



OFFICE OF THE
ARIZONA STATE TREASURER

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**Arizona Treasurer Kimberly Yee Reaffirms Denial of Nadaburg
Unified School District's \$3 Million Cash Advance Request**

***Says State Superintendent and Education Department's Press Release
Full of Inconsistencies and Errors***

PHOENIX, AZ – In light of recent public commentary issued by the State Superintendent, the Arizona Department of Education (ADE) and the Nadaburg Unified School District, Arizona Treasurer Kimberly Yee reaffirms her commitment to fiscal responsibility and transparency in the stewardship of taxpayer dollars. Treasurer Yee stands by her decision to deny the Nadaburg Unified School District's request for a \$3 million cash advancement, citing unresolved financial concerns and insufficient documentation.

"As the State Treasurer, I am elected with the primary duty of being a responsible steward of all Arizonans' taxpayer dollars, to responsibly and prudently manage, invest and disburse state monies under the Arizona Constitution and state law," said Arizona Treasurer Kimberly Yee. "While we recognize the importance of uninterrupted educational services, we must ensure that any advancement of funds is supported by clear, accurate, and complete financial documentation. Numerous questions remain. I have approved a number of qualified cash advances to school districts during my time as Treasurer, and this one raised significant red flags."

Contrary to ADE's public statements, the Arizona State Treasurer's Office's (ASTO's) review was conducted with diligence, in accordance with statutory authority under A.R.S. § 15-973(C) and reflects its fiduciary duty to ensure that state funds are allocated prudently and with accountability. Following ADE's initial approval of Nadaburg's request, ADE finance staff agreed with "concerns" outlined by ASTO regarding the future financial stability of the Nadaburg District. When ASTO asked why the advance should be approved "if ADE has similar concerns regarding the funding and cash flow," ADE responded that "at this time" it doesn't "know if Nadaburg is out of cash," and deferred to the county for further information. This exchange underscores the lack of clarity and documentation surrounding the district's financial position and reinforces ASTO's decision to withhold approval until a full and accurate financial picture is provided.

The claim by Superintendent Tom Horne and the Arizona Department of Education citing the State Treasurer did not know her role in this process is blatantly false. Treasurer Yee has approved a number of qualified cash advances to school districts upon a showing of necessity. Additionally, school districts are not entitled to a cash advance simply by submitting the "necessary forms."

While the Nadaburg District has recently cited a clerical error that misrepresented its financial position, ASTO maintains that significant concerns remain unresolved. These concerns include the lack of complete and accurate documentation and questions surrounding a \$1.7 million TANS loan, that was not disclosed by the District, but discovered through ASTO's internal review. ASTO was also informed of allegations that Nadaburg's business manager and chief financial officer left the District in late 2024 and early 2025, and because of these departures, the district was unaware of the TANS loan's due date. In light of the district claiming they no longer have a \$5 million deficit and are now changing the information to a positive cash balance of \$1.3 million, ASTO requests justification as to a continued need for the \$3 million cash advance amount.



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Treasurer Yee has directed the Nadaburg District to submit additional documentation including revised cash flow projections, a detailed explanation of the clerical error, clarification on how updated figures impact budgetary concerns, justification for the advancement considering the corrected financial position, full disclosure regarding the TANS loan and a breakdown of how the requested funds would be used for current expenses.

The Nadaburg District's new claim that the cash advance request pertains to growth needs related to "classrooms" and "facilities." However, cash advances are intended for current expenses and not for capital funding purposes.

Treasurer Yee remains committed to fiscal stewardship and encourages the district to pursue temporary warrants through Maricopa County to continue uninterrupted district operations while these issues are addressed.

While the district's responses raise continued significant concerns of potential financial mismanagement, the Treasurer's Office is not an investigatory body, which is why the matter has been referred for further investigation by the Arizona Auditor General and other relevant agencies.

Read Treasurer Yee's letter to the Nadaburg Unified School District [here](#).

Read Treasurer Yee's letter to Superintendent Tom Horne [here](#).

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