



Flowing Wells Unified School District

Potential Finds Opportunity

Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2021

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8

TUCSON, ARIZONA

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Issued by:
Business Services Department

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8

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INTRODUCTORY SECTION

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Flowing Wells Unified School District

Potential Finds Opportunity

IOLA FRANS ADMINISTRATION CENTER
1556 W. PRINCE ROAD
TUCSON, ARIZONA 85705-3087
(520) 696-8000 | FAX: (520) 690-2400

December 21, 2021

Citizens and Governing Board
Flowing Wells Unified School District No. 8
1556 West Prince Road
Tucson, Arizona 85705-3087

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 annual comprehensive financial report of the Flowing Wells Unified School District No. 8 (District) for the fiscal year ended June 30, 2021.

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, 2021, 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, 2021, 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* (CFR) 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 18 public school districts located in Pima County, Arizona. It provides a program of public education from preschool through grade 12, with current enrollment of 5,497 students.

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 five 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, food services, bookstore, and athletic functions.

The Flowing Wells School District is located on the northwest side of metropolitan Tucson covering an area of 13 square miles. Approximately, one-fourth of the District's area lies within the limits of the City of Tucson. During the 2020-21 school year, the District experienced an increase in net limited assessed valuation of \$2,237,303 and an increase in its net full cash assessed valuation of \$6,717,389. The District anticipates an increase in its assessed valuations in the next couple of years to reflect market conditions.

Numerous national and state awards and recognitions provide evidence of the quality of Flowing Wells programs and staff. In June 2017, Flowing Wells earned District Accreditation from the international accrediting body, AdvancED. Currently, both Flowing Wells High School and Sentinel Peak High School (the District's alternative high school) are pursuing re-accreditation through Cognia. In June 2019, Emily Meschter Early Learning Center earned its second five-star rating on the First Things First's Quality First evaluation. All eight traditional Flowing Wells schools have earned the A+ designation by the Arizona Educational Foundation. Six Flowing Wells teachers have earned Arizona Teacher of the Year honors and 16 teachers have been recognized as an Arizona Ambassador for Excellence (one of the top five teachers of the year). Additionally, five teachers have been selected as winner of the Raytheon Teacher Leader Award and eight others have been chosen as finalists. Five high school teachers have been chosen as the University of Arizona Online Outstanding High School Teacher and 16 others have been chosen as finalists. Twelve teachers currently hold National Board Certification. Nine programs have earned the prestigious Golden Apple Award presented by the Arizona School Boards Association. In 2019, the last year that school letter grades were calculated by the Arizona Department of Education, three Flowing Wells schools earned an A rating, three schools earned a B rating, and two schools earned a C rating. According to Arizona Auditor General Reports, Flowing Wells consistently outperforms its comparison peer group in terms of student achievement in mathematics, English language arts, and science, and the District devotes a greater percentage of its budget to instruction than its peers.

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 overexpenditures 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.

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 economy in the Flowing Wells School District remains constant, with no significant positive or negative changes. The District is primarily residential with some small local businesses. The District had a decrease in enrollment in the 2020-21 school year due to the ongoing effects of the Corona virus. The District anticipates a slight increase in enrollment in the 2021-22 as students return to school and in-person learning.

The District consists of a preschool, six elementary schools, one junior high school, one traditional high school, an alternative high school, and an on-line (digital) school. Support facilities include District administrative offices, and maintenance and transportation facilities. The average age of the school buildings is approximately 30 years. All campuses and facilities are maintained in a serviceable condition that meets local code and safety standards.

Long-term Financial Planning. The District has experienced relatively stable average daily membership and Arizona has increased the Base Support Level resulting in an increase in state aid revenue. The District expects enrollment to increase in fiscal year 2022 and stabilize once the pandemic is over. The District expects to receive \$17.0 million in Federal funds through the CRRSA and the ARP acts to provide for safe school reopening, additional student support, staff professional development and maintain staff over the next three years. Additionally, the District is prioritizing technology initiatives, including one-to-one student Chromebooks, with these Federal funds. With the uncertainty of future state funding, the District continues to review staffing needs and set priorities based on student needs.

The Governing Board authorized the call to renew the District's 10 percent maintenance and operations budget override in November 2019. The voters approved renewal of the override which will be in effect for seven years and will help the District continue its efforts to provide a premier education for our students.

In 2020, the Arizona Department of Education awarded Laguna Elementary School \$540,000 for a five-year 21st Century Schools grant. This is in addition to the \$1,706,548 previously awarded to Flowing Wells Junior High, Homer Davis Elementary, and Douglas Elementary Schools. The five-year grants provide resources to extend our school day and school year with additional academic tutoring and enrichment and provide parental engagement training. These are all strategies which have been promoted by local, state, and national policy makers as keys to restructuring and reinventing education for the 21st Century student.

Major Initiatives. The District was successful in passing a bond election in November 2017, which gave the District the ability to issue \$23.9 million in school improvement bonds. The District issued \$8.9 million in school improvement bonds in April 2021. These funds will be used to replace and construct new classrooms, a new community learning center with preschool classrooms, renovate and improve school campuses across the District, purchase new air-conditioned school busses and renovate Flowing Wells High School's athletic facilities.

AWARDS AND ACKNOWLEDGMENT

Awards. The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its annual comprehensive financial report for the fiscal year ended June 30, 2020. This was the thirty-third consecutive year that the District has received this prestigious award. In addition, the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its annual comprehensive financial report for the fiscal year ended June 30, 2020. In order to be awarded these certificates, the District published an easily readable and efficiently organized annual comprehensive 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 annual comprehensive 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, 2021 certificates.

Acknowledgments. The preparation of the annual comprehensive financial report on a timely basis was made possible by the dedicated service of the entire staff of the business services 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,

Dr. Kevin Stoltzfus
Superintendent

Ms. Stacy Trueblood
Chief Financial Officer



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Flowing Wells Unified School District No. 8

for its Comprehensive Annual Financial Report
for the Fiscal Year Ended June 30, 2020.

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



A handwritten signature in black ink, reading 'W. Edward Chabal'.

W. Edward Chabal
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

**Flowing Wells Unified School District No. 8
Arizona**

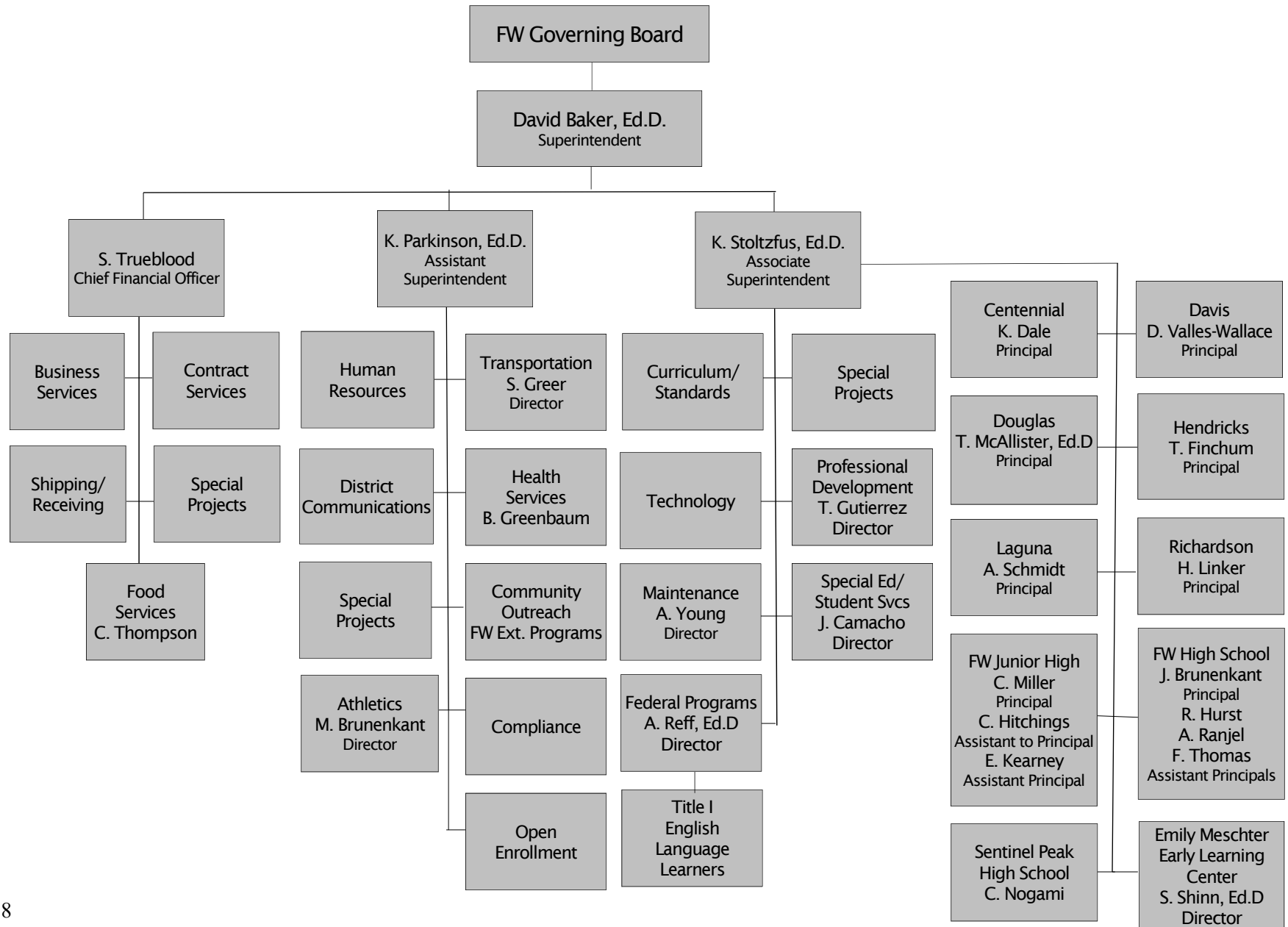
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

Flowing Wells School District Organizational Chart 2020-2021



FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8

LIST OF PRINCIPAL OFFICIALS

GOVERNING BOARD

James A. Love, President

Kristie A. Hammar, Clerk

Kevin C. Daily, Member

Wendy J. Effing, Member

Thomas S. Jacobs, Member

ADMINISTRATIVE STAFF

Dr. Kevin Stoltzfus, Superintendent

Dr. Kimberley E. Parkinson, Associate Superintendent

Dr. Audrey Reff, Assistant Superintendent

Ms. Stacy Trueblood, Chief Financial Officer

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FINANCIAL SECTION

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Independent Auditor's Report

Governing Board
Flowing Wells Unified School District No. 8

Report on Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Flowing Wells Unified School District No. 8 (District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the 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 Flowing Wells Unified School District No. 8, as of June 30, 2021, 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

Basis for Opinions

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. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Flowing Wells Unified School District No. 8 and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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

Supplementary 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 Combining and Individual Fund Financial Statements and Schedules are presented for purposes of additional analysis and are 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. 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section and Statistical Section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on other work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2021, on our consideration of Flowing Wells Unified School District No. 8'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 Flowing Wells Unified School District No. 8'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 Flowing Wells Unified School District No. 8's internal control over financial reporting and compliance.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Tucson, Arizona
December 21, 2021

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

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**FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2021**

As management of the Flowing Wells Unified School District No. 8 (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, 2021. 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 \$2.6 million which represents a 20 percent increase from the prior fiscal year as a result of the utilization of federal COVID grant monies.
- General revenues accounted for \$40.6 million in revenue, or 73 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$14.8 million or 27 percent of total current fiscal year revenues.
- The District had approximately \$52.8 million in expenses related to governmental activities, an increase of two percent from the prior fiscal year.
- Among major funds, the General Fund had \$34.6 million current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$31.9 million in expenditures. The General Fund's fund balance increase from \$9.7 million at the prior fiscal year end to \$12.0 million at the end of the current fiscal year was primarily due to a decrease in expenditures from the utilization of federal COVID grant monies.
- The Other Federal Projects Fund had \$3.3 million in current year revenues, which primarily consisted of federal COVID grant monies, and \$3.4 million in current fiscal year expenditures.
- The Bond Building Fund's fund balance increased from \$56,227 at the prior fiscal year end to \$9.1 million at the end of the current fiscal year due to the issuance of school improvement bonds.

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.

**FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2021**

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 are reported as governmental 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.

**FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2021**

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, Other Federal Projects and Bond Building 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.

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 Fund as required supplementary information. Schedules for the pension plan 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 by \$15.6 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 outstanding 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. The remaining balance is unrestricted and may be used to meet the District's ongoing obligations to its citizens and creditors.

**FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2021**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

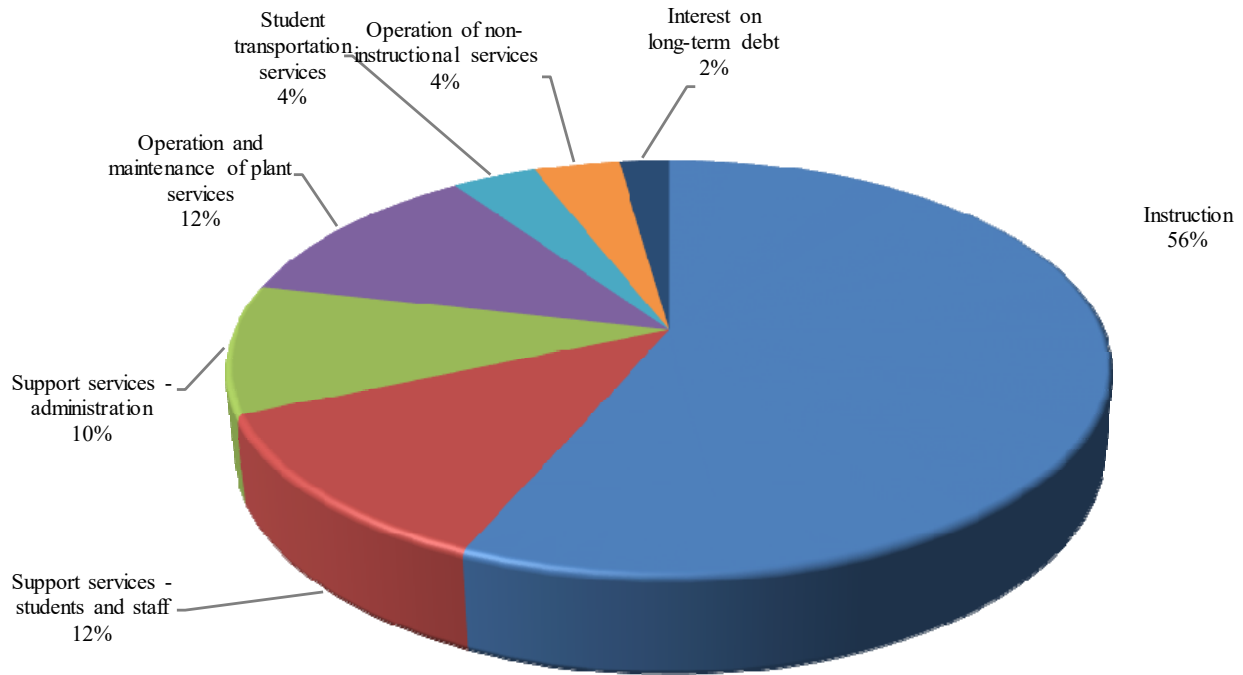
Changes in net position. The District's total revenues for the current fiscal year were \$55.4 million. The total cost of all programs and services was \$52.8 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2021 and June 30, 2020.

	Fiscal Year Ended June 30, 2021	Fiscal Year Ended June 30, 2020
Revenues:		
Program revenues:		
Charges for services	\$ 2,599,730	\$ 4,086,542
Operating grants and contributions	10,915,755	6,988,905
Capital grants and contributions	1,332,712	2,959,408
General revenues:		
Property taxes	13,061,224	12,917,688
Investment income	100,352	391,420
Unrestricted county aid	2,162,310	2,112,919
Unrestricted state aid	24,900,462	25,988,487
Unrestricted federal aid	351,369	323,127
Total revenues	<u>55,423,914</u>	<u>55,768,496</u>
Expenses:		
Instruction	29,833,084	28,475,185
Support services - students and staff	6,421,191	5,959,015
Support services – administration	5,245,004	5,302,786
Operation and maintenance of plant services	6,279,478	5,924,941
Student transportation services	1,937,869	2,234,946
Operation of non-instructional services	1,975,536	2,852,969
Interest on long-term debt	1,137,034	943,756
Total expenses	<u>52,829,196</u>	<u>51,693,598</u>
Changes in net position	2,594,718	4,074,898
Net position, beginning	<u>12,955,909</u>	<u>8,881,011</u>
Net position, ending	<u>\$ 15,550,627</u>	<u>\$ 12,955,909</u>

**FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2021**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Expenses - Fiscal Year 2021



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

- The decrease of \$1.5 million in charges for services was primarily due to fewer student programs, resulting from school closures due to the COVID-19 pandemic.
- The increase of \$3.9 million in operating grants and contributions was primarily due to federal COVID grant monies received by the District.
- The decrease of \$1.6 million in capital grants and contributions was due to less grant funding for capital projects from the Arizona School Facilities Board.
- State aid revenues decreased \$1.1 million due to a decrease in state equalization funding primarily due to a decrease in student enrollment.
- Instruction expense increased \$1.4 million primarily due to an increase in salaries and related benefits.

**FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2021**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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.

	<u>Year Ended June 30, 2021</u>		<u>Year Ended June 30, 2020</u>	
	Total	Net (Expense)/	Total	Net (Expense)/
	<u>Expenses</u>	<u>Revenue</u>	<u>Expenses</u>	<u>Revenue</u>
Instruction	\$ 29,833,084	\$ (23,004,870)	\$ 28,475,185	\$ (19,327,498)
Support services - students and staff	6,421,191	(4,479,725)	5,959,015	(4,452,871)
Support services - administration	5,245,004	(5,075,534)	5,302,786	(5,209,192)
Operation and maintenance of plant services	6,279,478	(4,281,287)	5,924,941	(5,506,372)
Student transportation services	1,937,869	(1,855,785)	2,234,946	(2,116,076)
Operation of non-instructional services	1,975,536	1,671,579	2,852,969	(102,978)
Interest on long-term debt	1,137,034	(955,377)	943,756	(943,756)
Total	<u>\$ 52,829,196</u>	<u>\$ (37,980,999)</u>	<u>\$ 51,693,598</u>	<u>\$ (37,658,743)</u>

- The cost of all governmental activities this year was \$52.8 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$14.8 million.
- Net cost of governmental activities of \$38.0 million was financed by general revenues, which are made up of primarily property taxes of \$13.1 million and state and county aid of \$27.1 million. Investment earnings accounted for \$100,352 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.

**FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2021**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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 \$31.4 million, an increase of \$11.2 million due primarily to the issuance of school improvement bonds.

The General Fund comprises 38 percent of the total fund balance. Approximately \$11.2 million, or 94 percent of the General Fund's fund balance is unassigned.

The General Fund is the principal operating fund of the District. The increase in fund balance of \$2.3 million to \$12.0 million as of fiscal year end was primarily a result of a decrease in expenditures of \$2.4 from the utilization of federal COVID grant monies. General Fund revenues decreased \$1.1 million as a result of a decrease in state equalization funding.

The Other Federal Projects Fund's fund balance decreased from a deficit of \$140,506 to a deficit of \$231,198 as of fiscal year end due to a timing of reimbursements. The Other Federal Projects Fund revenues increased \$2.9 million and expenditures increased \$2.5 million due to federal COVID grant monies received.

The Bond Building Fund's fund balance increased \$9.0 million to \$9.1 million as of fiscal year end due to the issuance of school improvement bonds. The Bond Building Fund revenues decreased \$135,365 and expenditures decreased \$11.3 million due to fewer bond projects.

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 \$1.8 million decrease, or five percent primarily due to the utilization of federal COVID grant monies.

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 overall favorable variance of \$3.3 million was primarily due to paying payroll expenditures, originally budgeted in the General Fund, out of federal COVID grant monies.

**FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2021**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District had invested \$103.8 million in capital assets, including school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. This amount represents a net decrease prior to depreciation of \$282,453 from the prior fiscal year. Total depreciation expense for the current fiscal year was \$3.3 million.

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2021 and June 30, 2020.

	As of June 30, 2021	As of June 30, 2020
Capital assets - non-depreciable	\$ 4,970,620	\$ 19,900,227
Capital assets - depreciable, net	54,052,873	40,118,763
Total	\$ 59,023,493	\$ 60,018,990

The estimated cost to complete current construction projects is \$3.4 million.

Additional information on the District's capital assets can be found in Note 6.

Debt Administration. At year end, the District had \$40.0 million in long-term debt outstanding, \$2.4 million due within one year. Long-term debt increased by \$7.3 million due to the issuance of \$8.9 million in school improvement bonds and \$1.3 million of bond premium.

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 30 percent of the total net full cash assessed valuation) and the statutory debt limit on Class B bonds (the greater of 20 percent of the net full cash assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$71.9 million and the Class B debt limit is \$47.9 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 7 through 9.

**FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2021**

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 2021-22 budget. Among them:

- Fiscal year 2020-21 budget balance carry forward
- District student population.
- Employee salary and benefit rates

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 eight percent to \$37.1 million in fiscal year 2021-22. Increased payroll and employee benefit costs is the primary reason for the increase. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2021-22 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 Services Department, Flowing Wells Unified School District No. 8, 1556 West Prince Road, Tucson, Arizona 85705-3087.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 25,730,877
Property taxes receivable	860,294
Accounts receivable	21,613
Due from governmental entities	8,569,381
Deposits held by others	90,635
Prepaid items	598,547
Inventory	250,009
Total current assets	36,121,356
Noncurrent assets:	
Capital assets not being depreciated	4,970,620
Capital assets, net of accumulated depreciation	54,052,873
Total noncurrent assets	59,023,493
Total assets	95,144,849
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred charge on refunding	746,108
Pension plan items	8,195,762
Total deferred outflows of resources	8,941,870
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	641,304
Accrued payroll and employee benefits	2,580,062
Compensated absences payable	610,319
Unearned revenues	56,475
Obligations under capital leases	728,146
Bonds payable	1,715,000
Total current liabilities	6,331,306
Noncurrent liabilities:	
Non-current portion of long-term obligations	82,204,786
Total noncurrent liabilities	82,204,786
Total liabilities	88,536,092
<u>NET POSITION</u>	
Net investment in capital assets	28,848,930
Restricted for:	
Instruction	5,715,763
Food service	952,013
Non-instructional purposes	536,583
Debt service	1,122,866
Capital outlay	2,918,056
Unrestricted	(24,543,584)
Total net position	\$ 15,550,627

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

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Instruction	\$ 29,833,084	\$ 2,325,434	\$ 3,708,855	\$ 793,925	\$ (23,004,870)
Support services - students and staff	6,421,191	122,140	1,819,326		(4,479,725)
Support services - administration	5,245,004		169,470		(5,075,534)
Operation and maintenance of plant services	6,279,478	129,846	1,329,558	538,787	(4,281,287)
Student transportation services	1,937,869		82,084		(1,855,785)
Operation of non-instructional services	1,975,536	22,310	3,624,805		1,671,579
Interest on long-term debt	1,137,034		181,657		(955,377)
Total governmental activities	<u>\$ 52,829,196</u>	<u>\$ 2,599,730</u>	<u>\$ 10,915,755</u>	<u>\$ 1,332,712</u>	<u>\$ (37,980,999)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes 10,250,068

Property taxes, levied for debt service 2,811,156

Investment income 100,352

Unrestricted county aid 2,162,310

Unrestricted state aid 24,900,462

Unrestricted federal aid 351,369

Total general revenues 40,575,717

Changes in net position 2,594,718

Net position, beginning of year 12,955,909

Net position, end of year \$ 15,550,627

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

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FUND FINANCIAL STATEMENTS

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021

	General	Other Federal Projects	Bond Building
<u>ASSETS</u>			
Cash and investments	\$ 6,215,198	\$	\$ 9,153,234
Property taxes receivable	698,321		
Accounts receivable	13,001		
Due from governmental entities	5,781,150	1,161,917	
Due from other funds	1,186,553		
Deposits held by others			
Prepaid items	598,547		
Inventory	154,588		
Total assets	\$ 14,647,358	\$ 1,161,917	\$ 9,153,234
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 234,610	\$ 2,426	\$ 58,513
Due to other funds		650,879	
Accrued payroll and employee benefits	1,879,509	212,122	
Unearned revenues			
Total liabilities	2,114,119	865,427	58,513
Deferred inflows of resources:			
Unavailable revenues - property taxes	579,009		
Unavailable revenues - intergovernmental		527,688	
Total deferred inflows of resources	579,009	527,688	
Fund balances (deficits):			
Nonspendable	753,135		
Restricted			9,094,721
Unassigned	11,201,095	(231,198)	
Total fund balances	11,954,230	(231,198)	9,094,721
 Total liabilities, deferred inflows of resources and fund balances	 \$ 14,647,358	 \$ 1,161,917	 \$ 9,153,234

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 10,362,445	\$ 25,730,877
161,973	860,294
8,612	21,613
1,626,314	8,569,381
	1,186,553
90,635	90,635
	598,547
95,421	250,009
<u>\$ 12,345,400</u>	<u>\$ 37,307,909</u>

\$ 345,755	\$ 641,304
535,674	1,186,553
488,431	2,580,062
56,475	56,475
<u>1,426,335</u>	<u>4,464,394</u>

129,528	708,537
182,012	709,700
<u>311,540</u>	<u>1,418,237</u>

95,421	848,556
10,632,278	19,726,999
(120,174)	10,849,723
<u>10,607,525</u>	<u>31,425,278</u>

<u>\$ 12,345,400</u>	<u>\$ 37,307,909</u>
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FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021

Total governmental fund balances **\$ 31,425,278**

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Governmental capital assets	\$ 103,798,896	
Less accumulated depreciation	<u>(44,775,403)</u>	59,023,493

Some receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds.

Property taxes	708,537	
Intergovernmental	<u>709,700</u>	1,418,237

Deferred items related to the refunding of bonds are amortized over the life of the associated bond issue in the government-wide statements but not reported in the funds. 746,108

Deferred outflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds. 8,195,762

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Compensated absences payable	(1,150,331)	
Obligations under capital leases	(7,308,885)	
Net pension liability	(44,092,528)	
Bonds payable	<u>(32,706,507)</u>	<u>(85,258,251)</u>

Net position of governmental activities **\$ 15,550,627**

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

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	<u>General</u>	<u>Other Federal Projects</u>	<u>Bond Building</u>
Revenues:			
Other local	\$ 3,421,006	\$	\$ 1,715
Property taxes	10,156,182		
State aid and grants	20,709,963		
Federal aid, grants and reimbursements	351,369	3,349,337	
Total revenues	<u>34,638,520</u>	<u>3,349,337</u>	<u>1,715</u>
Expenditures:			
Current -			
Instruction	17,943,825	796,986	
Support services - students and staff	4,014,549	846,191	
Support services - administration	4,540,580	94,110	
Operation and maintenance of plant services	3,953,803	1,388,270	
Student transportation services	1,360,793	41,507	
Operation of non-instructional services	93,001		
Capital outlay	41,624	272,965	912,618
Debt service -			
Principal retirement			
Interest and fiscal charges			
Bond issuance costs			204,444
Total expenditures	<u>31,948,175</u>	<u>3,440,029</u>	<u>1,117,062</u>
Excess (deficiency) of revenues over expenditures	<u>2,690,345</u>	<u>(90,692)</u>	<u>(1,115,347)</u>
Other financing sources (uses):			
Insurance recoveries	46,772		
Transfer in	325,203		
Transfer out	(700,000)		(2,159)
Issuance of school improvement bonds			8,905,000
Premium on sale of bonds			1,251,000
Total other financing sources (uses)	<u>(328,025)</u>		<u>10,153,841</u>
Changes in fund balances	<u>2,362,320</u>	<u>(90,692)</u>	<u>9,038,494</u>
Fund balances (deficits), beginning of year	9,652,007	(140,506)	56,227
Increase (decrease) in reserve for prepaid items	(78,013)		
Increase (decrease) in reserve for inventory	17,916		
Fund balances (deficits), end of year	<u>\$ 11,954,230</u>	<u>\$ (231,198)</u>	<u>\$ 9,094,721</u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 2,179,881	\$ 5,602,602
2,790,303	12,946,485
5,605,119	26,315,082
6,108,814	9,809,520
<u>16,684,117</u>	<u>54,673,689</u>
6,606,573	25,347,384
1,324,898	6,185,638
142,640	4,777,330
93,048	5,435,121
5,770	1,408,070
1,695,452	1,788,453
3,313,376	4,540,583
2,694,416	2,694,416
1,212,423	1,212,423
	204,444
<u>17,088,596</u>	<u>53,593,862</u>
<u>(404,479)</u>	<u>1,079,827</u>
	46,772
702,159	1,027,362
(325,203)	(1,027,362)
	8,905,000
	1,251,000
<u>376,956</u>	<u>10,202,772</u>
<u>(27,523)</u>	<u>11,282,599</u>
10,639,675	20,207,403
	(78,013)
(4,627)	13,289
<u>\$ 10,607,525</u>	<u>\$ 31,425,278</u>

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

Changes in fund balances - total governmental funds **\$ 11,282,599**

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 and reported as depreciation expense.

Expenditures for capitalized assets	\$ 2,811,051	
Less current year depreciation	<u>(3,276,395)</u>	(465,344)

Issuance of school improvement bonds provides current financial resources to governmental funds, but the issuance increases long-term liabilities in the Statement of Net Position. (10,156,000)

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

Property taxes	114,739	
Intergovernmental	<u>588,714</u>	703,453

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.

Capital lease principal retirement	709,416	
Bond principal retirement	<u>1,985,000</u>	2,694,416

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

Current year pension contributions	3,321,440	
Pension expense	<u>(4,269,314)</u>	(947,874)

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	(78,013)	
Inventory	13,289	
Loss on disposal of assets	(530,153)	
Amortization of deferred bond items	75,389	
Compensated absences	<u>2,956</u>	<u>(516,532)</u>

Changes in net position in governmental activities **\$ 2,594,718**

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

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Flowing Wells Unified School District No. 8 (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 five 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, food services, and bookstore and athletic functions.

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.

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 or fiduciary 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 federal, state and county aid, and other items not included among program revenues are reported instead as general revenues.

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.

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.

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Property taxes, state and county aid, tuition, 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.

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 the 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.

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

Bond Building Fund – The Bond Building Fund accounts 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.

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.

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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 federal depository 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 governmental 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.

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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. Inventory

All inventories are valued at cost using the average cost method with the exception of food service inventory, which is valued at cost using the first-in/first-out (FIFO) method. Inventories consist of expendable supplies held for consumption. Inventories are recorded as expenses when consumed on the government-wide financial statements and as expenditures when purchased on the fund financial statements.

The United States Department of Agriculture (USDA) commodity portion of the food services inventory consists of food donated by the USDA. It is valued at estimated market prices paid by the USDA.

I. 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 on the government-wide financial statements and as expenditures when purchased on the fund financial statements.

J. 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 in excess 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.

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 - 22 years
Buildings and improvements	20 - 80 years
Vehicles, furniture and equipment	3 - 15 years

K. 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.

L. Compensated Absences

The District's employee vacation and sick leave policies generally provide for granting vacation and sick leave with pay. Accrued sick leave is earned by all full-time employees at a rate of one day for every month. All full-time classified employees earn vacation at rates depending on length of service; however, accumulated vacation as of June 30 must be taken by July 1 of the year following the year it is earned or it will be forfeited. Only benefits considered vested are recognized in the financial statements. The liability for vacation and sick leave is reported on 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.

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. Pensions

For purposes of measuring the net pension liability, related deferred outflows of resources and deferred inflows of resources, and pension expense, information about the pension plan's fiduciary net position and additions to/deductions from the plan's 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.

N. 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.

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.

O. 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.

P. Net Position Flow Assumption

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

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Q. 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 are legally or contractually required to be maintained intact.

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.

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 by the Chief Financial Officer who has been delegated that authority by a formal Governing Board action.

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.

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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.

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

	General Fund	Other Federal Projects Fund	Bond Building Fund	Non-Major Governmental Funds
Fund Balances:				
Nonspendable:				
Inventory	\$ 154,588	\$	\$	\$ 95,421
Prepaid items	598,547			
Restricted:				
Debt service				993,338
Capital projects				2,918,056
Bond building projects			9,094,721	
Voter approved initiatives				903,608
Federal and state projects				1,711,090
Auxiliary operations				1,204,536
Food service				856,592
Civic center				333,998
Gifts and donations				1,161,560
Student activities				327,258
Other purposes				222,242
Unassigned	11,201,095	(231,198)		(120,174)
Total fund balances	\$ 11,954,230	\$ (231,198)	\$ 9,094,721	\$ 10,607,525

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 3 – 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	\$ 231,198
Non-Major Governmental Funds:	
English Language Learner	895
Title I Grants	18,812
Special Education Grants	38,071
Other State Projects	32,670
Career Technical Education	29,726

The deficits arose because of operations during the year and/or because of pending grant reimbursements. Additional revenues received in fiscal year 2021-22 are expected to eliminate the deficits.

Excess Expenditures Over Budget – At year end, the District had expenditures in funds that exceeded the budgets, however, this does not constitute a violation of any legal provisions.

NOTE 4 – 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 \$4.5 million and the bank balance was \$4.6 million. At year end, \$3.7 million of the District’s deposits were covered by collateral held by the pledging financial institution’s trust department or agent but not in the District’s name.

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

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 – CASH AND INVESTMENTS

The State Treasurer’s pools are external investment pools, the Local Government Investment Pool (Pool 5) and Local Government Investment Pool – Government (Pool 7), with no regulatory oversight. The pools as an investment company are not registered with the Securities and Exchange Commission. The activity and performance of the pools are reviewed monthly by the State Board of Investment. The fair value of each participant’s position in the State Treasurer investment pools 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.

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.

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

	<u>Average Maturities</u>	<u>Fair Value</u>
County Treasurer’s investment pool	47 days	\$ 11,364,916
State Treasurer’s investment pool 7	62 days	9,831,236
Total		<u>\$ 21,196,152</u>

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. The State Treasurer’s Local Government Investment Pool 7 was rated AAA by Moody’s at year end.

Custodial Credit Risk – Investments. The District’s investment in the State and County Treasurer’s investment pools 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.

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5 – 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	Other Federal Projects Fund	Non-Major Governmental Funds
Due from other governmental entities:			
Due from federal government	\$ 43,832	\$ 1,161,917	\$ 1,032,208
Due from state government	5,669,874		507,449
Due from county government	67,444		
Due from other districts			86,657
Net due from governmental entities	<u>\$ 5,781,150</u>	<u>\$ 1,161,917</u>	<u>\$ 1,626,314</u>

NOTE 6 – CAPITAL ASSETS

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

<u>Governmental Activities</u>	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 4,384,282	\$	\$	\$ 4,384,282
Construction in progress	15,515,945	1,564,324	16,493,931	586,338
Total capital assets, not being depreciated	<u>19,900,227</u>	<u>1,564,324</u>	<u>16,493,931</u>	<u>4,970,620</u>
Capital assets, being depreciated:				
Land improvements	4,341,431	55,498	139,021	4,257,908
Buildings and improvements	70,998,447	16,668,199	2,329,334	85,337,312
Vehicles, furniture and equipment	8,841,244	1,016,961	625,149	9,233,056
Total capital assets being depreciated	<u>84,181,122</u>	<u>17,740,658</u>	<u>3,093,504</u>	<u>98,828,276</u>
Less accumulated depreciation for:				
Land improvements	(3,434,515)	(234,485)	(121,255)	(3,547,745)
Buildings and improvements	(34,771,542)	(2,519,999)	(1,816,947)	(35,474,594)
Vehicles, furniture and equipment	(5,856,302)	(521,911)	(625,149)	(5,753,064)
Total accumulated depreciation	<u>(44,062,359)</u>	<u>(3,276,395)</u>	<u>(2,563,351)</u>	<u>(44,775,403)</u>
Total capital assets, being depreciated, net	40,118,763	14,464,263	530,153	54,052,873
Governmental activities capital assets, net	<u>\$ 60,018,990</u>	<u>\$ 16,028,587</u>	<u>\$ 17,024,084</u>	<u>\$ 59,023,493</u>

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6 – CAPITAL ASSETS

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 2,316,351
Support services – students and staff	22,519
Support services – administration	59,813
Operation and maintenance of plant services	586,537
Student transportation services	180,098
Operation of non-instructional services	<u>111,077</u>
Total depreciation expense – governmental activities	<u>\$ 3,276,395</u>

Construction Commitments – At year end, the District had contractual commitments related to various capital projects for improvements to current facilities. At year end the District had spent \$586,338 on the projects and had estimated remaining contractual commitments of \$3.4 million. These projects are being funded with School Facilities Board grants, capital projects funds, Career Technical Education funds and School Improvement Bonds.

NOTE 7 – OBLIGATIONS UNDER LEASES

Capital Leases – The District has also financed energy efficient building improvements and solar energy structures that meet the District’s capitalization threshold under the provisions of long-term lease agreements classified as capital leases. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. Revenues from the General Fund are transferred to the Energy and Water Savings Fund, a non-major governmental fund, to pay the capital lease obligations when due. The District receives a federal interest subsidy to fund interest payments for the District-wide energy project. Amortization of assets recorded under capital leases is included with depreciation expense.

The assets acquired through capital leases that meet the District’s capitalization threshold are as follows:

	Governmental Activities
Asset:	
Building improvements	\$ 8,956,428
Less: Accumulated depreciation	<u>(1,865,875)</u>
Total	<u>\$ 7,090,553</u>

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 7 – OBLIGATIONS UNDER LEASES

The future minimum lease obligations and the net present value of these minimum lease payments at year end were as follows:

Year Ending June 30:	Governmental Activities
2022	\$ 1,005,765
2023	999,292
2024	992,752
2025	986,535
2026	980,222
2027-31	3,277,453
2032-33	711,312
Total minimum lease payments	8,953,331
Less: amount representing interest	1,644,446
Present value of minimum lease payments	\$ 7,308,885
Due within one year	\$ 728,146

Operating Leases – The District leases copiers under the provisions of a long-term lease agreement classified as an operating lease for accounting purposes. Rental expenditures under the terms of the operating lease totaled \$132,359 for the current fiscal year. The operating lease has a remaining noncancelable lease term of three years and provides renewal options. The future minimum rental payments required under the operating lease at year end were as follows:

Year Ending June 30:	
2022	\$ 132,359
2023	132,359
2024	132,359
Total minimum payments required	\$ 397,077

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 8 – GENERAL OBLIGATION BONDS PAYABLE

Bonds payable at year end, consisted of the following outstanding general obligation bonds. The bonds are both callable and noncallable with interest payable semiannually. Property taxes from the Debt Service Fund are used to pay bonded debt. The District’s legal debt limit is \$71.9 million, and the legal debt margin is \$40.5 million.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2021	Due Within One Year
Governmental activities:					
Refunding Bonds, Series 2016	\$ 9,800,000	4.00-5.00%	7/1/22-29	\$ 8,555,000	\$ 990,000
School Improvement Bonds, Project of 2017, Series A (2018)	13,385,000	2.50-5.00%	7/1/22-37	12,295,000	600,000
School Improvement Bonds, Project of 2017, Series B (2021)	8,905,000	3.00-4.00%	7/1/22-40	8,905,000	125,000
Total				<u>\$ 29,755,000</u>	<u>\$ 1,715,000</u>

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

Year ending June 30:	Governmental Activities	
	Principal	Interest
2022	\$ 1,715,000	\$ 1,192,471
2023	1,910,000	1,083,925
2024	2,075,000	1,016,900
2025	2,215,000	940,150
2026	2,350,000	859,425
2027-31	8,810,000	2,992,125
2032-36	7,185,000	1,440,575
2037-40	3,495,000	234,525
Total	<u>\$ 29,755,000</u>	<u>\$ 9,760,096</u>

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 9 – 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	\$ 22,835,000	\$ 8,905,000	\$ 1,985,000	\$ 29,755,000	\$ 1,715,000
Premium	1,869,159	1,251,000	168,652	2,951,507	
Total bonds payable	<u>24,704,159</u>	<u>10,156,000</u>	<u>2,153,652</u>	<u>32,706,507</u>	<u>1,715,000</u>
Obligations under capital leases	8,018,301		709,416	7,308,885	728,146
Net pension liability	36,887,199	7,205,329		44,092,528	
Compensated absences payable	<u>1,153,287</u>	<u>682,132</u>	<u>685,088</u>	<u>1,150,331</u>	<u>610,319</u>
Governmental activity long-term liabilities	<u>\$ 70,762,946</u>	<u>\$ 18,043,461</u>	<u>\$ 3,548,156</u>	<u>\$ 85,258,251</u>	<u>\$ 3,053,465</u>

NOTE 10 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At year end, interfund balances were as follows:

Due to/from other funds – At year end, the Other Federal Projects Fund and several non-major governmental funds had negative cash balances of \$650,879 and \$535,674, respectively, in the Treasurer’s pooled cash accounts. Negative cash on deposit with the County Treasurer was reduced by interfund borrowing with the General Fund. The interfund balance is expected to be paid within one year.

Interfund transfers – Transfers between funds of \$1,027,362 were used to (1) move investment income earned in the Bond Building Fund that is required by statute to be expended in the Debt Service Fund, a non-major governmental fund, (2) move federal grant funds restricted for indirect costs, and (3) to transfer funds from the General Fund to the Energy and Water Savings Fund, a non-major governmental fund, to pay the capital lease obligations when due.

NOTE 11 – 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.

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 11 – CONTINGENT LIABILITIES

Lawsuits – The District is a party to a number of various types of lawsuits, many of which normally occur in governmental operations. The ultimate outcome of the actions is not determinable, however, District management believes that the outcome of these proceedings, either individually or in the aggregate, will not have a materially adverse effect on the accompanying financial statements.

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

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 quarterly 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 continues to carry commercial insurance for all other risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 14 – PENSIONS

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.

The ASRS OPEB plans are not further disclosed because of their relative insignificance to the District’s financial statements.

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

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.

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 14 – PENSIONS

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 12.22 percent (12.04 percent for retirement and 0.18 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 12.22 percent (11.65 percent for retirement, 0.39 percent for health insurance premium benefit, and 0.18 percent for long-term disability) of the active members’ annual covered payroll. The District’s contributions to the pension plan for the year ended June 30, 2021 were \$3.3 million.

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 10.21 percent (10.14 for retirement and 0.07 percent for long-term disability). ACR contributions are included in employer contributions presented above.

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

Pension Liability. The net pension liability was measured as of June 30, 2020. The total liability used to calculate the net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2019, to the measurement date of June 30, 2020. The District’s proportion of the net 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, 2020.

At June 30, 2021, the District reported the following amounts for its proportionate share of the pension plan net liability. In addition, at June 30, 2020, the District’s percentage proportion for the plan and the related change from its proportion measured as of June 30, 2019 was:

Net Liability	District % Proportion	Increase (Decrease)
\$ 44,092,528	0.254	0.001

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 14 – PENSIONS

Pension Expense and Deferred Outflows/Inflows of Resources. The District has deferred outflows and inflows of resources related to the net pension liability. Certain changes in the net pension liability are recognized as pension expense over a period of time rather than the year of occurrence. The District’s pension expense for the year ended June 30, 2021 was \$4.3 million.

The District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 398,893	\$
Net difference between projected and actual earnings on pension investments	4,252,776	
Changes in proportion and differences between contributions and proportionate share of contributions	222,653	
Contributions subsequent to the measurement date	3,321,440	
Total	\$ 8,195,762	\$

The District did not have deferred inflows of resources related to pensions during the year.

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 liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:		
2022	\$	673,064
2023		1,347,623
2024		1,538,274
2025		1,315,361

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 14 – PENSIONS

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

Actuarial valuation date	June 30, 2019
Actuarial roll forward date	June 30, 2020
Actuarial cost method	Entry age normal
Investment rate of return	7.5%
Inflation	2.3%
Projected salary increases	2.7-7.2%
Permanent base increases	Included
Mortality rates	2017 SRA Scale U-MP

The actuarial assumptions used in the June 30, 2019 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.

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 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
Equity	50%	6.39%
Credit	20	5.44
Interest rate sensitive bonds	10	0.22
Real estate	20	5.85
Total	<u>100%</u>	

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 14 – PENSIONS

Discount Rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board’s funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the plan’s 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 liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the proportionate share of the net pension 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:

	1% Decrease	Current Discount Rate	1% Increase
Rate	6.5%	7.5%	8.5%
Net liability	\$ 60,295,934	\$ 44,092,528	\$ 30,547,313

Contributions payable. The District’s accrued payroll and employee benefits included \$469,302 of outstanding pension contribution amounts payable to ASRS for the year ended June 30, 2021.

Pension Plan Fiduciary Net Position. Detailed information about the pension 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

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other local	\$	\$	\$ 3,268,828	\$ 3,268,828
Property taxes			10,156,182	10,156,182
State aid and grants			20,709,963	20,709,963
Total revenues			<u>34,134,973</u>	<u>34,134,973</u>
Expenditures:				
Current -				
Instruction	20,246,969	19,663,867	17,918,098	1,745,769
Support services - students and staff	4,102,065	4,063,134	3,765,216	297,918
Support services - administration	4,643,951	4,377,760	4,219,845	157,915
Operation and maintenance of plant services	5,375,958	4,646,508	3,810,651	835,857
Student transportation services	1,811,055	1,618,283	1,340,723	277,560
Operation of non-instructional services	102,301	97,125	93,001	4,124
Total expenditures	<u>36,282,299</u>	<u>34,466,677</u>	<u>31,147,534</u>	<u>3,319,143</u>
Excess (deficiency) of revenues over expenditures	<u>(36,282,299)</u>	<u>(34,466,677)</u>	<u>2,987,439</u>	<u>37,454,116</u>
Other financing sources (uses):				
Transfer out			(700,000)	(700,000)
Total other financing sources (uses)			<u>(700,000)</u>	<u>(700,000)</u>
Changes in fund balances	<u>(36,282,299)</u>	<u>(34,466,677)</u>	<u>2,287,439</u>	<u>36,754,116</u>
Fund balances, beginning of year			5,277,214	5,277,214
Increase (decrease) in reserve for prepaid items			(78,013)	(78,013)
Increase (decrease) in reserve for inventory			17,916	17,916
Fund balances (deficits), end of year	<u>\$ (36,282,299)</u>	<u>\$ (34,466,677)</u>	<u>\$ 7,504,556</u>	<u>\$ 41,971,233</u>

See accompanying notes to this schedule.

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
OTHER FEDERAL PROJECTS
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Federal aid, grants and reimbursements	\$	\$	\$ 3,349,337	\$ 3,349,337
Total revenues			<u>3,349,337</u>	<u>3,349,337</u>
Expenditures:				
Current -				
Instruction	2,400,000	20,500,000	796,986	19,703,014
Support services - students and staff			846,191	(846,191)
Support services - administration			94,110	(94,110)
Operation and maintenance of plant services			1,388,270	(1,388,270)
Student transportation services			41,507	(41,507)
Capital outlay			272,965	(272,965)
Total expenditures	<u>2,400,000</u>	<u>20,500,000</u>	<u>3,440,029</u>	<u>17,059,971</u>
Changes in fund balances	<u>(2,400,000)</u>	<u>(20,500,000)</u>	<u>(90,692)</u>	<u>20,409,308</u>
Fund balances (deficits), beginning of year			(140,506)	(140,506)
Fund balances (deficits), end of year	<u>\$ (2,400,000)</u>	<u>\$ (20,500,000)</u>	<u>\$ (231,198)</u>	<u>\$ 20,268,802</u>

See accompanying notes to this schedule.

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
ARIZONA STATE RETIREMENT SYSTEM
LAST SEVEN FISCAL YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Measurement date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
District's proportion of the net pension (assets) liability	0.25%	0.25%	0.25%	0.25%
District's proportionate share of the net pension (assets) liability	\$ 44,092,528	\$ 36,887,199	\$ 34,954,065	\$ 39,252,014
District's covered payroll	\$ 28,152,472	\$ 26,704,392	\$ 24,879,413	\$ 24,535,853
District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	156.62%	138.13%	140.49%	159.98%
Plan fiduciary net position as a percentage of the total pension liability	69.33%	73.24%	73.40%	69.92%

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 3,321,440	\$ 3,223,458	\$ 2,985,551	\$ 2,711,856
Contributions in relation to the actuarially determined contribution	<u>3,321,440</u>	<u>3,223,458</u>	<u>2,985,551</u>	<u>2,711,856</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 28,510,215	\$ 28,152,472	\$ 26,704,392	\$ 24,879,413
Contributions as a percentage of covered payroll	11.65%	11.45%	11.18%	10.90%

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

See accompanying notes to this schedule.

<u>2017</u>	<u>2016</u>	<u>2015</u>
June 30, 2016	June 30, 2015	June 30, 2014
0.25%	0.26%	0.26%
\$ 40,775,406	\$ 41,134,327	\$ 38,786,309
\$ 23,217,124	\$ 23,839,210	\$ 24,022,561
175.63%	172.55%	161.46%
67.06%	68.35%	69.49%

<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 2,644,965	\$ 2,519,058	\$ 2,596,090
<u>2,644,965</u>	<u>2,519,058</u>	<u>2,596,090</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 24,535,853	\$ 23,217,124	\$ 23,839,210
10.78%	10.85%	10.89%

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021

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.
- Employee insurance expenditures are budgeted in the year the employee insurance account is funded.

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	\$ 31,948,175	\$ 11,954,230
Activity budgeted as special revenue funds	(796,393)	(3,559,697)
Employee insurance account	(4,248)	(889,977)
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	\$ 31,147,534	\$ 7,504,556

NOTE 2 – PENSION 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, 2019, 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.

**COMBINING AND INDIVIDUAL
FUND FINANCIAL STATEMENTS
AND SCHEDULES**

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GOVERNMENTAL FUNDS

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2021

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<u>ASSETS</u>			
Cash and investments	\$ 6,767,624	\$ 960,893	\$ 2,633,928
Property taxes receivable		161,973	
Accounts receivable	8,612		
Due from governmental entities	1,297,591		328,723
Deposits held by others	90,635		
Inventory	95,421		
Total assets	<u>\$ 8,259,883</u>	<u>\$ 1,122,866</u>	<u>\$ 2,962,651</u>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES</u>			
<u>AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 301,160	\$	\$ 44,595
Due to other funds	535,674		
Accrued payroll and employee benefits	488,431		
Unearned revenues	56,475		
Total liabilities	<u>1,381,740</u>		<u>44,595</u>
Deferred inflows of resources:			
Unavailable revenues - property taxes		129,528	
Unavailable revenues - intergovernmental	182,012		
Total deferred inflows of resources	<u>182,012</u>	<u>129,528</u>	
Fund balances (deficits):			
Nonspendable	95,421		
Restricted	6,720,884	993,338	2,918,056
Unassigned	(120,174)		
Total fund balances	<u>6,696,131</u>	<u>993,338</u>	<u>2,918,056</u>
 Total liabilities, deferred inflows of resources and fund balances	 <u>\$ 8,259,883</u>	 <u>\$ 1,122,866</u>	 <u>\$ 2,962,651</u>

Total Non-Major
Governmental
Funds

\$ 10,362,445
161,973
8,612
1,626,314
90,635
95,421
\$ 12,345,400

\$ 345,755
535,674
488,431
56,475
1,426,335

129,528
182,012
311,540

95,421
10,632,278
(120,174)
10,607,525

\$ 12,345,400

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
YEAR ENDED JUNE 30, 2021

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Revenues:			
Other local	\$ 1,865,879	\$ 87,151	\$ 226,851
Property taxes		2,790,303	
State aid and grants	3,933,080		1,672,039
Federal aid, grants and reimbursements	5,927,157		181,657
Total revenues	<u>11,726,116</u>	<u>2,877,454</u>	<u>2,080,547</u>
Expenditures:			
Current -			
Instruction	6,606,573		
Support services - students and staff	1,324,898		
Support services - administration	142,640		
Operation and maintenance of plant services	93,048		
Student transportation services	5,770		
Operation of non-instructional services	1,695,452		
Capital outlay	868,320		2,445,056
Debt service -			
Principal retirement		1,985,000	709,416
Interest and fiscal charges		909,350	303,073
Total expenditures	<u>10,736,701</u>	<u>2,894,350</u>	<u>3,457,545</u>
Excess (deficiency) of revenues over expenditures	<u>989,415</u>	<u>(16,896)</u>	<u>(1,376,998)</u>
Other financing sources (uses):			
Transfer in		2,159	700,000
Transfer out	(325,203)		
Total other financing sources (uses)	<u>(325,203)</u>	<u>2,159</u>	<u>700,000</u>
Changes in fund balances	<u>664,212</u>	<u>(14,737)</u>	<u>(676,998)</u>
Fund balances, beginning of year	6,036,546	1,008,075	3,595,054
Increase (decrease) in reserve for inventory	(4,627)		
Fund balances, end of year	<u>\$ 6,696,131</u>	<u>\$ 993,338</u>	<u>\$ 2,918,056</u>

Total Non-Major
Governmental
Funds

\$ 2,179,881
2,790,303
5,605,119
6,108,814
16,684,117

6,606,573
1,324,898
142,640
93,048
5,770
1,695,452
3,313,376

2,694,416
1,212,423
17,088,596

(404,479)

702,159
(325,203)
376,956

(27,523)

10,639,675

(4,627)

\$ 10,607,525

SPECIAL REVENUE FUNDS

Classroom Site - to account 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.

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.

English Language Learner - to account for monies received to provide for the incremental cost of instruction to English language learners.

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.

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 and 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.

Vocational Education - to account for financial assistance received for preparation of individuals for employment or advancement in a career not requiring a baccalaureate or advanced degree.

Homeless Education - to account for financial assistance received for the education of homeless students.

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.

State Vocational Education - to account for financial assistance received for the preparation of individuals for employment.

College Credit Exam Incentives - to account for financial assistance received for college credit exams.

Results-based Funding - to account for financial assistance received for academic performance results in accordance with A.R.S. §15-249.08.

Other State Projects - to account for financial assistance received for other State projects.

School Plant - to account for proceeds from the sale or lease of school property.

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 revenues and expenditures arising from bookstore and athletic activities and activity related to monies collected in support of extracurricular activities to be taken as a tax credit by the taxpayer 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.

Insurance Proceeds - to account for the monies received from insurance claims.

Textbooks - to account for monies received from students to replace or repair lost or damaged textbooks.

Litigation Recovery - to account for monies received for and derived from litigation.

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.

Career Technical Education - to account for monies received from Career Technical Education Districts for vocational education programs.

District Services - to account for the financial activity or providing goods and services to departments or schools within the District.

Student Activities - to account for monies raised by students to finance student clubs and organizations.

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2021

	<u>Classroom Site</u>	<u>Instructional Improvement</u>	<u>County, City, and Town Grants</u>
<u>ASSETS</u>			
Cash and investments	\$ 729,880	\$ 345,505	\$ 8,261
Accounts receivable			
Due from governmental entities			
Deposits held by others			
Inventory			
Total assets	<u>\$ 729,880</u>	<u>\$ 345,505</u>	<u>\$ 8,261</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			
Accrued payroll and employee benefits	157,383	14,394	
Unearned revenues			
Total liabilities	<u>157,383</u>	<u>14,394</u>	
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Fund balances (deficits):			
Nonspendable			
Restricted	572,497	331,111	8,261
Unassigned			
Total fund balances	<u>572,497</u>	<u>331,111</u>	<u>8,261</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 729,880</u>	<u>\$ 345,505</u>	<u>\$ 8,261</u>

<u>English Language Learner</u>	<u>Title I Grants</u>	<u>Title IV Grants</u>	<u>Limited English & Immigrant Students</u>	<u>Special Education Grants</u>	<u>Vocational Education</u>
\$ 23,417	\$	\$	\$	\$	\$
895	399,185	183,583	16,352	187,789	23,941
<u>\$ 24,312</u>	<u>\$ 399,185</u>	<u>\$ 183,583</u>	<u>\$ 16,352</u>	<u>\$ 187,789</u>	<u>\$ 23,941</u>
\$	\$ 2,086	\$ 19,952	\$	\$	\$ 8,773
	286,606	111,442	9,803	122,071	3,616
24,312	110,493	52,189	6,549	65,718	11,552
<u>24,312</u>	<u>399,185</u>	<u>183,583</u>	<u>16,352</u>	<u>187,789</u>	<u>23,941</u>
<u>895</u>	<u>18,812</u>			<u>38,071</u>	
<u>(895)</u>	<u>(18,812)</u>			<u>(38,071)</u>	
<u>(895)</u>	<u>(18,812)</u>			<u>(38,071)</u>	
<u>\$ 24,312</u>	<u>\$ 399,185</u>	<u>\$ 183,583</u>	<u>\$ 16,352</u>	<u>\$ 187,789</u>	<u>\$ 23,941</u>

(Continued)

**FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2021**

	<u>Homeless Education</u>	<u>E-Rate</u>	<u>State Vocational Education</u>
<u>ASSETS</u>			
Cash and investments	\$	\$ 501,643	\$ 9,158
Accounts receivable			
Due from governmental entities	4,995	91,564	
Deposits held by others			
Inventory			
Total assets	<u>\$ 4,995</u>	<u>\$ 593,207</u>	<u>\$ 9,158</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$ 11,828	\$ 9,158
Due to other funds	2,136		
Accrued payroll and employee benefits	2,859		
Unearned revenues			
Total liabilities	<u>4,995</u>	<u>11,828</u>	<u>9,158</u>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental		<u>91,564</u>	
Fund balances (deficits):			
Nonspendable			
Restricted		489,815	
Unassigned			
Total fund balances		<u>489,815</u>	
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,995</u>	<u>\$ 593,207</u>	<u>\$ 9,158</u>

<u>College Credit Exam Incentives</u>	<u>Results-based Funding</u>	<u>Other State Projects</u>	<u>Food Service</u>	<u>Civic Center</u>	<u>Community School</u>
\$ 52,027	\$ 1,044,476	\$ 39,756	\$ 737,846	\$ 333,998	\$ 9,687
	147,057	30,774	124,799		
			90,635		
			95,421		
<u>\$ 52,027</u>	<u>\$ 1,191,533</u>	<u>\$ 70,530</u>	<u>\$ 1,048,701</u>	<u>\$ 333,998</u>	<u>\$ 9,687</u>
\$	\$	\$	\$ 94,588	\$	\$
11,164	11,121	14,055	2,100		
<u>11,164</u>	<u>11,121</u>	<u>56,475</u>	<u>96,688</u>		
		<u>32,670</u>			
40,863	1,180,412		95,421		
			856,592	333,998	9,687
<u>40,863</u>	<u>1,180,412</u>	<u>(32,670)</u>	<u>952,013</u>	<u>333,998</u>	<u>9,687</u>
<u>\$ 52,027</u>	<u>\$ 1,191,533</u>	<u>\$ 70,530</u>	<u>\$ 1,048,701</u>	<u>\$ 333,998</u>	<u>\$ 9,687</u>

(Continued)

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2021

	Auxiliary Operations	Gifts and Donations	Fingerprint
<u>ASSETS</u>			
Cash and investments	\$ 1,204,536	\$ 1,161,560	\$ 13,568
Accounts receivable			
Due from governmental entities			
Deposits held by others			
Inventory			
Total assets	\$ 1,204,536	\$ 1,161,560	\$ 13,568
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			
Accrued payroll and employee benefits			
Unearned revenues			
Total liabilities			
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Fund balances (deficits):			
Nonspendable			
Restricted	1,204,536	1,161,560	13,568
Unassigned			
Total fund balances	1,204,536	1,161,560	13,568
Total liabilities, deferred inflows of resources and fund balances	\$ 1,204,536	\$ 1,161,560	\$ 13,568

<u>Textbooks</u>	<u>Insurance Refund</u>	<u>Career Technical Education</u>	<u>Student Activities</u>	<u>Totals</u>
\$ 8,631	\$ 179,330	\$ 42,934	\$ 321,411	\$ 6,767,624
2,765		86,657	5,847	8,612
				1,297,591
				90,635
				95,421
<u>\$ 11,396</u>	<u>\$ 179,330</u>	<u>\$ 129,591</u>	<u>\$ 327,258</u>	<u>\$ 8,259,883</u>
\$	\$	\$ 154,775	\$	\$ 301,160
		4,542		535,674
				488,431
				56,475
		<u>159,317</u>		<u>1,381,740</u>
				<u>182,012</u>
11,396	179,330		327,258	95,421
		(29,726)		6,720,884
<u>11,396</u>	<u>179,330</u>	<u>(29,726)</u>	<u>327,258</u>	<u>(120,174)</u>
				<u>6,696,131</u>
<u>\$ 11,396</u>	<u>\$ 179,330</u>	<u>\$ 129,591</u>	<u>\$ 327,258</u>	<u>\$ 8,259,883</u>

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Classroom Site	Instructional Improvement	County, City, and Town Grants
Revenues:			
Other local	\$ 8,749	\$ 2,331	\$ 91
State aid and grants	2,776,765	233,710	
Federal aid, grants and reimbursements			
Total revenues	2,785,514	236,041	91
Expenditures:			
Current -			
Instruction	2,899,008	181,325	
Support services - students and staff	59,150	101,374	4,579
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	2,958,158	282,699	4,579
Excess (deficiency) of revenues over expenditures	(172,644)	(46,658)	(4,488)
Other financing sources (uses):			
Transfer out			
Total other financing sources (uses)			
Changes in fund balances	(172,644)	(46,658)	(4,488)
Fund balances (deficits), beginning of year	745,141	377,769	12,749
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ 572,497	\$ 331,111	\$ 8,261

<u>English Language Learner</u>	<u>Title I Grants</u>	<u>Title IV Grants</u>	<u>Limited English & Immigrant Students</u>	<u>Special Education Grants</u>	<u>Vocational Education</u>
\$ 288,513	\$ 1,930,062	\$ 466,396	\$ 85,646	\$ 1,129,603	\$ 155,502
<u>288,513</u>	<u>1,930,062</u>	<u>466,396</u>	<u>85,646</u>	<u>1,129,603</u>	<u>155,502</u>
289,408	1,156,723	268,107	13,080	1,101,668	81,186
	537,224	84,826	63,472	13,995	53,242
	65,548	56,065	890		
	1,187	1,925			
		40			
	87,942	34,088	3,613		21,074
<u>289,408</u>	<u>1,848,624</u>	<u>445,051</u>	<u>81,055</u>	<u>1,115,663</u>	<u>155,502</u>
<u>(895)</u>	<u>81,438</u>	<u>21,345</u>	<u>4,591</u>	<u>13,940</u>	
	(100,250)	(20,362)	(4,591)		
	<u>(100,250)</u>	<u>(20,362)</u>	<u>(4,591)</u>		
<u>(895)</u>	<u>(18,812)</u>	<u>983</u>		<u>13,940</u>	
		(983)		(52,011)	
<u>\$ (895)</u>	<u>\$ (18,812)</u>	<u>\$</u>	<u>\$</u>	<u>\$ (38,071)</u>	<u>\$</u>

(Continued)

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Homeless Education	E-Rate	State Vocational Education
Revenues:			
Other local	\$	\$ 2,932	\$
State aid and grants			79,522
Federal aid, grants and reimbursements	25,707	67,349	
Total revenues	25,707	70,281	79,522
Expenditures:			
Current -			
Instruction			16,430
Support services - students and staff	25,707		
Support services - administration		15,000	
Operation and maintenance of plant services		72,035	
Student transportation services			
Operation of non-instructional services			
Capital outlay			63,092
Total expenditures	25,707	87,035	79,522
Excess (deficiency) of revenues over expenditures		(16,754)	
Other financing sources (uses):			
Transfer out			
Total other financing sources (uses)			
Changes in fund balances		(16,754)	
Fund balances (deficits), beginning of year		506,569	
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$	\$ 489,815	\$

<u>College Credit Exam Incentives</u>	<u>Results-based Funding</u>	<u>Other State Projects</u>	<u>Food Service</u>	<u>Civic Center</u>	<u>Community School</u>
\$ 22,276	\$ 373,187	\$ 159,107	\$ 11,722	\$ 19,109	\$ 69
<u>22,276</u>	<u>373,187</u>	<u>159,107</u>	<u>2,066,892</u>	<u>19,109</u>	<u>69</u>
			<u>2,078,614</u>		
11,224	99,862	129,725			
		115,466			
			1,682,960	6,940	
<u>11,224</u>	<u>99,862</u>	<u>245,191</u>	<u>110,347</u>	<u>11,205</u>	
			<u>1,793,307</u>	<u>18,145</u>	
<u>11,052</u>	<u>273,325</u>	<u>(86,084)</u>	<u>285,307</u>	<u>964</u>	<u>69</u>
			(200,000)		
			<u>(200,000)</u>		
<u>11,052</u>	<u>273,325</u>	<u>(86,084)</u>	<u>85,307</u>	<u>964</u>	<u>69</u>
29,811	907,087	53,414	860,893	333,034	9,618
			5,813		
<u>\$ 40,863</u>	<u>\$ 1,180,412</u>	<u>\$ (32,670)</u>	<u>\$ 952,013</u>	<u>\$ 333,998</u>	<u>\$ 9,687</u>

(Continued)

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	<u>Auxiliary Operations</u>	<u>Gifts and Donations</u>	<u>Fingerprint</u>
Revenues:			
Other local	\$ 308,192	\$ 746,195	\$ 961
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	<u>308,192</u>	<u>746,195</u>	<u>961</u>
Expenditures:			
Current -			
Instruction	69,744	51,315	
Support services - students and staff	47,262	112,020	
Support services - administration	1,244	2,698	
Operation and maintenance of plant services	3,020	6,605	
Student transportation services	4,288	255	
Operation of non-instructional services	1,400	4,152	
Capital outlay	1,638	128,392	
Total expenditures	<u>128,596</u>	<u>305,437</u>	
Excess (deficiency) of revenues over expenditures	<u>179,596</u>	<u>440,758</u>	<u>961</u>
Other financing sources (uses):			
Transfer out			
Total other financing sources (uses)			
Changes in fund balances	<u>179,596</u>	<u>440,758</u>	<u>961</u>
Fund balances (deficits), beginning of year	1,035,380	720,802	12,607
Increase (decrease) in reserve for inventory	(10,440)		
Fund balances (deficits), end of year	<u>\$ 1,204,536</u>	<u>\$ 1,161,560</u>	<u>\$ 13,568</u>

<u>Textbooks</u>	<u>Insurance Refund</u>	<u>Career Technical Education</u>	<u>Student Activities</u>	<u>Totals</u>
\$ 2,826	\$ 1,280	\$ 672,371	\$ 89,051	\$ 1,865,879
				3,933,080
				5,927,157
<u>2,826</u>	<u>1,280</u>	<u>672,371</u>	<u>89,051</u>	<u>11,726,116</u>
		212,238	25,530	6,606,573
		37,281	69,300	1,324,898
		1,195		142,640
		9,463		93,048
				5,770
				1,695,452
		<u>400,878</u>	<u>6,051</u>	<u>868,320</u>
		<u>661,055</u>	<u>100,881</u>	<u>10,736,701</u>
<u>2,826</u>	<u>1,280</u>	<u>11,316</u>	<u>(11,830)</u>	<u>989,415</u>
				(325,203)
				(325,203)
<u>2,826</u>	<u>1,280</u>	<u>11,316</u>	<u>(11,830)</u>	<u>664,212</u>
8,570	178,050	(41,042)	339,088	6,036,546
				(4,627)
<u>\$ 11,396</u>	<u>\$ 179,330</u>	<u>\$ (29,726)</u>	<u>\$ 327,258</u>	<u>\$ 6,696,131</u>

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Classroom Site		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 8,749	\$ 8,749
State aid and grants		2,776,765	2,776,765
Federal aid, grants and reimbursements			
Total revenues		<u>2,785,514</u>	<u>2,785,514</u>
Expenditures:			
Current -			
Instruction	3,460,619	2,899,008	561,611
Support services - students and staff	71,157	59,150	12,007
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>3,531,776</u>	<u>2,958,158</u>	<u>573,618</u>
Excess (deficiency) of revenues over expenditures	<u>(3,531,776)</u>	<u>(172,644)</u>	<u>3,359,132</u>
Other financing sources (uses):			
Insurance recoveries			
Transfer in			
Transfer out			
Total other financing sources (uses)			
Changes in fund balances	<u>(3,531,776)</u>	<u>(172,644)</u>	<u>3,359,132</u>
Fund balances (deficits), beginning of year		745,141	745,141
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (3,531,776)</u>	<u>\$ 572,497</u>	<u>\$ 4,104,273</u>

Instructional Improvement			County, City, and Town Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 2,331 233,710	\$ 2,331 233,710	\$	\$ 91	\$ 91
	<u>236,041</u>	<u>236,041</u>		<u>91</u>	<u>91</u>
580,000	181,325 101,374	398,675 (101,374)	20,000	4,579	15,421
<u>580,000</u>	<u>282,699</u>	<u>297,301</u>	<u>20,000</u>	<u>4,579</u>	<u>15,421</u>
<u>(580,000)</u>	<u>(46,658)</u>	<u>533,342</u>	<u>(20,000)</u>	<u>(4,488)</u>	<u>15,512</u>
<u>(580,000)</u>	<u>(46,658)</u>	<u>533,342</u>	<u>(20,000)</u>	<u>(4,488)</u>	<u>15,512</u>
	377,769	377,769		12,749	12,749
<u>\$ (580,000)</u>	<u>\$ 331,111</u>	<u>\$ 911,111</u>	<u>\$ (20,000)</u>	<u>\$ 8,261</u>	<u>\$ 28,261</u>

(Continued)

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	English Language Learner		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants		288,513	288,513
Federal aid, grants and reimbursements			
Total revenues	_____	288,513	288,513
Expenditures:			
Current -			
Instruction	289,409	289,408	1
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	289,409	289,408	1
Excess (deficiency) of revenues over expenditures	(289,409)	(895)	288,514
Other financing sources (uses):			
Insurance recoveries			
Transfer in			
Transfer out			
Total other financing sources (uses)	_____	_____	_____
Changes in fund balances	(289,409)	(895)	288,514
Fund balances (deficits), beginning of year			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (289,409)	\$ (895)	\$ 288,514

Title I Grants			Title IV Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	1,930,062	1,930,062		466,396	466,396
	1,930,062	1,930,062		466,396	466,396
2,505,000	1,156,723	1,348,277	630,000	268,107	361,893
	537,224	(537,224)		84,826	(84,826)
	65,548	(65,548)		56,065	(56,065)
	1,187	(1,187)		1,925	(1,925)
				40	(40)
	87,942	(87,942)		34,088	(34,088)
2,505,000	1,848,624	656,376	630,000	445,051	184,949
(2,505,000)	81,438	2,586,438	(630,000)	21,345	651,345
	(100,250)	(100,250)		(20,362)	(20,362)
	(100,250)	(100,250)		(20,362)	(20,362)
(2,505,000)	(18,812)	2,486,188	(630,000)	983	630,983
				(983)	(983)
\$ (2,505,000)	\$ (18,812)	\$ 2,486,188	\$ (630,000)	\$	\$ 630,000

(Continued)

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Limited English & Immigrant Students		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		85,646	85,646
Total revenues		85,646	85,646
Expenditures:			
Current -			
Instruction		13,080	(13,080)
Support services - students and staff	130,000	63,472	66,528
Support services - administration		890	(890)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay		3,613	(3,613)
Total expenditures	130,000	81,055	48,945
Excess (deficiency) of revenues over expenditures	(130,000)	4,591	134,591
Other financing sources (uses):			
Insurance recoveries			
Transfer in			
Transfer out		(4,591)	(4,591)
Total other financing sources (uses)		(4,591)	(4,591)
Changes in fund balances	(130,000)		130,000
Fund balances (deficits), beginning of year			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (130,000)	\$	\$ 130,000

Special Education Grants			Vocational Education		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	1,129,603	1,129,603		155,502	155,502
	1,129,603	1,129,603		155,502	155,502
1,220,000	1,101,668 13,995	118,332 (13,995)	155,000	81,186 53,242	73,814 (53,242)
1,220,000	1,115,663	104,337	155,000	21,074 155,502	(21,074) (502)
(1,220,000)	13,940	1,233,940	(155,000)		155,000
(1,220,000)	13,940	1,233,940	(155,000)		155,000
	(52,011)	(52,011)			
\$ (1,220,000)	\$ (38,071)	\$ 1,181,929	\$ (155,000)	\$	\$ 155,000

(Continued)

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Homeless Education		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		25,707	25,707
Total revenues		<u>25,707</u>	<u>25,707</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff	25,000	25,707	(707)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>25,000</u>	<u>25,707</u>	<u>(707)</u>
Excess (deficiency) of revenues over expenditures	<u>(25,000)</u>		<u>25,000</u>
Other financing sources (uses):			
Insurance recoveries			
Transfer in			
Transfer out			
Total other financing sources (uses)			
Changes in fund balances	<u>(25,000)</u>		<u>25,000</u>
Fund balances (deficits), beginning of year			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (25,000)</u>	<u>\$</u>	<u>\$ 25,000</u>

Medicaid Reimbursement			E-Rate		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 5,935	\$ 5,935	\$	\$ 2,932	\$ 2,932
	351,369	351,369		67,349	67,349
	357,304	357,304		70,281	70,281
1,020,000	25,583	(25,583)			
	204,453	815,547			
	12,404	(12,404)		15,000	(15,000)
			510,000	72,035	437,965
	11,535	(11,535)			
1,020,000	253,975	766,025	510,000	87,035	422,965
(1,020,000)	103,329	1,123,329	(510,000)	(16,754)	493,246
(1,020,000)	103,329	1,123,329	(510,000)	(16,754)	493,246
	1,016,565	1,016,565		506,569	506,569
\$ (1,020,000)	\$ 1,119,894	\$ 2,139,894	\$ (510,000)	\$ 489,815	\$ 999,815

(Continued)

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	State Vocational Education		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants		79,522	79,522
Federal aid, grants and reimbursements			
Total revenues		79,522	79,522
Expenditures:			
Current -			
Instruction		16,430	(16,430)
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	80,000	63,092	16,908
Total expenditures	80,000	79,522	478
Excess (deficiency) of revenues over expenditures	(80,000)		80,000
Other financing sources (uses):			
Insurance recoveries			
Transfer in			
Transfer out			
Total other financing sources (uses)			
Changes in fund balances	(80,000)		80,000
Fund balances (deficits), beginning of year			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (80,000)	\$	\$ 80,000

College Credit Exam Incentives			Results-based Funding		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 22,276	\$ 22,276	\$	\$ 373,187	\$ 373,187
	<u>22,276</u>	<u>22,276</u>		<u>373,187</u>	<u>373,187</u>
45,000	11,224	33,776	1,300,000	99,862	1,200,138
<u>45,000</u>	<u>11,224</u>	<u>33,776</u>	<u>1,300,000</u>	<u>99,862</u>	<u>1,200,138</u>
<u>(45,000)</u>	<u>11,052</u>	<u>56,052</u>	<u>(1,300,000)</u>	<u>273,325</u>	<u>1,573,325</u>
<u>(45,000)</u>	<u>11,052</u>	<u>56,052</u>	<u>(1,300,000)</u>	<u>273,325</u>	<u>1,573,325</u>
	29,811	29,811		907,087	907,087
<u>\$ (45,000)</u>	<u>\$ 40,863</u>	<u>\$ 85,863</u>	<u>\$ (1,300,000)</u>	<u>\$ 1,180,412</u>	<u>\$ 2,480,412</u>

(Continued)

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Other State Projects		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants		159,107	159,107
Federal aid, grants and reimbursements			
Total revenues		<u>159,107</u>	<u>159,107</u>
Expenditures:			
Current -			
Instruction	350,000	129,725	220,275
Support services - students and staff		115,466	(115,466)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>350,000</u>	<u>245,191</u>	<u>104,809</u>
Excess (deficiency) of revenues over expenditures	<u>(350,000)</u>	<u>(86,084)</u>	<u>263,916</u>
Other financing sources (uses):			
Insurance recoveries			
Transfer in			
Transfer out			
Total other financing sources (uses)			
Changes in fund balances	<u>(350,000)</u>	<u>(86,084)</u>	<u>263,916</u>
Fund balances (deficits), beginning of year		53,414	53,414
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (350,000)</u>	<u>\$ (32,670)</u>	<u>\$ 317,330</u>

School Plant			Food Service		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 42,212	\$ 42,212	\$	\$ 11,722	\$ 11,722
				2,066,892	2,066,892
	<u>42,212</u>	<u>42,212</u>		<u>2,078,614</u>	<u>2,078,614</u>
600,000		600,000			
			3,400,000	1,682,960	1,717,040
				110,347	(110,347)
<u>600,000</u>		<u>600,000</u>	<u>3,400,000</u>	<u>1,793,307</u>	<u>1,606,693</u>
<u>(600,000)</u>	<u>42,212</u>	<u>642,212</u>	<u>(3,400,000)</u>	<u>285,307</u>	<u>3,685,307</u>
				(200,000)	(200,000)
				<u>(200,000)</u>	<u>(200,000)</u>
<u>(600,000)</u>	<u>42,212</u>	<u>642,212</u>	<u>(3,400,000)</u>	<u>85,307</u>	<u>3,485,307</u>
	593,809	593,809		860,893	860,893
				5,813	5,813
<u>\$ (600,000)</u>	<u>\$ 636,021</u>	<u>\$ 1,236,021</u>	<u>\$ (3,400,000)</u>	<u>\$ 952,013</u>	<u>\$ 4,352,013</u>

(Continued)

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Civic Center		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 19,109	\$ 19,109
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	400,000	18,145	381,855
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services	400,000	6,940	393,060
Capital outlay		11,205	(11,205)
Total expenditures	400,000	18,145	381,855
Excess (deficiency) of revenues over expenditures	(400,000)	964	400,964
Other financing sources (uses):			
Insurance recoveries			
Transfer in			
Transfer out			
Total other financing sources (uses)	(400,000)	964	400,964
Changes in fund balances	(400,000)	964	400,964
Fund balances (deficits), beginning of year		333,034	333,034
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (400,000)	\$ 333,998	\$ 733,998

Community School			Auxiliary Operations		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 69	\$ 69	\$	\$ 308,192	\$ 308,192
	<u>69</u>	<u>69</u>		<u>308,192</u>	<u>308,192</u>
10,000		10,000	1,200,000	69,744	1,130,256
				47,262	(47,262)
				1,244	(1,244)
				3,020	(3,020)
				4,288	(4,288)
				1,400	(1,400)
				1,638	(1,638)
<u>10,000</u>	<u></u>	<u>10,000</u>	<u>1,200,000</u>	<u>128,596</u>	<u>1,071,404</u>
<u>(10,000)</u>	<u>69</u>	<u>10,069</u>	<u>(1,200,000)</u>	<u>179,596</u>	<u>1,379,596</u>
<u>(10,000)</u>	<u>69</u>	<u>10,069</u>	<u>(1,200,000)</u>	<u>179,596</u>	<u>1,379,596</u>
	9,618	9,618		1,035,380	1,035,380
				(10,440)	(10,440)
<u>\$ (10,000)</u>	<u>\$ 9,687</u>	<u>\$ 19,687</u>	<u>\$ (1,200,000)</u>	<u>\$ 1,204,536</u>	<u>\$ 2,404,536</u>

(Continued)

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Gifts and Donations		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 746,195	\$ 746,195
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		746,195	746,195
Expenditures:			
Current -			
Instruction	1,200,000	51,315	1,148,685
Support services - students and staff		112,020	(112,020)
Support services - administration		2,698	(2,698)
Operation and maintenance of plant services		6,605	(6,605)
Student transportation services		255	(255)
Operation of non-instructional services		4,152	(4,152)
Capital outlay		128,392	(128,392)
Total expenditures	1,200,000	305,437	894,563
Excess (deficiency) of revenues over expenditures	(1,200,000)	440,758	1,640,758
Other financing sources (uses):			
Insurance recoveries			
Transfer in			
Transfer out			
Total other financing sources (uses)			
Changes in fund balances	(1,200,000)	440,758	1,640,758
Fund balances (deficits), beginning of year		720,802	720,802
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (1,200,000)	\$ 1,161,560	\$ 2,361,560

Fingerprint			Insurance Proceeds		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 961	\$ 961	\$	\$ 728	\$ 728
	<u>961</u>	<u>961</u>		<u>728</u>	<u>728</u>
13,500		13,500			
				5,935	(5,935)
				5,496	(5,496)
			200,000	30,089	169,911
<u>13,500</u>	<u></u>	<u>13,500</u>	<u>200,000</u>	<u>41,520</u>	<u>158,480</u>
<u>(13,500)</u>	<u>961</u>	<u>14,461</u>	<u>(200,000)</u>	<u>(40,792)</u>	<u>159,208</u>
				46,772	46,772
				<u>46,772</u>	<u>46,772</u>
<u>(13,500)</u>	<u>961</u>	<u>14,461</u>	<u>(200,000)</u>	<u>5,980</u>	<u>205,980</u>
	12,607	12,607		113,973	113,973
<u>\$ (13,500)</u>	<u>\$ 13,568</u>	<u>\$ 27,068</u>	<u>\$ (200,000)</u>	<u>\$ 119,953</u>	<u>\$ 319,953</u>

(Continued)

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Textbooks		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 2,826	\$ 2,826
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>2,826</u>	<u>2,826</u>
Expenditures:			
Current -			
Instruction	10,000		10,000
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	<u>10,000</u>		<u>10,000</u>
Excess (deficiency) of revenues over expenditures	<u>(10,000)</u>	<u>2,826</u>	<u>12,826</u>
Other financing sources (uses):			
Insurance recoveries			
Transfer in			
Transfer out			
Total other financing sources (uses)			
Changes in fund balances	<u>(10,000)</u>	<u>2,826</u>	<u>12,826</u>
Fund balances (deficits), beginning of year		8,570	8,570
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (10,000)</u>	<u>\$ 11,396</u>	<u>\$ 21,396</u>

Litigation Recovery			Indirect Costs		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 1,176	\$ 1,176	\$	\$ 9,035	\$ 9,035
	<u>1,176</u>	<u>1,176</u>		<u>9,035</u>	<u>9,035</u>
165,000		165,000		44,880	(44,880)
			1,400,000	304,083	1,095,917
<u>165,000</u>	<u></u>	<u>165,000</u>	<u>1,400,000</u>	<u>348,963</u>	<u>1,051,037</u>
<u>(165,000)</u>	<u>1,176</u>	<u>166,176</u>	<u>(1,400,000)</u>	<u>(339,928)</u>	<u>1,060,072</u>
				325,203	325,203
				<u>325,203</u>	<u>325,203</u>
<u>(165,000)</u>	<u>1,176</u>	<u>166,176</u>	<u>(1,400,000)</u>	<u>(14,725)</u>	<u>1,385,275</u>
	163,572	163,572		1,400,488	1,400,488
<u>\$ (165,000)</u>	<u>\$ 164,748</u>	<u>\$ 329,748</u>	<u>\$ (1,400,000)</u>	<u>\$ 1,385,763</u>	<u>\$ 2,785,763</u>

(Continued)

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Insurance Refund		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 1,280	\$ 1,280
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	1,280	1,280	1,280
Expenditures:			
Current -			
Instruction	180,000		180,000
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	180,000		180,000
Excess (deficiency) of revenues over expenditures	(180,000)	1,280	181,280
Other financing sources (uses):			
Insurance recoveries			
Transfer in			
Transfer out			
Total other financing sources (uses)			
Changes in fund balances	(180,000)	1,280	181,280
Fund balances (deficits), beginning of year		178,050	178,050
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (180,000)	\$ 179,330	\$ 359,330

Career Technical Education			District Services		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 672,371	\$ 672,371	\$	\$ 93,092	\$ 93,092
	<u>672,371</u>	<u>672,371</u>		<u>93,092</u>	<u>93,092</u>
920,000	212,238	707,762		144	(144)
	37,281	(37,281)			
	1,195	(1,195)			
	9,463	(9,463)	310,000	137,217	172,783
				14,574	(14,574)
	<u>400,878</u>	<u>(400,878)</u>			
<u>920,000</u>	<u>661,055</u>	<u>258,945</u>	<u>310,000</u>	<u>151,935</u>	<u>158,065</u>
<u>(920,000)</u>	<u>11,316</u>	<u>931,316</u>	<u>(310,000)</u>	<u>(58,843)</u>	<u>251,157</u>
<u>(920,000)</u>	<u>11,316</u>	<u>931,316</u>	<u>(310,000)</u>	<u>(58,843)</u>	<u>251,157</u>
	(41,042)	(41,042)		192,161	192,161
<u>\$ (920,000)</u>	<u>\$ (29,726)</u>	<u>\$ 890,274</u>	<u>\$ (310,000)</u>	<u>\$ 133,318</u>	<u>\$ 443,318</u>

(Continued)

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	Student Activities		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 89,051	\$ 89,051
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>89,051</u>	<u>89,051</u>
Expenditures:			
Current -			
Instruction		25,530	(25,530)
Support services - students and staff	400,000	69,300	330,700
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay		6,051	(6,051)
Total expenditures	<u>400,000</u>	<u>100,881</u>	<u>299,119</u>
Excess (deficiency) of revenues over expenditures	<u>(400,000)</u>	<u>(11,830)</u>	<u>388,170</u>
Other financing sources (uses):			
Insurance recoveries			
Transfer in			
Transfer out			
Total other financing sources (uses)			
Changes in fund balances	<u>(400,000)</u>	<u>(11,830)</u>	<u>388,170</u>
Fund balances (deficits), beginning of year		339,088	339,088
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (400,000)</u>	<u>\$ 327,258</u>	<u>\$ 727,258</u>

Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 2,018,057	\$ 2,018,057
	3,933,080	3,933,080
	6,278,526	6,278,526
	<u>12,229,663</u>	<u>12,229,663</u>
14,233,528	6,632,300	7,601,228
1,666,157	1,574,231	91,926
1,400,000	459,127	940,873
1,420,000	236,200	1,183,800
	25,840	(25,840)
3,800,000	1,695,452	2,104,548
280,000	909,944	(629,944)
<u>22,799,685</u>	<u>11,533,094</u>	<u>11,266,591</u>
<u>(22,799,685)</u>	<u>696,569</u>	<u>23,496,254</u>
	46,772	46,772
	325,203	325,203
	<u>(325,203)</u>	<u>(325,203)</u>
	<u>46,772</u>	<u>46,772</u>
<u>(22,799,685)</u>	<u>743,341</u>	<u>23,543,026</u>
	9,517,114	9,517,114
	(4,627)	(4,627)
<u>\$ (22,799,685)</u>	<u>\$ 10,255,828</u>	<u>\$ 33,055,513</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.

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2021

	Debt Service		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 87,151	\$ 87,151
Property taxes		2,790,303	2,790,303
Total revenues		<u>2,877,454</u>	<u>2,877,454</u>
Expenditures:			
Debt service -			
Principal retirement	1,985,000	1,985,000	
Interest and fiscal charges	915,000	909,350	5,650
Total expenditures	<u>2,900,000</u>	<u>2,894,350</u>	<u>5,650</u>
Excess (deficiency) of revenues over expenditures	<u>(2,900,000)</u>	<u>(16,896)</u>	<u>2,883,104</u>
Other financing sources (uses):			
Transfer in		2,159	2,159
Total other financing sources (uses)		<u>2,159</u>	<u>2,159</u>
Changes in fund balances	<u>(2,900,000)</u>	<u>(14,737)</u>	<u>2,885,263</u>
Fund balances, beginning of year		1,008,075	1,008,075
Fund balances (deficits), end of year	<u>\$ (2,900,000)</u>	<u>\$ 993,338</u>	<u>\$ 3,893,338</u>

CAPITAL PROJECTS FUNDS

Unrestricted Capital Outlay - to account for transactions relating to the acquisition of capital items.

Adjacent Ways - to account for monies received to finance improvements of public ways adjacent to school property.

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.

Energy and Water Savings - to account for capital investment monies, energy related rebate, or grant monies, and monies from other funding sources to fund energy or water savings projects in school facilities in accordance with A.R.S. §15-910.02.

Emergency Deficiencies Correction - to account for monies received from the School Facilities Board to correct emergency deficiencies.

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.

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2021

	Unrestricted Capital Outlay	Adjacent Ways	Energy and Water Savings
<u>ASSETS</u>			
Cash and investments	\$ 1,607,071	\$ 27,194	\$ 997,081
Due from governmental entities	328,723		
Total assets	\$ 1,935,794	\$ 27,194	\$ 997,081
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 44,595	\$	\$
Total liabilities	44,595		
Fund balances:			
Restricted	1,891,199	27,194	997,081
Total fund balances	1,891,199	27,194	997,081
 Total liabilities and fund balances	 \$ 1,935,794	 \$ 27,194	 \$ 997,081

<u>Building Renewal Grant</u>	<u>Totals</u>
\$ 2,582	\$ 2,633,928
	<u>328,723</u>
<u>\$ 2,582</u>	<u>\$ 2,962,651</u>

<u>\$</u>	\$ 44,595
	<u>44,595</u>

<u>2,582</u>	<u>2,918,056</u>
<u>2,582</u>	<u>2,918,056</u>
<u>\$ 2,582</u>	<u>\$ 2,962,651</u>

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2021

	Unrestricted Capital Outlay	Adjacent Ways	Energy and Water Savings
Revenues:			
Other local	\$ 222,091	\$ 208	\$ 4,401
State aid and grants	1,180,024		
Federal aid, grants and reimbursements			181,657
Total revenues	1,402,115	208	186,058
Expenditures:			
Capital outlay	1,954,979		
Debt service -			
Principal retirement			709,416
Interest and fiscal charges			303,073
Total expenditures	1,954,979		1,012,489
Excess (deficiency) of revenues over expenditures	(552,864)	208	(826,431)
Other financing sources (uses):			
Transfer in			700,000
Total other financing sources (uses)			700,000
Changes in fund balances	(552,864)	208	(126,431)
Fund balances, beginning of year	2,444,063	26,986	1,123,512
Fund balances, end of year	\$ 1,891,199	\$ 27,194	\$ 997,081

Building Renewal Grant	Totals
\$ 151	\$ 226,851
492,015	1,672,039
<u>492,166</u>	<u>181,657</u>
	<u>2,080,547</u>
490,077	2,445,056
	709,416
	303,073
<u>490,077</u>	<u>3,457,545</u>
<u>2,089</u>	<u>(1,376,998)</u>
	700,000
	<u>700,000</u>
<u>2,089</u>	<u>(676,998)</u>
493	3,595,054
<u>\$ 2,582</u>	<u>\$ 2,918,056</u>

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2021

	Unrestricted Capital Outlay		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 222,091	\$ 222,091
State aid and grants		1,180,024	1,180,024
Federal aid, grants and reimbursements			
Total revenues		1,402,115	1,402,115
Expenditures:			
Capital outlay	4,904,061	1,954,979	2,949,082
Debt service -			
Principal retirement			
Interest and fiscal charges			
Bond issuance costs			
Total expenditures	4,904,061	1,954,979	2,949,082
Excess (deficiency) of revenues over expenditures	(4,904,061)	(552,864)	4,351,197
Other financing sources (uses):			
Transfer in			
Transfer out			
Issuance of school improvement bonds			
Premium on sale of bonds			
Total other financing sources (uses)			
Changes in fund balances	(4,904,061)	(552,864)	4,351,197
Fund balances, beginning of year		2,444,063	2,444,063
Fund balances (deficits), end of year	\$ (4,904,061)	\$ 1,891,199	\$ 6,795,260

Adjacent Ways			Bond Building		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 208	\$ 208	\$	\$ 1,715	\$ 1,715
	<u>208</u>	<u>208</u>		<u>1,715</u>	<u>1,715</u>
27,100		27,100	10,060,000	912,618	9,147,382
<u>27,100</u>		<u>27,100</u>	<u>10,060,000</u>	204,444	(204,444)
(27,100)	208	27,308	(10,060,000)	<u>1,117,062</u>	<u>8,942,938</u>
				(1,115,347)	8,944,653
				(2,159)	(2,159)
				8,905,000	8,905,000
				1,251,000	1,251,000
				<u>10,153,841</u>	<u>10,153,841</u>
(27,100)	208	27,308	(10,060,000)	9,038,494	19,098,494
	26,986	26,986		56,227	56,227
<u>\$ (27,100)</u>	<u>\$ 27,194</u>	<u>\$ 54,294</u>	<u>\$ (10,060,000)</u>	<u>\$ 9,094,721</u>	<u>\$ 19,154,721</u>

(Continued)

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2021

	Energy and Water Savings		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 4,401	\$ 4,401
State aid and grants			
Federal aid, grants and reimbursements		181,657	181,657
Total revenues		186,058	186,058
Expenditures:			
Capital outlay			
Debt service -			
Principal retirement	709,416	709,416	
Interest and fiscal charges	305,584	303,073	2,511
Bond issuance costs			
Total expenditures	1,015,000	1,012,489	2,511
Excess (deficiency) of revenues over expenditures	(1,015,000)	(826,431)	188,569
Other financing sources (uses):			
Transfer in		700,000	700,000
Transfer out			
Issuance of school improvement bonds			
Premium on sale of bonds			
Total other financing sources (uses)		700,000	700,000
Changes in fund balances	(1,015,000)	(126,431)	888,569
Fund balances, beginning of year		1,123,512	1,123,512
Fund balances (deficits), end of year	\$ (1,015,000)	\$ 997,081	\$ 2,012,081

Emergency Deficiencies Correction			Building Renewal Grant		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$ 151	\$ 151
				492,015	492,015
				492,166	492,166
1,000		1,000	1,500,000	490,077	1,009,923
1,000		1,000	1,500,000	490,077	1,009,923
(1,000)		1,000	(1,500,000)	2,089	1,502,089
(1,000)		1,000	(1,500,000)	2,089	1,502,089
				493	493
\$ (1,000)	\$	\$ 1,000	\$ (1,500,000)	\$ 2,582	\$ 1,502,582

(Continued)

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2021

	Totals		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 228,566	\$ 228,566
State aid and grants		1,672,039	1,672,039
Federal aid, grants and reimbursements		181,657	181,657
Total revenues		<u>2,082,262</u>	<u>2,082,262</u>
Expenditures:			
Capital outlay	16,492,161	3,357,674	13,134,487
Debt service -			
Principal retirement	709,416	709,416	
Interest and fiscal charges	305,584	303,073	2,511
Bond issuance costs		204,444	(204,444)
Total expenditures	<u>17,507,161</u>	<u>4,574,607</u>	<u>12,932,554</u>
Excess (deficiency) of revenues over expenditures	<u>(17,507,161)</u>	<u>(2,492,345)</u>	<u>15,014,816</u>
Other financing sources (uses):			
Transfer in		700,000	700,000
Transfer out		(2,159)	(2,159)
Issuance of school improvement bonds		8,905,000	8,905,000
Premium on sale of bonds		1,251,000	1,251,000
Total other financing sources (uses)		<u>10,853,841</u>	<u>10,853,841</u>
Changes in fund balances	<u>(17,507,161)</u>	<u>8,361,496</u>	<u>25,868,657</u>
Fund balances, beginning of year		3,651,281	3,651,281
Fund balances (deficits), end of year	<u>\$ (17,507,161)</u>	<u>\$ 12,012,777</u>	<u>\$ 29,519,938</u>

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 property taxes.

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.

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FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Net Position:					
Net investment in capital assets	\$ 28,848,930	\$ 27,513,958	\$ 25,430,264	\$ 23,283,202	\$ 25,026,466
Restricted	11,245,281	10,909,754	9,786,220	11,356,514	9,355,820
Unrestricted	<u>(24,543,584)</u>	<u>(25,467,803)</u>	<u>(27,715,109)</u>	<u>(31,640,279)</u>	<u>(33,557,718)</u>
Total net position	<u><u>\$ 15,550,627</u></u>	<u><u>\$ 12,955,909</u></u>	<u><u>\$ 7,501,375</u></u>	<u><u>\$ 2,999,437</u></u>	<u><u>\$ 824,568</u></u>
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Net Position:					
Net investment in capital assets	\$ 24,092,627	\$ 24,812,730	\$ 25,170,955	\$ 23,701,048	\$ 23,872,917
Restricted	8,792,574	9,469,901	10,697,873	9,844,179	9,500,287
Unrestricted	<u>(33,865,138)</u>	<u>(35,881,862)</u>	<u>5,010,342</u>	<u>8,185,304</u>	<u>9,894,441</u>
Total net position	<u><u>\$ (979,937)</u></u>	<u><u>\$ (1,599,231)</u></u>	<u><u>\$ 40,879,170</u></u>	<u><u>\$ 41,730,531</u></u>	<u><u>\$ 43,267,645</u></u>

Source: The source of this information is the District's financial records.

Note: Negative unrestricted net position was due to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68 in fiscal year 2014-15.

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Expenses					
Instruction	\$ 29,833,084	\$ 28,475,185	\$ 24,225,283	\$ 23,277,175	\$ 23,882,165
Support services - students and staff	6,421,191	5,959,015	4,987,041	4,688,884	4,933,647
Support services - administration	5,245,004	5,302,786	4,569,376	4,366,079	4,528,761
Operation and maintenance of plant services	6,279,478	5,924,941	5,599,744	5,606,194	5,479,983
Student transportation services	1,937,869	2,234,946	1,972,200	1,738,539	1,835,192
Operation of non-instructional services	1,975,536	2,852,969	3,004,446	2,891,627	2,922,808
Interest on long-term debt	1,137,034	943,756	1,889,166	712,726	605,593
Total expenses	<u>52,829,196</u>	<u>51,693,598</u>	<u>46,247,256</u>	<u>43,281,224</u>	<u>44,188,149</u>
Program Revenues					
Charges for services:					
Instruction	2,325,434	3,035,949	2,629,035	2,000,946	2,118,503
Operation of non-instructional services	22,310	327,390	462,517	411,761	376,302
Other activities	251,986	723,203	180,116	167,595	832,528
Operating grants and contributions	10,915,755	6,988,905	7,686,462	7,315,216	6,936,911
Capital grants and contributions	1,332,712	2,959,408	674,372	295,225	1,595,923
Total program revenues	<u>14,848,197</u>	<u>14,034,855</u>	<u>11,632,502</u>	<u>10,190,743</u>	<u>11,860,167</u>
Net (Expense)/Revenue	<u>\$ (37,980,999)</u>	<u>\$ (37,658,743)</u>	<u>\$ (34,614,754)</u>	<u>\$ (33,090,481)</u>	<u>\$ (32,327,982)</u>

(Continued)

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Expenses					
Instruction	\$ 23,797,530	\$ 24,416,291	\$ 23,230,551	\$ 22,630,089	\$ 21,825,817
Support services - students and staff	5,044,693	4,947,880	4,888,880	4,860,351	4,884,465
Support services - administration	4,355,587	4,682,031	4,467,273	4,484,144	4,170,644
Operation and maintenance of plant services	5,685,776	5,806,271	5,686,411	5,609,774	5,355,853
Student transportation services	1,739,543	1,841,991	1,826,102	1,788,886	1,531,310
Operation of non-instructional services	2,850,419	2,797,966	2,758,328	2,656,459	2,603,557
Interest on long-term debt	836,764	884,425	960,722	1,055,486	1,237,986
Total expenses	<u>44,310,312</u>	<u>45,376,855</u>	<u>43,818,267</u>	<u>43,085,189</u>	<u>41,609,632</u>
Program Revenues					
Charges for services:					
Instruction	2,140,284	2,861,211	2,537,148	2,305,102	2,393,490
Operation of non-instructional services	382,954	395,497	397,266	398,362	387,526
Other activities	993,741	436,118	377,557	372,398	350,356
Operating grants and contributions	7,721,121	7,666,253	7,518,260	7,205,183	6,904,820
Capital grants and contributions	330,778	310,594	261,557	303,062	118,143
Total program revenues	<u>11,568,878</u>	<u>11,669,673</u>	<u>11,091,788</u>	<u>10,584,107</u>	<u>10,154,335</u>
Net (Expense)/Revenue	<u>\$ (32,741,434)</u>	<u>\$ (33,707,182)</u>	<u>\$ (32,726,479)</u>	<u>\$ (32,501,082)</u>	<u>\$ (31,455,297)</u>

Source: The source of this information is the District's financial records.

(Concluded)

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Net (Expense)/Revenue	\$ (37,980,999)	\$ (37,658,743)	\$ (34,614,754)	\$ (33,090,481)	\$ (32,327,982)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	10,250,068	10,060,895	9,759,689	9,613,026	9,756,362
Property taxes, levied for debt service	2,811,156	2,856,793	2,667,159	2,163,936	2,214,566
Property taxes, levied for capital outlay			212,220	131,308	1
Investment income	100,352	391,420	554,897	159,625	109,665
Unrestricted county aid	2,162,310	2,112,919	2,090,391	2,062,934	2,087,943
Unrestricted state aid	24,900,462	25,988,487	23,534,890	20,918,532	19,803,718
Unrestricted federal aid	351,369	323,127	297,446	215,989	160,232
Total general revenues	<u>40,575,717</u>	<u>41,733,641</u>	<u>39,116,692</u>	<u>35,265,350</u>	<u>34,132,487</u>
Changes in Net Position	<u>\$ 2,594,718</u>	<u>\$ 4,074,898</u>	<u>\$ 4,501,938</u>	<u>\$ 2,174,869</u>	<u>\$ 1,804,505</u>

(Continued)

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Net (Expense)/Revenue	\$ (32,741,434)	\$ (33,707,182)	\$ (32,726,479)	\$ (32,501,082)	\$ (31,455,297)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	9,573,126	9,806,714	9,964,424	8,588,037	8,496,476
Property taxes, levied for debt service	1,732,605	1,695,060	1,871,372	2,931,255	2,889,704
Property taxes, levied for capital outlay	4	5	74	85	
Investment income	72,972	53,418	65,307	137,035	71,821
Unrestricted county aid	2,010,153	1,945,722	1,923,971	1,904,018	1,613,268
Unrestricted state aid	19,816,228	18,307,824	18,135,679	17,261,140	17,292,481
Unrestricted federal aid	155,640	126,746	161,497	142,398	173,287
Total general revenues	<u>33,360,728</u>	<u>31,935,489</u>	<u>32,122,324</u>	<u>30,963,968</u>	<u>30,537,037</u>
Changes in Net Position	<u>\$ 619,294</u>	<u>\$ (1,771,693)</u>	<u>\$ (604,155)</u>	<u>\$ (1,537,114)</u>	<u>\$ (918,260)</u>

Source: The source of this information is the District's financial records.

(Concluded)

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
General Fund:					
Nonspendable	\$ 753,135	\$ 813,232	\$ 732,972	\$ 742,038	\$ 694,160
Unassigned	11,201,095	8,838,775	6,871,913	5,930,917	6,002,795
Total General Fund	\$ 11,954,230	\$ 9,652,007	\$ 7,604,885	\$ 6,672,955	\$ 6,696,955
All Other Governmental Funds:					
Nonspendable	\$ 95,421	\$ 100,048	\$ 106,215	\$ 79,204	\$ 86,059
Restricted	19,726,999	10,689,890	21,996,678	25,110,406	9,328,521
Unassigned	(351,372)	(234,542)	(47,459)	(89,200)	
Total all other governmental funds	\$ 19,471,048	\$ 10,555,396	\$ 22,055,434	\$ 25,100,410	\$ 9,414,580

(Continued)

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General Fund:					
Nondisposable	\$ 569,029	\$ 645,580	\$ 886,994	\$ 858,379	\$ 1,000,613
Unassigned	6,583,530	4,811,772	4,870,251	6,415,291	8,070,158
Total General Fund	<u>\$ 7,152,559</u>	<u>\$ 5,457,352</u>	<u>\$ 5,757,245</u>	<u>\$ 7,273,670</u>	<u>\$ 9,070,771</u>
All Other Governmental Funds:					
Nondisposable	\$ 113,343	\$ 48,240	\$ 75,601	\$ 69,169	\$ 52,201
Restricted	9,165,666	10,120,001	12,158,034	12,554,480	15,075,445
Unassigned		(37,697)	(27,136)		
Total all other governmental funds	<u>\$ 9,279,009</u>	<u>\$ 10,130,544</u>	<u>\$ 12,206,499</u>	<u>\$ 12,623,649</u>	<u>\$ 15,127,646</u>

Source: The source of this information is the District's financial records.

(Concluded)

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Federal sources:					
Federal grants	\$ 7,742,628	\$ 4,223,179	\$ 4,651,260	\$ 4,106,685	\$ 5,105,541
National School Lunch Program	2,066,892	2,422,601	2,528,980	2,565,275	2,606,491
Total federal sources	<u>9,809,520</u>	<u>6,645,780</u>	<u>7,180,240</u>	<u>6,671,960</u>	<u>7,712,032</u>
State sources:					
State equalization assistance	21,889,987	22,658,056	20,259,367	17,884,357	17,123,536
State grants	922,605	955,148	766,644	273,703	130,248
School Facilities Board	492,015	1,951,042	108,674	181,911	281,857
Other revenues	3,010,475	3,330,431	3,275,523	3,216,788	2,680,174
Total state sources	<u>26,315,082</u>	<u>28,894,677</u>	<u>24,410,208</u>	<u>21,556,759</u>	<u>20,215,815</u>
Local sources:					
Property taxes	12,946,485	12,915,409	12,573,845	11,910,220	11,886,197
County aid	2,162,310	2,134,446	2,090,391	2,062,934	2,087,943
Food service sales	5,542	321,998	382,452	349,170	368,223
Investment income	100,352	391,420	554,897	159,625	109,665
Other revenues	3,334,398	4,177,087	3,457,457	2,795,763	3,528,047
Total local sources	<u>18,549,087</u>	<u>19,940,360</u>	<u>19,059,042</u>	<u>17,277,712</u>	<u>17,980,075</u>
Total revenues	<u><u>\$ 54,673,689</u></u>	<u><u>\$ 55,480,817</u></u>	<u><u>\$ 50,649,490</u></u>	<u><u>\$ 45,506,431</u></u>	<u><u>\$ 45,907,922</u></u>

(Continued)

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Federal sources:					
Federal grants	\$ 4,784,320	\$ 5,180,092	\$ 4,867,094	\$ 4,732,432	\$ 4,434,794
Education Jobs					15,121
National School Lunch Program	2,654,882	2,532,756	2,560,220	2,431,567	2,285,107
Total federal sources	<u>7,439,202</u>	<u>7,712,848</u>	<u>7,427,314</u>	<u>7,163,999</u>	<u>6,735,022</u>
State sources:					
State equalization assistance	17,413,770	16,043,535	15,891,586	15,465,219	15,656,612
State grants	157,772	244,142	218,861	307,855	212,400
School Facilities Board	293,475	239,517	105,886		
Other revenues	2,402,451	2,264,325	2,244,093	1,795,921	1,636,197
Total state sources	<u>20,267,468</u>	<u>18,791,519</u>	<u>18,460,426</u>	<u>17,568,995</u>	<u>17,505,209</u>
Local sources:					
Property taxes	11,276,121	11,606,810	11,807,713	11,486,643	11,573,940
County aid	2,010,153	1,945,722	1,923,971	1,904,018	1,613,268
Food service sales	372,443	384,262	389,350	392,935	385,882
Investment income	72,972	53,907	65,307	137,035	71,821
Other revenues	3,461,633	3,215,125	3,111,874	2,861,716	2,994,034
Total local sources	<u>17,193,322</u>	<u>17,205,826</u>	<u>17,298,215</u>	<u>16,782,347</u>	<u>16,638,945</u>
Total revenues	<u>\$ 44,899,992</u>	<u>\$ 43,710,193</u>	<u>\$ 43,185,955</u>	<u>\$ 41,515,341</u>	<u>\$ 40,879,176</u>

Source: The source of this information is the District's financial records.

(Concluded)

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Expenditures:					
Current -					
Instruction	\$ 25,347,384	\$ 25,254,459	\$ 23,701,936	\$ 22,193,984	\$ 21,866,324
Support services - students and staff	6,185,638	5,800,310	5,318,265	4,887,217	4,919,281
Support services - administration	4,777,330	4,851,412	4,598,422	4,374,101	4,452,051
Operation and maintenance of plant services	5,435,121	5,242,038	5,206,740	5,570,404	5,734,135
Student transportation services	1,408,070	1,639,012	1,679,592	1,631,830	1,546,219
Operation of non-instructional services	1,788,453	2,648,574	2,884,580	2,776,074	2,797,043
Capital outlay	4,540,583	18,013,964	4,410,941	7,800,870	2,634,100
Debt service -					
Interest and fiscal charges	1,212,423	1,019,145	1,964,555	650,939	730,332
Principal retirement	2,694,416	2,090,821	3,163,876	1,810,714	1,646,317
Bond issuance costs	204,444			252,015	213,359
Total expenditures	<u>\$ 53,593,862</u>	<u>\$ 66,559,735</u>	<u>\$ 52,928,907</u>	<u>\$ 51,948,148</u>	<u>\$ 46,539,161</u>
Expenditures for capitalized assets	\$ 2,811,051	\$ 15,746,835	\$ 3,145,563	\$ 7,228,702	\$ 1,665,104
Debt service as a percentage of noncapital expenditures	8%	6%	10%	6%	5%

(Continued)

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Expenditures:					
Current -					
Instruction	\$ 21,190,136	\$ 21,768,437	\$ 20,885,766	\$ 19,855,181	\$ 20,126,200
Support services - students and staff	4,929,873	4,784,411	4,827,700	4,718,700	4,789,466
Support services - administration	4,175,551	4,421,107	4,260,005	4,376,932	3,995,245
Operation and maintenance of plant services	5,587,530	5,578,554	5,529,864	5,406,671	5,285,569
Student transportation services	1,486,441	1,550,724	1,594,744	1,540,842	1,348,207
Operation of non-instructional services	2,781,371	2,698,230	2,700,687	2,603,417	2,488,686
Capital outlay	3,862,990	2,805,263	2,408,565	4,162,231	4,732,527
Debt service -					
Interest and fiscal charges	853,893	901,554	977,851	1,055,486	1,237,986
Principal retirement	1,438,880	1,377,010	1,969,395	1,881,713	1,620,514
Bond issuance costs					
Total expenditures	<u>\$ 46,306,665</u>	<u>\$ 45,885,290</u>	<u>\$ 45,154,577</u>	<u>\$ 45,601,173</u>	<u>\$ 45,624,400</u>
Expenditures for capitalized assets	\$ 2,912,507	\$ 1,693,714	\$ 1,695,076	\$ 3,243,504	\$ 4,117,011
Debt service as a percentage of noncapital expenditures	5%	5%	7%	7%	7%

Source: The source of this information is the District's financial records.

(Concluded)

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Excess (deficiency) of revenues over expenditures	\$ 1,079,827	\$ (11,078,918)	\$ (2,279,417)	\$ (6,441,717)	\$ (631,239)
Other financing sources (uses):					
Insurance recoveries	46,772	172,373	148,326		
School improvement bonds issued	8,905,000			13,385,000	
Refunding bonds issued					9,800,000
Premium on sale of bonds	1,251,000			834,340	1,621,601
Capital lease agreements				7,843,184	
Transfers in	1,027,362	1,034,262	1,249,153	815,774	268,763
Transfers out	(1,027,362)	(1,034,262)	(1,249,153)	(815,774)	(268,763)
Payment to refunded bond escrow agent					(11,208,242)
Total other financing sources (uses)	<u>10,202,772</u>	<u>172,373</u>	<u>148,326</u>	<u>22,062,524</u>	<u>213,359</u>
Changes in fund balances	<u>\$ 11,282,599</u>	<u>\$ (10,906,545)</u>	<u>\$ (2,131,091)</u>	<u>\$ 15,620,807</u>	<u>\$ (417,880)</u>
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Excess (deficiency) of revenues over expenditures	\$ (1,406,673)	\$ (2,175,097)	\$ (1,968,622)	\$ (4,085,832)	\$ (4,745,224)
Other financing sources (uses):					
Capital lease agreements	2,261,793	68,024			
Transfers in	318,071	250,071	2,557,872	330,192	220,090
Transfers out	(318,071)	(250,071)	(2,557,872)	(330,192)	(220,090)
Total other financing sources (uses)	<u>2,261,793</u>	<u>68,024</u>	<u></u>	<u></u>	<u></u>
Changes in fund balances	<u>\$ 855,120</u>	<u>\$ (2,107,073)</u>	<u>\$ (1,968,622)</u>	<u>\$ (4,085,832)</u>	<u>\$ (4,745,224)</u>

Source: The source of this information is the District's financial records.

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
NET LIMITED ASSESSED VALUE AND FULL CASH VALUE OF TAXABLE PROPERTY BY CLASS
LAST TEN FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Commercial, Industrial, Utilities and Mining	\$ 111,450,645	\$ 112,314,117	\$ 109,191,270	\$ 106,316,995	\$ 104,178,703
Agricultural and Vacant	3,439,947	3,622,156	4,046,429	3,954,237	4,211,883
Residential (Owner Occupied)	57,160,267	54,915,674	52,125,002	49,489,791	47,694,240
Residential (Rental)	31,869,107	30,732,676	30,133,326	29,876,426	29,734,047
Railroad, Private Cars and Airlines	1,277,985	1,376,094	1,447,956	1,461,845	1,295,731
Historical Property	1,313	1,244	1,272	1,281	1,277
Certain Government Property Improvements					
Total	\$ 205,199,264	\$ 202,961,961	\$ 196,945,255	\$ 191,100,575	\$ 187,115,881
Gross Full Cash Value	\$ 2,009,407,685	\$ 1,946,507,971	\$ 1,841,624,532	\$ 1,739,772,247	\$ 1,692,941,979
Ratio of Net Limited Assessed Value to Gross Full Cash Value	10%	10%	11%	11%	11%
Total Direct Rate	6.68	6.85	6.89	6.75	6.90

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Commercial, Industrial, Utilities and Mining	\$ 103,613,262	\$ 108,115,016	\$ 108,646,346	\$ 117,028,380	\$ 115,885,389
Agricultural and Vacant	4,864,782	5,133,265	5,596,377	6,006,160	6,419,440
Residential (Owner Occupied)	45,879,412	45,906,498	48,103,134	55,089,281	59,833,213
Residential (Rental)	28,211,503	26,631,922	23,819,874	24,602,502	24,477,012
Railroad, Private Cars and Airlines	1,339,071	1,074,849	908,886	866,428	735,611
Historical Property				111,799	382,032
Certain Government Property Improvements					12,043
Total	\$ 183,908,030	\$ 186,861,550	\$ 187,074,617	\$ 203,704,550	\$ 207,744,740
Gross Full Cash Value	\$ 1,603,347,327	\$ 1,551,507,923	\$ 1,528,762,890	\$ 1,624,311,957	\$ 1,681,789,943
Ratio of Net Limited Assessed Value to Gross Full Cash Value	11%	12%	12%	13%	12%
Total Direct Rate	6.63	6.61	6.71	5.98	5.97

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.

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
NET FULL CASH ASSESSED VALUE OF TAXABLE PROPERTY BY CLASS
LAST TEN FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Commercial, Industrial, Utilities and Mining	\$ 128,027,945	\$ 126,209,609	\$ 120,912,533	\$ 112,075,368	\$ 107,302,198
Agricultural and Vacant	4,091,371	3,962,554	4,232,271	4,199,537	4,420,389
Residential (Owner Occupied)	68,381,071	64,044,729	58,096,655	53,805,547	52,468,419
Residential (Rental)	37,557,591	37,039,193	35,862,454	32,967,356	31,754,325
Railroad, Private Cars and Airlines	1,599,553	1,684,126	1,730,274	1,689,571	1,380,686
Historical Property	1,313	1,244	1,272	1,281	1,277
Total	\$ 239,658,844	\$ 232,941,455	\$ 220,835,459	\$ 204,738,660	\$ 197,327,294
Gross Full Cash Value	\$ 2,009,407,685	\$ 1,946,507,971	\$ 1,841,624,532	\$ 1,739,772,247	\$ 1,692,941,979
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	12%	12%	12%	12%	12%
Estimated Net Full Cash Value	1,783,063,266	1,724,333,660	1,629,201,874	1,506,130,002	1,453,406,024
Total Direct Rate	6.68	6.85	6.89	6.75	6.90

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Commercial, Industrial, Utilities and Mining	\$ 107,392,880	\$ 109,340,130	\$ 109,940,821	\$ 120,572,082	\$ 121,451,430
Agricultural and Vacant	4,961,780	5,212,117	5,776,203	6,485,635	7,219,438
Residential (Owner Occupied)	48,169,512	46,102,323	48,127,140	55,147,501	59,948,263
Residential (Rental)	28,944,070	26,800,291	24,050,117	24,663,656	24,920,187
Railroad, Private Cars and Airlines	1,362,614	1,084,163	916,837	881,512	814,148
Historical Property				447,195	1,528,123
Certain Government Property Improvements					12,602
Total	\$ 190,830,856	\$ 188,539,024	\$ 188,811,118	\$ 208,197,581	\$ 215,894,191
Gross Full Cash Value	\$ 1,603,347,327	\$ 1,551,507,923	\$ 1,528,762,890	\$ 1,624,311,957	\$ 1,681,789,943
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	12%	12%	12%	13%	13%
Estimated Net Full Cash Value	1,363,963,750	1,320,333,156	1,306,927,608	1,432,907,715	1,498,761,251
Total Direct Rate	6.63	6.61	6.71	5.98	5.97

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.

**FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
PROPERTY TAX ASSESSMENT RATIOS
LAST TEN FISCAL YEARS**

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Commercial, Industrial, Utilities and Mining	18 %	18 %	18 %	18 %	18 %
Agricultural and Vacant	15	15	15	15	15
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	15	15	14	15	14

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Commercial, Industrial, Utilities and Mining	19 %	19 %	20 %	20 %	20 %
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	16	15	15	15

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.

**FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Overlapping Rates									District Direct Rates		
	State Equalization	County	County Free Library	Flood Control District	Community College District	Fire District Assistance	Central Arizona Water	City of Tucson	Northwest Fire District	Primary	Secondary	Total
	2021	0.44	4.44	0.54	0.33	1.34	0.04	0.14	1.36	3.00	3.82	2.86
2020	0.46	4.69	0.54	0.33	1.38	0.04	0.14	1.38	3.00	3.97	2.88	6.85
2019	0.47	4.76	0.52	0.33	1.40	0.04	0.14	1.48	3.05	4.08	2.80	6.89
2018	0.49	5.16	0.51	0.31	1.39	0.05	0.14	1.43	3.07	4.21	2.55	6.75
2017	0.50	4.99	0.52	0.33	1.37	0.05	0.14	1.60	2.99	4.31	2.59	6.90
2016	0.51	5.09	0.52	0.31	1.37	0.05	0.14	1.60	2.91	4.32	2.31	6.63
2015	0.51	4.98	0.44	0.30	1.33	0.05	0.14	1.46	2.93	4.41	2.20	6.61
2014	0.51	4.45	0.38	0.26	1.29	0.05	0.14	1.43	3.02	4.43	2.28	6.71
2013	0.47	4.20	0.35	0.26	1.17	0.04	0.10	1.26	2.83	3.38	2.60	5.98
2012	0.43	4.20	0.35	0.26	1.11	0.04	0.10	1.16	2.71	3.41	2.56	5.97

Source: The source of this information is the Property Tax Rates and Assessed Values, Arizona Tax Research Foundation.

**FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
PRINCIPAL PROPERTY TAXPAYERS
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR**

Taxpayer	2021		2012	
	Net Limited Assessed Valuation	Percentage of District's Net Limited Assessed Valuation	Net Full Cash Assessed Valuation	Percentage of District's Net Full Cash Assessed Valuation
Unisource Energy Corp	\$ 11,161,331	5.44 %	\$ 9,455,072	4.38 %
Southwest Gas Corp	3,454,593	1.68	1,915,735	0.89
Marana Marketplace Partners, LLC	2,951,865	1.44	2,180,910	1.01
Verizon Wireless	2,329,983	1.14	1,668,767	0.77
Realty Income Properties LLC	2,312,516	1.13		
Orange Grove Properties LLC	1,944,810	0.95	1,600,000	0.74
National Retail Properties LP	1,647,227	0.80		
Prince Road Distribution LLC	1,396,096	0.68		
North Pima Center LLC	1,362,840	0.66		
GRH Marana LLC	1,361,057	0.66	1,649,300	0.76
Qwest Corp			2,627,561	1.22
Marana Ina Road LLC			2,086,808	0.97
Target Corporation			1,520,965	0.70
HD Development of Maryland			1,398,470	0.65
Total	<u>\$ 29,922,318</u>	<u>14.58 %</u>	<u>\$26,103,588</u>	<u>12.09 %</u>

Source: The source of this information is the Pima 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.

**FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
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
2021	\$ 12,132,595	\$ 11,742,600	96.79 %	\$	\$ 11,742,600	96.79 %
2020	11,965,363	11,619,938	97.11	270,613	11,890,551	99.37
2019	11,675,286	11,337,858	97.11	288,169	11,626,027	99.58
2018	11,969,592	11,591,724	96.84	365,822	11,957,546	99.90
2017	12,007,875	11,572,304	96.37	380,233	11,952,537	99.54
2016	11,343,045	10,765,389	94.91	526,354	11,291,743	99.55
2015	11,478,903	10,952,587	95.41	487,949	11,440,536	99.67
2014	10,908,887	10,420,496	95.52	452,516	10,873,012	99.67
2013	10,570,986	10,079,622	95.35	481,296	10,560,918	99.90
2012	10,650,472	10,145,194	95.26	481,044	10,626,238	99.77

Source: The source of this information is the 2021 Pima 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.

**FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
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 (Full Cash Value)	Per Capita	Capital Leases	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Percentage of Personal Income
2021	\$ 32,706,507	\$ 1,122,866	\$ 31,583,641	1.57 %	\$ 347	\$ 7,308,885	\$ 40,015,392	1.99 %	\$ 439	0.08 %
2020	24,704,159	1,116,750	23,587,409	1.21	245	8,018,301	32,722,460	1.68	340	0.07
2019	26,727,811	847,786	25,880,025	1.41	272	8,254,122	34,981,933	1.90	367	0.08
2018	28,586,463	527,231	28,059,232	1.61	306	9,727,998	38,314,461	2.20	418	0.09
2017	16,081,862	441,021	15,640,841	0.92	173	2,105,528	18,187,390	1.07	201	0.05
2016	16,275,819	280,710	15,995,109	1.00	171	2,256,845	18,532,664	1.16	198	0.05
2015	17,667,948	684,171	16,983,777	1.09	182	58,932	17,726,880	1.14	190	0.05
2014	18,970,000	1,008,072	17,961,928	1.17	193	82,918	19,052,918	1.25	205	0.05
2013	22,370,000	1,809,556	20,560,444	1.27	225	187,313	22,557,313	1.39	247	0.06
2012	23,945,000	1,577,966	22,367,034	1.33	239	304,026	24,249,026	1.44	260	0.07

Source: The source of this information is the District's financial records.

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2021

<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:			
State of Arizona	None	0.29 %	None
Pima County	174,910,000	2.24	3,917,984
Pima County Community College District	None	2.24	None
City of Tucson	167,960,000	1.80	3,023,280
Northwest Fire District	31,930,000	11.31	3,611,283
Subtotal, Overlapping Debt			<u>10,552,547</u>
Direct:			
Flowing Wells Unified School District No. 8	40,015,392	100.00	<u>40,015,392</u>
Total Direct and Overlapping Governmental Activities Debt			<u>\$ 50,567,939</u>

DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS

Net Direct General Obligation Bonded Debt	
As a Percentage of Net Limited Assessed Valuation	15.30 %
Net Direct and Overlapping General Bonded Debt	
Per Capita	\$ 460
As a Percentage of Net Limited Assessed Valuation	20.45 %
As a Percentage of Gross Full Cash Value	2.09 %

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, 2020 is presented for the overlapping governments as this is the most recent available information.

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Class B Bond Legal Debt Margin Calculation for Fiscal Year 2021:

Net full cash assessed valuation	\$ 239,658,844
Debt limit (20% of assessed value)	47,931,769
Debt applicable to limit	<u>31,404,918</u>
Legal debt margin	<u><u>\$ 16,526,851</u></u>

Total Legal Debt Margin Calculation for Fiscal Year 2021:

Net full cash assessed valuation	\$ 239,658,844
Debt limit (30% of assessed value)	71,897,653
Debt applicable to limit	<u>31,404,918</u>
Legal debt margin	<u><u>\$ 40,492,735</u></u>

Fiscal Year Ended June 30

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Debt Limit	\$ 71,897,653	\$ 69,882,437	\$ 66,250,638	\$ 61,421,598	\$ 59,198,188
Total net debt applicable to limit	<u>31,404,918</u>	<u>23,447,013</u>	<u>25,305,000</u>	<u>26,995,000</u>	<u>14,585,000</u>
Legal debt margin	<u><u>\$ 40,492,735</u></u>	<u><u>\$ 46,435,424</u></u>	<u><u>\$ 40,945,638</u></u>	<u><u>\$ 34,426,598</u></u>	<u><u>\$ 44,613,188</u></u>
Total net debt applicable to the limit as a percentage of debt limit	44%	34%	38%	44%	25%

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Debt Limit	\$ 57,249,257	\$ 56,561,707	\$ 56,643,335	\$ 62,459,274	\$ 64,768,257
Total net debt applicable to limit	<u>16,080,000</u>	<u>17,455,000</u>	<u>18,740,000</u>	<u>22,370,000</u>	<u>23,945,000</u>
Legal debt margin	<u><u>\$ 41,169,257</u></u>	<u><u>\$ 39,106,707</u></u>	<u><u>\$ 37,903,335</u></u>	<u><u>\$ 40,089,274</u></u>	<u><u>\$ 40,823,257</u></u>
Total net debt applicable to the limit as a percentage of debt limit	28%	31%	33%	36%	37%

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.

**FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
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>
2020	1,052,375	\$ 51,331,920	\$ 48,373	7.4 %	91,127
2019	1,044,675	47,604,994	45,456	4.0	96,258
2018	1,034,201	45,748,033	44,028	4.5	95,305
2017	1,026,099	42,585,356	41,637	4.5	91,680
2016	1,013,103	40,182,115	39,541	4.9	90,519
2015	1,009,371	38,922,402	38,536	5.6	93,460
2014	1,007,162	37,198,714	37,031	6.2	93,105
2013	992,394	36,935,363	37,063	6.9	93,033
2012	989,569	36,058,871	36,335	6.7	91,490
2011	986,081	34,596,360	34,961	8.4	93,403

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 is the Arizona Office of Employment and Population Statistics.

**FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
PRINCIPAL EMPLOYERS
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR**

<u>Employer</u>	<u>2021</u>		<u>2012</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
University of Arizona	11,635	3.11 %	10,684	3.13 %
Raytheon Missile Systems	11,850	3.17	10,500	3.08
State of Arizona	8,700	2.32	9,061	2.66
Davis Monthan AFB	8,462	2.26	8,566	2.51
Wal-Mart Stores, Inc.	7,140	1.91	7,300	2.14
Pima County	6,630	1.77	6,170	1.81
U.S. Army	6,300	1.68		
Tucson Unified School District	5,547	1.48	6,674	1.96
Tohono O'Odham Nation	5,400	1.44		
City of Tucson	4,896	1.31		
U.S. Customs and Border Protection			6,000	1.76
Fort Huachuca			6,198	1.82
UA Healthcare			5,594	1.64
Total	76,560	20.45 %	76,747	22.51 %
Total employment	374,300		340,806	

Source: Arizona Daily Star - 200, June 2020 and The Book of Lists 2020, Inside Tucson Business

Note: The information presented above is County-wide.

**FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS**

	Full-time Equivalent Employees as of June 30				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Supervisory					
Principals	9	9	9	9	9
Assistant principals	5	6	6	6	6
Total supervisory	<u>14</u>	<u>15</u>	<u>15</u>	<u>15</u>	<u>15</u>
Instruction					
Teachers	295	292	288	289	292
Aides	91	92	94	104	104
Total instruction	<u>386</u>	<u>384</u>	<u>382</u>	<u>393</u>	<u>396</u>
Student Services					
Certified	21	22	22	23	23
Classified	36	35	30	29	28
Total student services	<u>57</u>	<u>57</u>	<u>52</u>	<u>52</u>	<u>51</u>
Support and Administration					
Certified	11	9	10	10	10
Classified	144	139	141	137	141
Total support and administration	<u>155</u>	<u>148</u>	<u>151</u>	<u>147</u>	<u>151</u>
Total	<u><u>612</u></u>	<u><u>604</u></u>	<u><u>600</u></u>	<u><u>607</u></u>	<u><u>613</u></u>

(Continued)

**FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Supervisory					
Principals	9	9	9	9	9
Assistant principals	6	6	6	5	5
Total supervisory	<u>15</u>	<u>15</u>	<u>15</u>	<u>14</u>	<u>14</u>
Instruction					
Teachers	293	293	293	293	290
Aides	104	106	113	106	93
Total instruction	<u>397</u>	<u>399</u>	<u>406</u>	<u>399</u>	<u>383</u>
Student Services					
Certified	25	24	27	26	25
Classified	28	27	26	24	23
Total student services	<u>53</u>	<u>51</u>	<u>53</u>	<u>50</u>	<u>48</u>
Support and Administration					
Certified	9	9	13	14	16
Classified	140	151	147	147	144
Total support and administration	<u>149</u>	<u>160</u>	<u>160</u>	<u>161</u>	<u>160</u>
Total	<u><u>614</u></u>	<u><u>625</u></u>	<u><u>634</u></u>	<u><u>624</u></u>	<u><u>605</u></u>

Source: The source of this information is District personnel records.

(Concluded)

**FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
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
2021	4,944	\$ 44,941,996	\$ 9,090	5.08 %	\$ 52,829,196	\$ 10,685	8.57 %	386	12.8	69.2 %
2020	5,253	45,435,805	8,650	6.22	51,693,598	9,841	13.38	384	13.7	74.2
2019	5,328	43,389,535	8,144	5.43	46,247,256	8,680	7.57	382	13.9	73.0
2018	5,364	41,433,610	7,724	0.51	43,281,224	8,069	(1.83)	393	13.6	75.0
2017	5,376	41,315,053	7,685	3.09	44,188,149	8,220	(0.09)	396	13.6	76.0
2016	5,386	40,150,902	7,455	(2.11)	44,310,312	8,227	(2.87)	397	13.6	75.8
2015	5,358	40,801,463	7,616	2.99	45,376,855	8,470	4.03	399	13.4	72.8
2014	5,382	39,798,766	7,395	3.27	43,818,267	8,142	1.61	406	13.3	75.8
2013	5,377	38,501,743	7,160	(0.71)	43,085,189	8,013	1.56	399	13.5	74.9
2012	5,274	38,033,373	7,211	1.27	41,609,632	7,890	1.74	383	13.8	73.1

Source: The source of this information is the District's financial records.

Note: Operating expenditures are total expenditures less debt service and capital outlay.

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
CAPITAL ASSETS INFORMATION
LAST TEN FISCAL YEARS

	Fiscal Year Ended June 30									
	<u>2021</u>	<u>2020</u>	<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>Schools</u>										
Elementary										
Buildings	33	33	43	45	45	45	45	45	45	45
Square feet	312,000	312,000	308,253	321,505	321,505	321,505	321,505	320,827	319,387	315,706
Enrollment	2,565	2,780	2,780	2,764	2,845	2,894	2,934	2,951	3,044	2,960
Middle										
Buildings	21	21	21	21	21	21	21	21	21	21
Square feet	127,333	127,333	127,333	127,333	127,333	127,333	127,333	127,333	127,333	127,333
Enrollment	774	827	827	819	803	771	852	889	813	795
High										
Buildings	51	51	51	51	51	51	51	51	51	50
Square feet	278,879	278,879	278,879	278,879	278,879	278,879	278,879	279,406	278,906	277,304
Enrollment	1,852	1,862	1,862	1,905	1,839	1,836	1,795	1,720	1,632	1,682
Other										
Buildings	11	11	11	11	11	11	11	11	11	11
Square feet	43,706	43,706	43,706	43,706	43,706	43,706	43,706	55,517	55,517	55,517
Enrollment	93	132	132	142	151	145	133	150	164	190
<u>Administrative</u>										
Buildings	8	8	8	8	8	8	8	8	8	8
Square feet	18,794	18,794	18,794	18,794	18,794	18,794	18,794	18,794	18,794	18,794
<u>Transportation</u>										
Garages	1	1	1	1	1	1	1	1	1	1
Buses	27	27	27	25	25	25	25	25	25	23
<u>Athletics</u>										
Football fields	3	3	3	3	3	3	3	3	3	3
Soccer fields	3	3	3	3	3	3	3	3	3	3
Running tracks	5	5	5	5	5	5	5	5	5	5
Baseball/softball	12	12	12	12	12	12	12	12	12	12
Swimming pools	1	1	1	1	1	1	1	1	1	1
Playgrounds	15	15	15	15	15	15	15	15	15	15

Source: The source of this information is the District's facilities records.

Note: To better align with data maintained the School Facilities Board, the information presented for 2015 slightly differs from prior years.

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