

Queen Creek Unified School District Annual Financial Community Report

For Fiscal Year Ended June 30, 2019



Queen Creek Unified School District empowers each student to achieve
excellence in all pursuits and lead with integrity.

Excellence Through Leadership: Engage, Empower, Excel



STRONG SCHOOLS, STRONG COMMUNITY.

The Queen Creek Unified School District (QCUSD) community is one of growth and opportunity. The Queen Creek Unified boundary area includes the Town of Queen Creek and extends north of Mesa Gateway Airport to Warner Road and east to Meridian Road. The District encompasses 46 square miles. Our schools have a large impact on economic growth, but the largest impact we have is on our students. By providing them with opportunities to build on their social, emotional and character growth, we are creating future leaders who will continue to strengthen our community.

The Popular Annual Financial Report (PAFR) is a reflection of our efforts to keep you informed of the District's financial operations and what we are achieving with our financial resources. Within this report you will find an analysis of where the District's financial resources come from and where the dollars are spent in a format that is easy to understand.

The Comprehensive Annual Financial Report (CAFR) is prepared in accordance with generally accepted accounting principles (GAAP) and includes audited financial statements. As such, it provides much more detail as well as full disclosure of material events, both financial and non-financial. The information in the CAFR by nature can be technical and complex and as such not as useful to citizens wishing to gain an understanding of the District's finances. The PAFR has been prepared to simplify the information in the CAFR and better inform the public about the overall financial condition of the District, without the heavy use of technical accounting terms of excessive detail. The PAFR is not intended to provide a complete financial picture of the District in accordance with GAAP. For more in-depth financial information, the District's CAFR is available online at www.qcusd.org.

Sincerely,

Perry Berry, Ed.D. Superintendent

REPORT OVERVIEW

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*Proud to be the
Premier District of Choice
for the East Valley.*

EDUCATIONAL HIGHLIGHTS

STUDENT ACHIEVEMENT

The Queen Creek Unified School District is dedicated to preparing students to be college and career ready. The state adopted summative assessment, AzMERIT, is based on demanding standards that increase the academic rigor expected from our students. Professional learning opportunities to support teachers with the implementation of the standards is a District priority.

Collectively, leaders across the District ensure implementation of rigorous instruction for all students. In addition, the District is preparing to meet the provisions of the Arizona Department of Education Consolidated State Plan under the Every Student Succeeds Act (ESSA).

QCUSD School Letter Grades for 2018-2019, according to the State Board of Education:

QCUSD students continue to score *well above* the state average in all areas of Math and English Language Arts.

- Desert Mountain Elementary:** Excellent A
- Frances Brandon-Pickett Elementary:** Excellent A
- Gateway Polytechnic Academy:** Highly Performing B
- Jack Barnes Elementary:** Excellent A
- Queen Creek Elementary:** Excellent A
- Newell Barney Middle School:** Highly Performing B
- Queen Creek Middle School:** Highly Performing B
- Queen Creek High School:** Excellent A

DID YOU KNOW?

QCUSD students continue to score **well above** the state average in all areas of Math and English Language Arts.

The district proficiency rate for all levels of math has had a 43% increase from 2015, outperforming 81% of Arizona district & charter schools with reportable data on math proficiency.

The district proficiency rate for all levels of English Language Arts has had a 44% increase from 2015, outperforming 72% of Arizona district & charter schools with reportable data on math proficiency.

96% of QCUSD 8th grade Algebra 1 students passed the AzMERIT End of Course Assessment.

Queen Creek students outperformed charter schools in mathematics by 14 percentage points.



SCHOOLS

Queen Creek High School
Newell Barney Middle School
Queen Creek Middle School
Desert Mountain Elementary School
Jack Barnes Elementary School: <i>2016 National Blue Ribbon School</i>
Jack Barnes Elementary School
Queen Creek Elementary
Gateway Polytechnic Academy: <i>STEM-focused</i>
Faith Mather Sossaman Elementary: <i>STEM-focused</i>
Silver Valley Elementary: <i>STEM-focused, Leader In Me</i>
Eastmark High School: <i>a comprehensive high school featuring Career Path Academies</i>
Katherine Mecham Barney Elementary: <i>(opening July 2020) - An accelerated school of choice with a STEAM-focus, Leader In Me</i>



QCHS Class of 2019
Graduation Rate: 94%
State Rate: 78%

EDUCATIONAL PROGRAMS

QCUSD UNIQUE PROGRAMS

In the Queen Creek Unified School District, excellence is achieved through leadership. Our schools offer a rigorous and viable curriculum. Additionally, the District's growth has led to

construction of new schools. The following are some of the highlights of the different programs offered to all students.

Preschool (tuition-based) and Preschool (tuition-based) and Early Childhood Programs

The Queen Creek Unified School District is proud to offer a variety of preschool programs (half-day and full-day) for students ages 3 to 5. QCUSD preschool programs are affordable and flexible. Each preschool classroom has a low student to teacher ratio and is taught by a certified educator. QCUSD preschool offers your child leadership opportunities as well as real-world, hands-on experiences setting them up for success in their future educational career. Quality Academic learning experiences and skill development – curriculum adapts to AZ Early Learning Standards.

FREE All-Day Kindergarten

QCUSD offers free all-day kindergarten at all of our elementary schools. Students also enjoy the benefits of PE, music, art, library and technology.

STEAM

(Science, Technology, Engineering, Arts, and Math): Queen Creek High School, Gateway Polytechnic Academy, Faith Mather Sossaman Elementary, and Silver Valley Elementary (opening July 2019) offer the comprehensive QCUSD curriculum along with a STEAM focus.

AVID - Advancement Via Individual Determination:

AVID is a College and Career Readiness System aimed at preparing all students for the lives they will lead after school. AVID encompasses instructional best practices that are embedded into daily lesson plans that facilitate rigorous and engaging learning opportunities to build skills, habits, and behaviors in a safe, college and career going atmosphere.

All six QCUSD elementary schools implement AVID in a school-wide K-5 approach with teachers using AVID strategies to deliver curriculum throughout the day. Both middle schools and our high school implement AVID school-wide as well as offer the AVID Elective class to seventh through tenth grade students. The AVID Elective supports our rigorous curriculum while teaching students transferable skills that can be used in college and the workplace. Newell Barney Middle

School was named an AVID National Demonstration School by exemplifying the implementation of AVID with fidelity joining the elite group of only three middle schools in Arizona to earn that title.

Education Career Action Plan (ECAP)

ECAP is an on going process that empowers students to create a meaningful and individualized plan toward post-high school success. With support and guidance from their families, school personnel and other advisors, students undergo a process of self-exploration, career exploration, and career planning and management.

Career & Technical Education (CTE)

We offer Career and Technical Education classes at Queen Creek High School and Eastmark High School. In these classes, students have the opportunity to earn industry certificates and participate in internships and/or job shadowing. These programs, along with a partnership with the East Valley Institute of Technology, allow our students to experience hands-on, real-world opportunities in the career field of their choice.

PBIS

PBIS (Positive Behavioral Interventions and Supports) is a multi-tiered decision-making framework for behavior that is culturally responsive for students, staff, and the community. In QCUSD, the PBIS expectations for all students are as follows: be kind, be respectful, show integrity

Community Education

The QCUSD Community Education Department offers an award-winning before and after school program, enrichment classes and clinics, as well as, a Youth Athletic Program (YAP) taught by District coaches. YAP opportunities include but are not limited to: running club, cheer, wrestling, volleyball, baseball, basketball, and soccer.

Athletics

Athletic programs are offered at the middle school and high school level. QCUSD is home to state champion athletes and teams.



UNDERSTANDING SCHOOL FUNDING - DISTRICT BUDGETS

HOW ARE SCHOOLS FUNDED?

School district budgets can be very complex. A budget is not just a document full of numbers prepared by the business office; rather it is a working tool central to the successful operation of a school district. At Queen Creek Unified School District, the budgeting process starts months before the budget year begins. Budgeting represents an opportunity to plan a district's mission, improve operations and achieve the district's educational objectives.

Arizona school districts receive funding based on a formula defined by state statute, designed to help ensure that all children in the state receive an equitable educational experience. The formula applies a rate to the number of enrolled students and then adds amounts for transportation, district additional assistance (capital) and Classroom Site Fund. The portion of the budget that accounts for most of the day-to-day spending is referred to as the Maintenance and Operations (M&O) Fund. Comparable to most school districts, nearly 82% of this fund is spent on salaries and benefits.

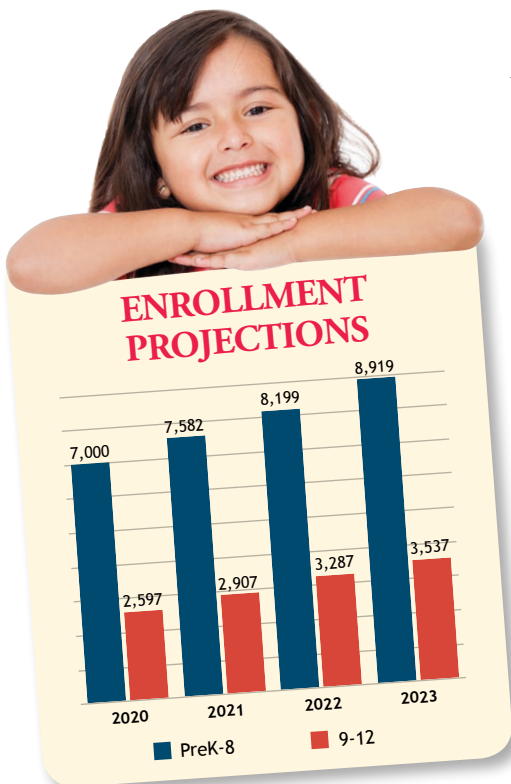
In November of 2019, the voters in Queen Creek Unified School District approved a 15% budget override to fund increased academic programs that prepare students for post-secondary education and workforce success,

increased art and music classes throughout the District, increased school security to maintain a safe and secure learning environment, reduced class sizes at the K-8 level, increased salaries to retain and attract exceptional teachers and staff, and to expand and enhance athletic, ROTC, and gifted programs.

Typical budgeted expenditures include: salaries, employee benefits, supplies, utilities, maintenance and repair, and miscellaneous expenditures not of a capital nature. Although the format and formula computation of the M&O Fund is very structured, the process of determining how the monies will be spent varies among school districts.

FINANCIAL REPORT CARD

In fiscal year 2018, the Queen Creek Unified School District received a Certificate of Excellence in Financial Reporting from the Arizona Association of School Business Officials (ASBO). The Arizona Auditor General's Office assesses multiple district-level measures that impact resources and financial management practices to determine financial stress for each school district. In 2018, QCUSD received a score of low level financial stress. This is attributed to prudent managing of resources, ensuring budgets are not overspent, and maintaining one to three years of capital resources. Additionally, Moody's upgraded the District's GO bond ratings to Aa2 from Aa3 which means better interest rates that amount to more savings for tax payers.



UNDERSTANDING SCHOOL FUNDING



Queen Creek Unified School District spends 68.6 cents of each dollar in the classroom.

This includes classroom dollars, student support, and instructional support such as counselors, librarians, and paraprofessionals.

- Salaries 65%
- Employer Paid Payroll Taxes and Benefits 17%
- Professional Services 11%
- Supplies 7%



WHERE THE MONEY COMES FROM

The district's funding can be broadly classified as coming from three revenue sources: local, state, and federal. The largest revenue source is the state, followed by local revenue (which includes property taxes), and federal revenue (made up of several grants of various sizes).

Arizona property taxes are divided into two categories: primary and secondary. The primary tax rate is one of the resources for the M&O Fund (see page 5) and capital funds. The secondary tax rate provides the resources for debt payments and the M&O Fund's override.

WHERE THE MONEY GOES

The Arizona Auditor General's Office issues a report each year that compares individual school districts to state and national spending levels as well as spending trends in instruction and six non-classroom categories. Below is a summary of the general operating fund, capital projects fund, and grants funds expenditures for the fiscal year ending June 30, 2019.

HOW THE MONEY WAS SPENT

Instruction: salaries, payroll taxes and benefits for teachers and instructional aides, classroom supplies

Administration: expenses associated with the superintendent's office, principal's office, business office, human resources and administrative technology

Plant Operations: utilities, equipment repair, grounds keeping, security

Food Service: costs of preparing and serving student meals

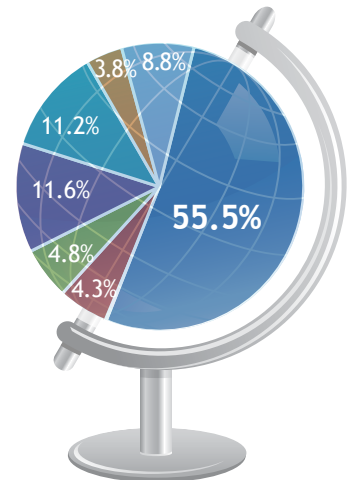
Transportation: costs of transporting to and from school and school activities

Student Support: salaries, payroll taxes and benefits of counselors, speech pathologists, nurses, attendance staff and social workers

Instructional Support: expenses associated with school libraries, teacher training, curriculum development and instructional technology

Instruction and Nonclassroom Spending Categories:

- 55.5% - Classroom Dollars
- 4.3% - Instructional Support
- 8.8% - Student Support
- 11.2% - Administration
- 11.6% - Plant Operations
- 4.8% - Transportation
- 3.8% - Non-Instructional



Resources Taken In (in thousands)	2017	2018	2019
Federal grants	4,105	3,886	5,064
State equalization	21,432	24,716	28,907
Other state revenue	3,412	27,848	26,769
Property taxes	23,284	26,440	30,244
County aid	2,009	2,350	2,388
Other local revenues	6,204	6,294	8,179
Total Revenue & Resources	60,446	91,534	101,551
Services Provided (in thousands)			
Instruction	25,533	18,460	34,068
Support services	19,457	8,343	18,198
Operations of non-instructional services	3,379	9,571	4,400
Capital outlay	8,952	1,201	78,795
Debt Service	7,003	5,855	5,196
Total Expenditures & Services	64,324	43,430	140,657

UNDERSTANDING SCHOOL FUNDING

STATE CAPITAL FUNDING

The Unrestricted Capital Outlay portion of the budget covers long-term capital items, such as major building renovation or improvement projects as well as instructional capital needs such as technology, textbooks, library books, science equipment and school buses.

In the past, districts received Building Renewal money from the School Facilities Board based on the district's square footage. The money was used for major renovation and repairs of buildings, upgrading systems and areas that extended the buildings' useful lives and infrastructure costs. Districts across the state have been underfunded based on the State legislative formula.

CAPITAL FUNDING NEEDS

The District currently has \$142.8 million in outstanding debt, with \$5.6 million due in 2020. These bonds were issued for the construction of a new high school, an elementary school and various capital improvement projects for a growing enrollment.

Current capital funding needs include:

- Safety and Security – Security system improvements
- Transportation – Student buses and vehicles
- Building and Grounds – Plumbing, utility infrastructure, roofing repairs and replacements, and fire alarm upgrades
- Infrastructure for Technology – Classroom learning systems and hardware
- Parking upgrades – parking lot expansions and improvements
- Curriculum – Educational software and textbooks



Katherine Mecham Barney Elementary:
An accelerated school of choice featuring
STEAM and Leader in Me
(opening July 2020)

QCUSD AWARDS



Jack Barnes Elementary was recognized as a 2016 National Blue Ribbon School.

Newell Barney Middle School was named a 2018 National AVID Demonstration School.

The Arizona School Administrators Association named Superintendent Berry the 2018-19 All-Arizona Superintendent of the Year for large school districts.

SRP nominated QCUSD as a 2019 Champion of Energy Efficiency.

The Arizona School Boards Association named the QCUSD Governing Board as the 2019 Lou Ella Kleinz Excellence in Governance Award recipient. This is one of the highest honors a Governing Board can receive.



QUEEN CREEK SCHOOLS EDUCATION FOUNDATION

The Queen Creek Schools Education Foundation (QCSEF) partners with the community and businesses to promote excellence through leadership in education. We encourage responsible citizenship by supplementing financial support for growth and learning opportunities to engage and empower our teachers and students to excel academically through grants and scholarships.
www.qcUSD.org/Education_Foundation

CHARACTER COUNTS SIX PILLARS

QCUSD's Positive Behavior Interventions and Support (PBIS) expectations:
Be Kind. Be Respectful. Show Integrity.

CONNECT

Facebook, Instagram, Twitter, and YouTube
Website: www.qcUSD.org
20217 East Chandler Heights Road
Queen Creek, AZ 85142
Phone: 480-987-5935

BOARD MEMBERS

The five elected members of Queen Creek School District's Governing Board play a critical role in the formulation and approval of policies which guide the operations of the District. Each member of the Governing Board is elected to serve a four-year term. Governing Board members are unpaid elected volunteers. The Board serves as the policy-making body of the District and also has broad financial responsibilities, including the approval of the annual budget, and the establishment of a system of accounting and budgetary controls. We thank our Governing Board members for their countless hours of support and dedication to ensuring Queen Creek schools are the best in the state.

Governing Board Members:

Ken Brague, President
Jennifer Revolt, Vice President
Bill Schultz, Member
Samantha Davis, Member
Courtney Narancic, Member

ELEMENTARY SCHOOLS

Desert Mountain Elementary

22301 South Hawes Road
Queen Creek, AZ 85142-8987
(480) 987-5912

Frances Brandon-Pickett Elementary

22076 E. Village Loop
Queen Creek, AZ 85142
(480) 987-7420

Jack Barnes Elementary

20750 South 214th Street
Queen Creek, AZ 85142
(480) 987-7400

Katherine Mecham Barney Elementary

(Opening July 2020)
19684 South 225th Place
Queen Creek, AZ 85142
(480) 474-6725

Queen Creek Elementary

23636 South 204th Street
Queen Creek, AZ 85142-9677
(480) 987-5920

Gateway Polytechnic Academy

5149 S. Signal Butte
Mesa, AZ 85212
(480) 987-7440

Faith Mather Sossaman Elementary

22801 Via Del Jardin
Queen Creek, AZ 85142
(480) 474-6900

Silver Valley Elementary

9737 East Toledo Avenue
Mesa, AZ 85212
(480) 474-6920

MIDDLE AND HIGH SCHOOLS

Newell Barney Middle School

24937 South Sossaman Road
Queen Creek, AZ 85142
(480) 474-6700

Queen Creek Middle School

20435 South Old Ellsworth Road
Queen Creek, AZ 85142
(480) 987-5940

Queen Creek High School

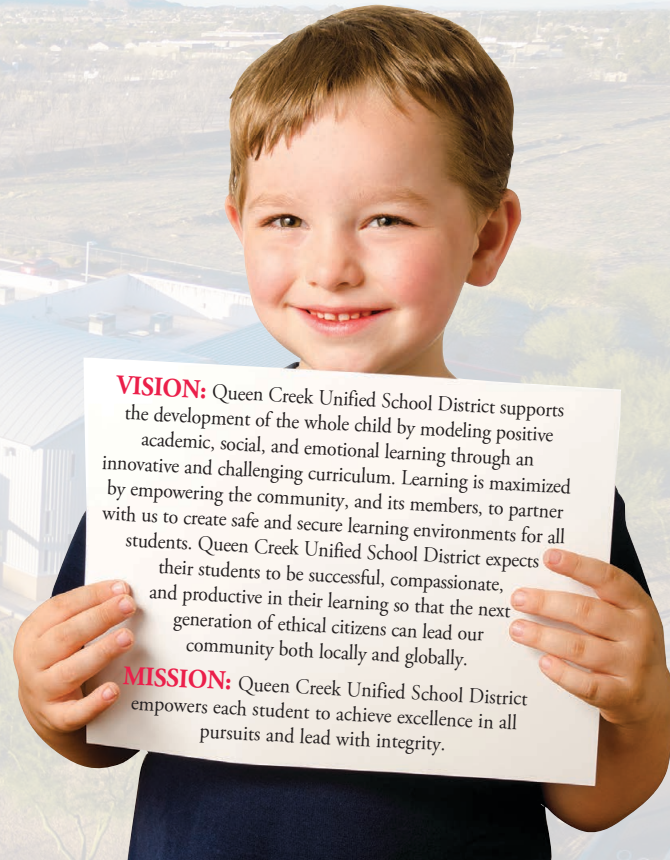
22149 East Ocotillo Road
Queen Creek, AZ 85142-7750
(480) 987-5973

Eastmark High School

9560 East Ray Road
Mesa, AZ 85212
(480) 474-6950

DISTRICT BOUNDARIES

The Queen Creek Unified School District spans the town of Queen Creek as well as south Mesa. Our District is located approximately 16 miles southeast of Chandler, AZ, near the junction of Chandler Heights and Hawes Roads.



VISION: Queen Creek Unified School District supports the development of the whole child by modeling positive academic, social, and emotional learning through an innovative and challenging curriculum. Learning is maximized by empowering the community, and its members, to partner with us to create safe and secure learning environments for all students. Queen Creek Unified School District expects their students to be successful, compassionate, and productive in their learning so that the next generation of ethical citizens can lead our community both locally and globally.

MISSION: Queen Creek Unified School District empowers each student to achieve excellence in all pursuits and lead with integrity.



Queen Creek Unified School District empowers each student to achieve excellence in all pursuits and lead with integrity.

At QCUSD, Excellence is Achieved Through Leadership!