies and all other monies except those which the treasurer must maintain separately for the Bond Building, Debt Service, and New School Facilities Funds.

When the minimum number of accounts is maintained and interest is distributed monthly by the county treasurer, the county school superintendent should apportion interest monthly. One method is to total each fund's beginning and ending cash balances and divide by two to determine the average monthly balance for each fund within the treasurer's account. Alternatively, the average monthly balance may be calculated by totaling each fund's daily or weekly balances, dividing by the total number of days or weeks in the month, and apportioning interest in proportion to the resulting average balances.

When the minimum number of accounts is maintained and interest is distributed quarterly by the county treasurer, the county school superintendent should apportion interest quarterly based on either month-end or beginning and ending monthly cash balances of each fund within the treasurer's account for the 3 months of the quarter.

Theoretically, the county school superintendent should credit interest earned on pooled investments to all funds with positive balances and charge interest expense to funds with negative balances proportionately. However, as a more practical alternative, the county school superintendent may choose to apportion interest income to only those funds with positive balances and not charge amounts to funds with negative balances unless actual interest expense was incurred by the district.

Any of the above methods, or any other reasonable method, may be used to apportion interest earned on pooled investments, but the method used should be applied consistently.

ACCOUNTING PROCEDURES

REVENUES

Certificates of Educational Convenience

Revenues from certificates of educational convenience in accordance with A.R.S. §15-825 should be apportioned to the Maintenance and Operation, Unrestricted Capital Outlay, and Debt Service Funds based on the related request forms submitted to the Arizona Department of Education.

Tuition

Tuition revenues should be apportioned to the Maintenance and Operation, Unrestricted Capital Outlay, and Debt Service Funds based on the actual charges to the district of residence calculated in accordance with A.R.S. §15-824.

Memo

To: Governing Board
From: Jeffrey Fuller
cc: File
Date: 6/16/21
Re: Professional Organization Memberships

In accordance with the Superintendent Contract with Dr. Chad Knippen, I am requesting that the district pay dues for the following organizations:

Arizona School Administrators for at \$405.00

American Association of School Administrators at \$235.00

National Association of Elementary School Principals at \$235.00

Association for Supervision Curriculum and Development at \$239.00

Total 1,114.00

The contract allows for \$2,000.00 for such dues. Each of these memberships are for FY22.

VESD

Memo

To: Governing Board
From: Jeffrey Fuller
cc: File
Date: 6/16/21
Re: Approval for Travel and Reimbursement

Dr. Knippen is a participant in the Arizona Superintendent Collaboration Network. This organization is designed to provide mentorship and support for first year superintendents. Dr. Knippen has his first meeting in Phoenix July 8, 2021. I am asking for approval for travel and for per diem reimbursement for travel, food and lodging.