



Flowing Wells Unified School District

Potential Finds Opportunity

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2020

1556 W Prince Road * Tucson, Arizona 85705

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8

TUCSON, ARIZONA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

November 23, 2020

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 comprehensive annual financial report of the Flowing Wells Unified School District No. 8 (District) for the fiscal year ended June 30, 2020.

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, 2020, 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, 2020, 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 5,490 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 2019-20 school year, the District experienced an increase in net limited assessed valuation of \$6,016,706 and an increase in its net full cash assessed valuation of \$12,105,996. The District anticipates an increase in its assessed valuations in the next couple of years to reflect market conditions.

In June 2017, Flowing Wells earned District Accreditation from the International AdvancED Accreditation Institute. This is the second time Flowing Wells has been recognized with District-wide Accreditation. In June 2019, the Emily Meschter Early Learning Center earned its second 5-star rating on the First Things First's Quality First evaluation. The Flowing Wells District has earned numerous National and State awards including eight schools receiving an A+ State award recognition. Flowing Wells has had six teachers earn Arizona State Teacher of the Year honors and 16 teachers recognized as Arizona Ambassadors for Education which means a Top Five Teacher of the Year. Additionally, 15 teachers have earned the Exemplary Teacher Award from the Rodel Foundation. Fourteen teachers have also earned National Board Certification. Eight programs have earned the prestigious Golden Apple Award presented by the Arizona School Boards Association. In 2020, three schools earned an A rating from the Arizona Department of Education, three schools earned a B rating and two schools earned a C rating.

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 slight decrease in enrollment in the 2019-20 school year. The District anticipates decreased enrollment in the 2020-21 school year due to the ongoing effects of the Corona virus.

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 decrease in fiscal year 2021 but stabilize once the pandemic is over. The District expects to receive Federal funds through the CARES act to offset the reduction in average daily membership in fiscal year 2021. 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 grants are providing remote and in-person opportunities for students during the pandemic and are prepared to transition back to campus full-time once the pandemic concerns subside. The five-year grants provide resources to extend our school day and school year with additional academic tutoring and enrichment, along with a partnership with Flowing Wells Extension Programs, Inc., to 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 \$13.4 million in school improvement bonds in May 2018. These funds were used to replace and construct new classrooms, offices and parking at Douglas Elementary School. Future bond funds will allow the District to renovate and make improvements to existing schools including upgrades of technology, furniture and equipment, and purchasing air-conditioned school busses.

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 comprehensive annual financial report for the fiscal year ended June 30, 2019. This was the thirty-second 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 comprehensive annual financial report for the fiscal year ended June 30, 2019. In order to be awarded these certificates, the District published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

These certificates are valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the programs' requirements and we are submitting it to ASBO and GFOA to determine its eligibility for the fiscal year ended June 30, 2020 certificates.

Acknowledgments. The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the business 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. David R. Baker
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 (CAFR)
for the Fiscal Year Ended June 30, 2019.

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



A handwritten signature in black ink, reading 'Claire Hertz'. The signature is written in a cursive style and is positioned above a horizontal line.

Claire Hertz, SFO
President

A handwritten signature in black ink, reading 'David J. Lewis'. The signature is written in a cursive style and is positioned above a horizontal line.

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**

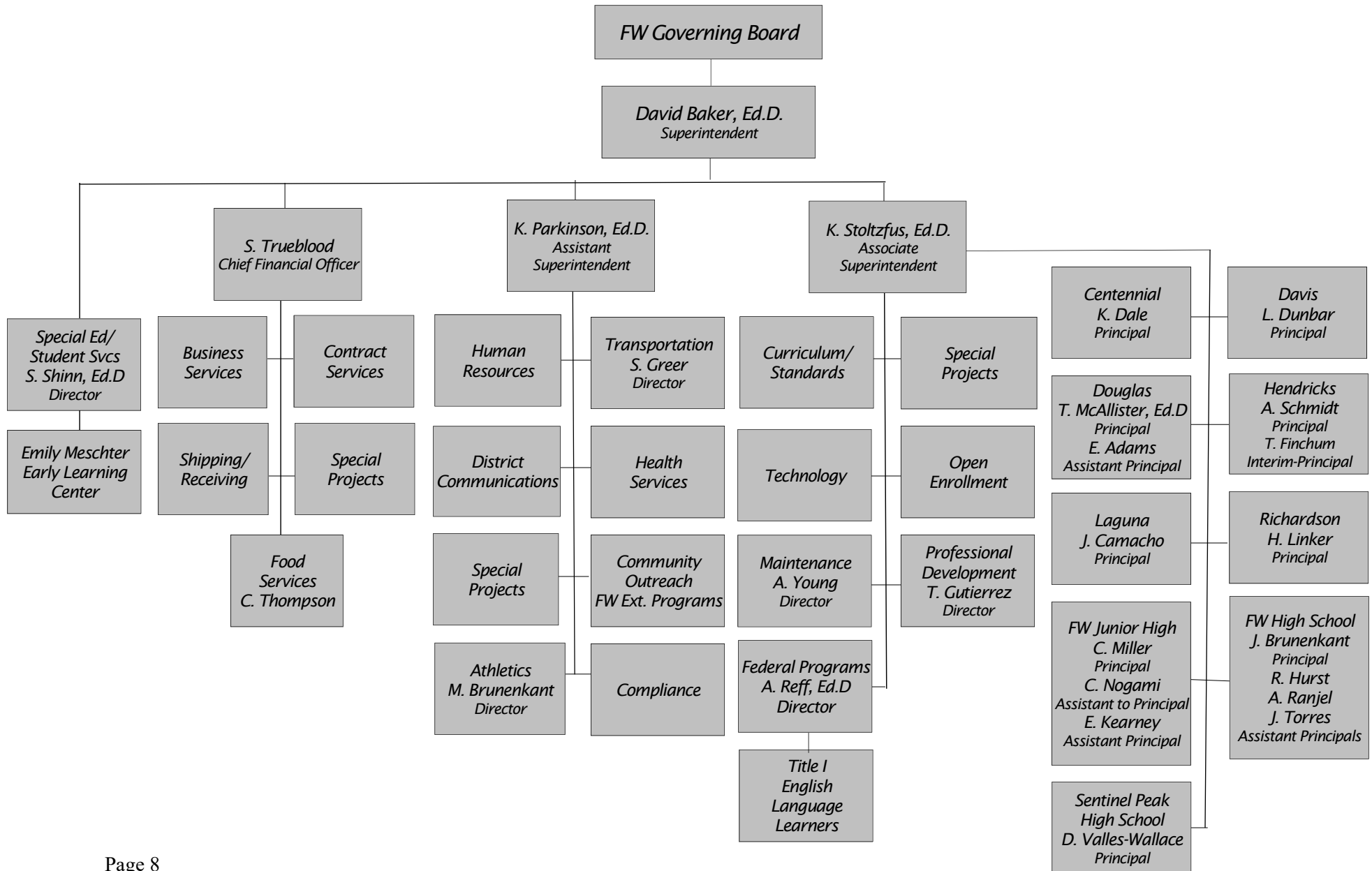
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

Flowing Wells School District Organizational Chart 2019-2020



FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8

LIST OF PRINCIPAL OFFICIALS

GOVERNING BOARD

Wendy J. Effing, President

Kevin C. Daily, Clerk

Kristie A. Hammar, Member

Thomas S. Jacobs, Member

James A. Love, Member

ADMINISTRATIVE STAFF

Dr. David R. Baker, Superintendent

Dr. Kevin Stoltzfus, Associate Superintendent

Dr. Kimberley E. Parkinson, 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 the Financial Statements

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, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Flowing Wells Unified School District No. 8, as of June 30, 2020, 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.

Change in Accounting Principle

As described in Note 1, the District implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, for the year ended June 30, 2020, which represents a change in accounting principle. Our opinion is not modified with respect to this matter.

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

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 23, 2020, 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
November 23, 2020

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, 2020**

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, 2020. 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 \$4.1 million which represents a 46 percent increase from the prior fiscal year as a result of an increase in state equalization assistance and grant funding.
- General revenues accounted for \$41.7 million in revenue, or 75 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$14.0 million or 25 percent of total current fiscal year revenues.
- The District had approximately \$51.7 million in expenses related to governmental activities, an increase of 12 percent from the prior fiscal year, mostly due to increases in salaries.
- Among major funds, the General Fund had \$35.8 million current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$34.3 million in expenditures. The General Fund's fund balance increase from \$8.7 million at the prior fiscal year end to \$9.7 million at the end of the current fiscal year was primarily due to an increase in state equalization assistance as a result of an increase in the funding formula adopted by the state legislature.
- The Unrestricted Capital Outlay Fund's fund balance decreased from \$3.0 million at the prior fiscal year end to \$2.4 million at the end of the current fiscal year end.
- The Bond Building Fund's fund balance decreased from \$12.4 million at the prior fiscal year end to \$56,227 at the end of the current fiscal year due to utilization of resources for the renovation of Douglas Elementary School.

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, 2020**

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, 2020**

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, Unrestricted Capital Outlay 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 as required supplementary information. Schedules for the pension plans have been provided as required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$13.0 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, 2020**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table presents a summary of the District's net position for the fiscal years ended June 30, 2020 and June 30, 2019.

	As of June 30, 2020	As of June 30, 2019
Current and other assets	\$ 25,027,402	\$ 33,529,222
Capital assets, net	60,018,990	47,001,791
Total assets	<u>85,046,392</u>	<u>80,531,013</u>
Deferred outflows	<u>5,161,060</u>	<u>6,177,672</u>
Current liabilities	4,105,215	3,179,071
Long-term liabilities	70,762,946	71,316,226
Total liabilities	<u>74,868,161</u>	<u>74,495,297</u>
Deferred inflows	<u>2,383,382</u>	<u>4,712,013</u>
Net position:		
Net investment in capital assets	27,513,958	25,430,264
Restricted	10,909,754	9,786,220
Unrestricted	(25,467,803)	(27,715,109)
Total net position	<u>\$ 12,955,909</u>	<u>\$ 7,501,375</u>

At the end of the current fiscal year the District reported a negative unrestricted net position of \$25.5 million as a result of an unfunded pension liability. Positive net position was reported in the other two categories. The same situation held true for the prior fiscal year.

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

- The principal retirement of \$1.9 million of bonds and \$168,652 in bond premium.
- The addition of \$15.7 million in capital assets through school improvements and purchases of vehicles, furniture and equipment.
- The increase of \$1.9 million in pension liabilities.

**FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2020**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

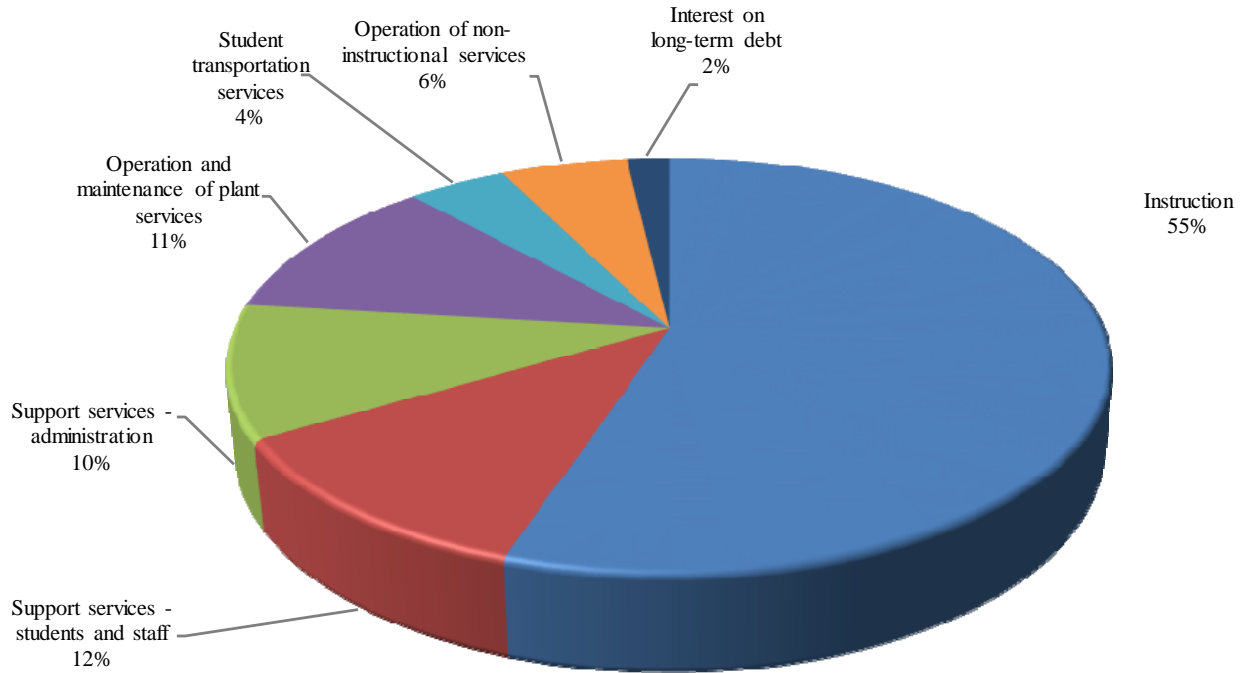
Changes in net position. The District's total revenues for the current fiscal year were \$55.8 million. The total cost of all programs and services was \$51.7 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2020 and June 30, 2019.

	Fiscal Year Ended June 30, 2020	Fiscal Year Ended June 30, 2019
Revenues:		
Program revenues:		
Charges for services	\$ 4,086,542	\$ 3,271,668
Operating grants and contributions	6,988,905	7,686,462
Capital grants and contributions	2,959,408	674,372
General revenues:		
Property taxes	12,917,688	12,639,068
Investment income	391,420	554,897
Unrestricted county aid	2,112,919	2,090,391
Unrestricted state aid	25,988,487	23,534,890
Unrestricted federal aid	323,127	297,446
Total revenues	55,768,496	50,749,194
Expenses:		
Instruction	28,475,185	24,225,283
Support services - students and staff	5,959,015	4,987,041
Support services – administration	5,302,786	4,569,376
Operation and maintenance of plant services	5,924,941	5,599,744
Student transportation services	2,234,946	1,972,200
Operation of non-instructional services	2,852,969	3,004,446
Interest on long-term debt	943,756	1,889,166
Total expenses	51,693,598	46,247,256
Changes in net position	4,074,898	4,501,938
Net position, beginning, as restated	8,881,011	2,999,437
Net position, ending	\$ 12,955,909	\$ 7,501,375

**FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2020**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Expenses - Fiscal Year 2020



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

- Capital grants and contributions increased \$2.3 million due to increased grant funding for additional capital projects funded by the Arizona School Facilities Board.
- Unrestricted state aid increased \$2.5 million due to an increase in state equalization assistance as a result of an increase in the funding formula adopted by the state legislature.
- Instructional expenses increased \$4.2 million due to a District wide teacher salary increase initiative.

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.

**FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2020**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

	Year Ended June 30, 2020		Year Ended June 30, 2019	
	Total	Net (Expense)/	Total	Net (Expense)/
	Expenses	Revenue	Expenses	Revenue
Instruction	\$ 28,475,185	\$ (19,327,498)	\$ 24,225,283	\$ (17,464,487)
Support services - students and staff	5,959,015	(4,452,871)	4,987,041	(3,936,085)
Support services - administration	5,302,786	(5,209,192)	4,569,376	(4,491,938)
Operation and maintenance of plant services	5,924,941	(5,506,372)	5,599,744	(5,096,292)
Student transportation services	2,234,946	(2,116,076)	1,972,200	(1,936,131)
Operation of non-instructional services	2,852,969	(102,978)	3,004,446	(12,949)
Interest on long-term debt	943,756	(943,756)	1,889,166	(1,676,872)
Total	\$ 51,693,598	\$ (37,658,743)	\$ 46,247,256	\$ (34,614,754)

- The cost of all governmental activities this year was \$51.7 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$14.0 million.
- Net cost of governmental activities of \$37.7 million was financed by general revenues, which are made up of primarily property taxes of \$12.9 million and state and county aid of \$28.1 million. Investment earnings accounted for \$391,420 of funding.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

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

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$20.2 million, a decrease of \$10.8 million due primarily to the utilization of \$12.4 million in bond proceeds in the Bond Building Fund, received in a prior year, for the renovation of Douglas Elementary School.

**FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2020**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The General Fund comprises 48 percent of the total fund balance. Approximately \$8.8 million, or 92 percent of the General Fund's fund balance is unassigned.

The General Fund is the principal operating fund of the District. The fund balance increased \$1.0 million in the General Fund to \$9.7 million as of fiscal year end.

General Fund revenues increased \$1.9 million as a result of an increase in state equalization assistance as a result of an increase in the funding formula adopted by the state legislature. General Fund expenditures increased \$2.1 million as a result of teacher salary increases.

The Unrestricted Capital Outlay Fund's fund balance decreased \$516,879 to \$2.4 million as of fiscal year end. Unrestricted Capital Outlay Fund revenues increased \$617,891 as a result of an increase in state equalization assistance as a result of an increase in the funding formula adopted by the state legislature. Unrestricted Capital Outlay Fund expenditures increased \$655,514 as a result of expenses incurred for the construction at Douglas Elementary School.

The Bond Building Fund's fund balance decreased \$12.4 million to \$56,277 as of fiscal year end due to utilization of bond proceeds for the renovation of Douglas Elementary School.

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 \$373,790 increase, or one percent.

Significant variances for the final amended budget and actual revenues resulted from the District not being required by the State of Arizona to prepare a revenue budget. A schedule showing the original and final budget amounts compared to the District's actual financial activity for the General Fund is provided in this report as required supplementary information. The significant variances are summarized as follows:

- The favorable variance of \$1.1 million in instruction was a result of a decrease in expenditures due to the mandated school shutdown related to the Coronavirus pandemic. In addition, tuition related expenditures were lower than anticipated.
- The favorable variance of \$468,462 in operation and maintenance of plant services was a result of continued efforts to decrease expenditures with energy saving programs.

**FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2020**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District had invested \$104.1 million in capital assets, including school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. This amount represents a net increase prior to depreciation of \$15.7 million from the prior fiscal year, primarily due to the renovation of Douglas Elementary School. Total depreciation expense for the current fiscal year was \$2.7 million.

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2020 and June 30, 2019.

	As of June 30, 2020	As of June 30, 2019
Capital assets - non-depreciable	\$ 19,900,227	\$ 5,490,065
Capital assets - depreciable, net	40,118,763	41,511,726
Total	\$ 60,018,990	\$ 47,001,791

The estimated cost to complete current construction projects is \$2.6 million.

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

Debt Administration. At year end, the District had \$32.7 million in long-term debt outstanding, \$2.7 million due within one year.

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 \$69.9 million and the Class B debt limit is \$46.6 million, which are more than the District's total outstanding general obligation and Class B debt, respectively.

Additional information on the District's long-term debt can be found in Notes 8 through 10.

**FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2020**

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 2020-21 budget. Among them:

- Fiscal year 2019-20 budget balance carry forward (estimated \$2.1 million).
- Decrease in student population.

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 three percent to \$36.3 million in fiscal year 2020-21. 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 2020-21 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, 2020

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 16,056,925
Property taxes receivable	751,456
Accounts receivable	101,919
Due from governmental entities	7,113,245
Deposits held by others	90,577
Prepaid items	676,560
Inventory	236,720
Total current assets	25,027,402
Noncurrent assets:	
Capital assets not being depreciated	19,900,227
Capital assets, net of accumulated depreciation	40,118,763
Total noncurrent assets	60,018,990
Total assets	85,046,392
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred charge on refunding	839,371
Pension plan items	4,321,689
Total deferred outflows of resources	5,161,060
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	676,950
Construction contracts payable	1,210,207
Accrued payroll and employee benefits	2,217,287
Compensated absences payable	607,884
Unearned revenues	771
Obligations under capital leases	709,416
Bonds payable	1,985,000
Total current liabilities	7,407,515
Noncurrent liabilities:	
Non-current portion of long-term obligations	67,460,646
Total noncurrent liabilities	67,460,646
Total liabilities	74,868,161
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension plan items	2,383,382
<u>NET POSITION</u>	
Net investment in capital assets	27,513,958
Restricted for:	
Instructional purposes	1,122,910
Federal and state projects	1,564,249
Food service	860,893
Non-instructional purposes	2,649,898
Debt service	1,116,750
Capital outlay	3,595,054
Unrestricted	(25,467,803)
Total net position	\$ 12,955,909

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, 2020

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:					
Instruction	\$ 28,475,185	\$ 3,035,949	\$ 3,324,703	\$ 2,787,035	\$ (19,327,498)
Support services - students and staff	5,959,015	444,560	1,061,584		(4,452,871)
Support services - administration	5,302,786		93,594		(5,209,192)
Operation and maintenance of plant services	5,924,941	170,009	76,187	172,373	(5,506,372)
Student transportation services	2,234,946	108,634	10,236		(2,116,076)
Operation of non-instructional services	2,852,969	327,390	2,422,601		(102,978)
Interest on long-term debt	943,756				(943,756)
Total governmental activities	<u>\$ 51,693,598</u>	<u>\$ 4,086,542</u>	<u>\$ 6,988,905</u>	<u>\$ 2,959,408</u>	<u>\$ (37,658,743)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes 10,060,895

Property taxes, levied for debt service 2,856,793

Investment income 391,420

Unrestricted county aid 2,112,919

Unrestricted state aid 25,988,487

Unrestricted federal aid 323,127

Total general revenues 41,733,641

Changes in net position 4,074,898

Net position, beginning of year, as restated 8,881,011

Net position, end of year \$ 12,955,909

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, 2020

	General	Unrestricted Capital Outlay	Bond Building
<u>ASSETS</u>			
Cash and investments	\$ 4,991,722	\$ 2,543,727	\$ 588,264
Property taxes receivable	607,856		
Accounts receivable	87,642		
Due from governmental entities	5,672,262	325,278	
Due from other funds	239,629		
Deposits held by others			
Prepaid items	676,560		
Inventory	136,672		
Total assets	\$ 12,412,343	\$ 2,869,005	\$ 588,264
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 443,709	\$ 81,424	\$
Construction contracts payable		343,518	532,037
Due to other funds			
Accrued payroll and employee benefits	1,831,504		
Unearned revenues			
Total liabilities	2,275,213	424,942	532,037
Deferred inflows of resources:			
Unavailable revenues - property taxes	485,123		
Unavailable revenues - intergovernmental			
Total deferred inflows of resources	485,123		
Fund balances (deficits):			
Nonspendable	813,232		
Restricted		2,444,063	56,227
Unassigned	8,838,775		
Total fund balances	9,652,007	2,444,063	56,227
 Total liabilities, deferred inflows of resources and fund balances	 \$ 12,412,343	 \$ 2,869,005	 \$ 588,264

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 7,933,212	\$ 16,056,925
143,600	751,456
14,277	101,919
1,115,705	7,113,245
	239,629
90,577	90,577
	676,560
100,048	236,720
<u>\$ 9,397,419</u>	<u>\$ 25,267,031</u>

\$ 151,817	\$ 676,950
334,652	1,210,207
239,629	239,629
385,783	2,217,287
771	771
<u>1,112,652</u>	<u>4,344,844</u>

108,675	593,798
120,986	120,986
<u>229,661</u>	<u>714,784</u>

100,048	913,280
8,189,600	10,689,890
(234,542)	8,604,233
<u>8,055,106</u>	<u>20,207,403</u>

<u>\$ 9,397,419</u>	<u>\$ 25,267,031</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, 2020

Total governmental fund balances **\$ 20,207,403**

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	\$ 104,081,349	
Less accumulated depreciation	<u>(44,062,359)</u>	60,018,990

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

Property taxes	593,798	
Intergovernmental	<u>120,986</u>	714,784

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. 839,371

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

Deferred outflows of resources related to pensions	4,321,689	
Deferred inflows of resources related to pensions	<u>(2,383,382)</u>	1,938,307

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

Compensated absences payable	(1,153,287)	
Obligations under capital leases	(8,018,301)	
Net pension liability	(36,887,199)	
Bonds payable	<u>(24,704,159)</u>	<u>(70,762,946)</u>

Net position of governmental activities **\$ 12,955,909**

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, 2020

	General	Unrestricted Capital Outlay	Bond Building
Revenues:			
Other local	\$ 3,629,863	\$ 256,274	\$ 137,080
Property taxes	10,058,748	4,165	
State aid and grants	21,756,541	1,142,691	
Federal aid, grants and reimbursements	323,127		
Total revenues	35,768,279	1,403,130	137,080
Expenditures:			
Current -			
Instruction	18,465,759		
Support services - students and staff	4,209,679		
Support services - administration	4,765,103		
Operation and maintenance of plant services	5,032,604		
Student transportation services	1,572,226		
Operation of non-instructional services	96,306		
Capital outlay	157,182	1,875,378	12,380,498
Debt service -			
Principal retirement		42,721	
Interest and fiscal charges		1,910	
Total expenditures	34,298,859	1,920,009	12,380,498
Excess (deficiency) of revenues over expenditures	1,469,420	(516,879)	(12,243,418)
Other financing sources (uses):			
Insurance recoveries	172,373		
Transfer in	88,856		
Transfer out	(810,000)		(135,406)
Total other financing sources (uses)	(548,771)		(135,406)
Changes in fund balances	920,649	(516,879)	(12,378,824)
Fund balances, beginning of year, as restated	8,651,198	2,960,942	12,435,051
Increase (decrease) in reserve for prepaid items	65,348		
Increase (decrease) in reserve for inventory	14,812		
Fund balances, end of year	\$ 9,652,007	\$ 2,444,063	\$ 56,227

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 3,001,734	\$ 7,024,951
2,852,496	12,915,409
5,995,445	28,894,677
6,322,653	6,645,780
<u>18,172,328</u>	<u>55,480,817</u>
6,788,700	25,254,459
1,590,631	5,800,310
86,309	4,851,412
209,434	5,242,038
66,786	1,639,012
2,552,268	2,648,574
3,600,906	18,013,964
2,048,100	2,090,821
1,017,235	1,019,145
<u>17,960,369</u>	<u>66,559,735</u>
<u>211,959</u>	<u>(11,078,918)</u>
	172,373
945,406	1,034,262
<u>(88,856)</u>	<u>(1,034,262)</u>
<u>856,550</u>	<u>172,373</u>
<u>1,068,509</u>	<u>(10,906,545)</u>
6,992,764	31,039,955
	65,348
(6,167)	8,645
<u>\$ 8,055,106</u>	<u>\$ 20,207,403</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, 2020

Changes in fund balances - total governmental funds **\$ (10,906,545)**

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	\$ 15,746,835	
Less current year depreciation	(2,729,636)	13,017,199

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

Property taxes	2,279	
Intergovernmental	113,027	115,306

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	235,821	
Bond principal retirement	1,855,000	2,090,821

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	3,223,458	
Pension expense	(3,710,484)	(487,026)

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	65,348	
Inventory	8,645	
Amortization of deferred bond items	75,389	
Compensated absences	95,761	245,143

Changes in net position in governmental activities **\$ 4,074,898**

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, 2020

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.

During the year ended June 30, 2020, the District implemented the provisions of GASB Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities for accounting and financial reporting purposes, and provides guidance as to how those activities should be reported. Student Activities and employee withholding accounts reported in the prior year as fiduciary activities do not meet these new fiduciary activities criteria and have been reclassified as special revenue governmental funds and the General Fund. Beginning balances of the governmental funds and governmental activities have been restated by \$1,379,636 accordingly.

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.

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) present financial information about the District as a whole. The reported information includes all of the nonfiduciary activities of the District. For the most part, the effect of internal activity has been removed from these statements. These statements are to distinguish between the governmental and business-type activities of the District.

Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District does not have any business-type activities 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.

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Financial Statements – Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due.

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.

Unrestricted Capital Outlay – The Unrestricted Capital Outlay Fund accounts for transactions relating to the acquisition of capital items.

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.

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. Cash and Investments

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

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

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

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

E. Investment Income

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

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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.

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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 current and long-term liabilities, including related benefits, for accumulated vacation and sick leave are 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, 2020

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.

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.

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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, 2020

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.

	<u>General Fund</u>	<u>Unrestricted Capital Outlay Fund</u>	<u>Bond Building Fund</u>	<u>Non-Major Governmental Funds</u>
Fund Balances:				
Nonspendable:				
Inventory	\$ 136,672	\$	\$	\$ 100,048
Prepaid items	676,560			
Restricted:				
Debt service				1,008,075
Capital projects		2,444,063		1,150,991
Bond building projects			56,227	
Voter approved initiatives				1,122,910
Federal and state projects				1,496,881
Auxiliary operations				1,024,940
Food service				771,285
Civic center				333,034
Gifts and donations				720,802
Student activities				339,088
Other purposes				221,594
Unassigned	8,838,775			(234,542)
Total fund balances	<u>\$ 9,652,007</u>	<u>\$ 2,444,063</u>	<u>\$ 56,227</u>	<u>\$ 8,055,106</u>

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 – RESTRICTED NET POSITION

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

	Governmental Activities
Restricted Net Position:	
Debt service	\$ 1,116,750
Capital projects	3,595,054
Voter approved initiatives	1,122,910
Federal and state projects	1,564,249
Auxiliary operations	1,035,380
Food service	860,893
Civic center	333,034
Gifts and donations	720,802
Student activities	339,088
Other purposes	221,594
Total	\$ 10,909,754

NOTE 4 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

	Deficit
Non-Major Governmental Funds:	
Title IV Grants	\$ 983
Special Education Grants	52,011
Other Federal Projects	140,506
Career Technical Education	41,042

The deficits arose because of operations during the year and/or because of pending grant reimbursements. Additional revenues received in fiscal year 2020-21 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.

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 – CASH AND INVESTMENTS

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure the District’s deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the District’s deposits was \$3,993,268 and the bank balance was \$4,060,351. At year end, \$3,467,218 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

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	202 days	\$ 10,363,977
State Treasurer’s investment pool 7	44 days	1,699,680
Total		<u>\$ 12,063,657</u>

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 – CASH AND INVESTMENTS

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 investment pool 7 had a weighted average rating of AAA at year end as it was invested in obligations of the U.S. Government or obligations guaranteed by the U.S. Government.

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.

NOTE 6 – RECEIVABLES

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

	General Fund	Unrestricted Capital Outlay Fund	Non-Major Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Due from other governmental entities:			
Due from federal government	\$ 16,082	\$	\$ 406,921
Due from state government	5,610,445	325,278	708,784
Due from county government	45,735		
Net due from governmental entities	<u>\$ 5,672,262</u>	<u>\$ 325,278</u>	<u>\$ 1,115,705</u>

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7 – 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	\$ 3,931,586	\$ 452,696	\$	\$ 4,384,282
Construction in progress	1,558,479	13,977,065	19,599	15,515,945
Total capital assets, not being depreciated	<u>5,490,065</u>	<u>14,429,761</u>	<u>19,599</u>	<u>19,900,227</u>
Capital assets, being depreciated:				
Land improvements	4,273,239	68,192		4,341,431
Buildings and improvements	70,067,597	930,850		70,998,447
Vehicles, furniture and equipment	8,545,501	337,631	41,888	8,841,244
Total capital assets being depreciated	<u>82,886,337</u>	<u>1,336,673</u>	<u>41,888</u>	<u>84,181,122</u>
Less accumulated depreciation for:				
Land improvements	(3,184,490)	(250,025)		(3,434,515)
Buildings and improvements	(32,755,084)	(2,016,458)		(34,771,542)
Vehicles, furniture and equipment	(5,435,037)	(463,153)	(41,888)	(5,856,302)
Total accumulated depreciation	<u>(41,374,611)</u>	<u>(2,729,636)</u>	<u>(41,888)</u>	<u>(44,062,359)</u>
Total capital assets, being depreciated, net	41,511,726	(1,392,963)		40,118,763
Governmental activities capital assets, net	<u>\$ 47,001,791</u>	<u>\$13,036,798</u>	<u>\$ 19,599</u>	<u>\$ 60,018,990</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$1,842,070
Support services – students and staff	25,089
Support services – administration	62,847
Operation and maintenance of plant services	530,143
Student transportation services	164,469
Operation of non-instructional services	105,018
Total depreciation expense – governmental activities	<u>\$2,729,636</u>

Construction Commitments – At year end, the District had contractual commitments related to various capital projects for the construction of new facilities and improvements to current facilities. At year end the District had spent \$15.5 million on the projects and had estimated remaining contractual commitments of \$2.6 million. These projects are being funded with School Facilities Board grants and capital projects funds.

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8 – OBLIGATIONS UNDER LEASES

Capital Leases – The District has acquired computers under the provisions of a long-term lease agreement classified as a capital lease. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of its future minimum lease payments as of the inception date. The assets acquired through the capital lease did not meet the District’s capitalization threshold. Revenues from the Unrestricted Capital Outlay Fund are used to pay the capital lease obligations.

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	1,309,827
Total	\$ 7,646,601

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8 – 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
2021	\$ 1,012,490
2022	1,005,765
2023	999,292
2024	992,752
2025	986,535
2026-30	3,634,149
2031-33	1,334,838
Total minimum lease payments	9,965,821
Less: amount representing interest	1,947,520
Present value of minimum lease payments	\$ 8,018,301
Due within one year	\$ 709,416

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 four 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:	
2021	\$ 132,359
2022	132,359
2023	132,359
2024	132,359
Total minimum payments required	\$ 529,436

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 9 – GENERAL OBLIGATION BONDS PAYABLE

Bonds payable at year end, consisted of the following outstanding general obligation bonds. Of the total amount originally authorized, \$10.0 million remains unissued. 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 \$69.9 million, and the legal debt margin is \$46.4 million.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2020	Due Within One Year
Governmental activities:					
School Improvement Bonds, Project of 2008, Series B (2011)	\$ 9,950,000	4.375%	7/1/21	\$ 400,000	\$ 400,000
Refunding Bonds, Series 2016	9,800,000	2.00-5.00%	7/1/21-29	9,115,000	560,000
School Improvement Bonds, Project of 2017, Series A (2018)	13,385,000	2.50-5.00%	7/1/21-37	13,320,000	1,025,000
Total				<u>\$ 22,835,000</u>	<u>\$ 1,985,000</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
2021	\$ 1,985,000	\$ 908,825
2022	1,590,000	828,875
2023	1,685,000	774,275
2024	1,750,000	716,250
2025	1,815,000	652,500
2026-30	7,715,000	2,218,925
2031-35	4,310,000	977,225
2036-37	1,985,000	135,000
Total	<u>\$ 22,835,000</u>	<u>\$ 7,211,875</u>

Defeased Debt – In prior years, the District defeased general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the defeased bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District’s financial statements. At year end, \$4.7 million of defeased bonds are still outstanding.

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 10 – CHANGES IN LONG-TERM LIABILITIES

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 24,690,000	\$	\$ 1,855,000	\$ 22,835,000	\$ 1,985,000
Premium	2,037,811		168,652	1,869,159	
Total bonds payable	<u>26,727,811</u>		<u>2,023,652</u>	<u>24,704,159</u>	<u>1,985,000</u>
Obligations under capital leases	8,254,122		235,821	8,018,301	709,416
Net pension liability	34,954,065	1,933,134		36,887,199	
Compensated absences payable	1,249,048	682,474	778,235	1,153,287	607,884
Governmental activity long-term liabilities	<u>\$ 71,185,046</u>	<u>\$ 2,615,608</u>	<u>\$ 3,037,708</u>	<u>\$ 70,762,946</u>	<u>\$ 3,302,300</u>

NOTE 11 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At year end, interfund balances were as follows:

Due to/from other funds – At year end, several non-major governmental funds, had negative cash balances of \$239,629 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 \$1,034,262 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, (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 to pay the capital lease obligations when due.

NOTE 12 – CONTINGENT LIABILITIES

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

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 12 – 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, 2020

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, 2020

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 12.11 percent (11.94 percent for retirement and 0.17 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 12.11 percent (11.45 percent for retirement, 0.46 percent for health insurance premium benefit, and 0.17 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, 2020 were \$3,223,458.

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 10.41 percent (10.29 for retirement, 0.05 percent for health insurance premium benefit, 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, 2019. 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, 2018, to the measurement date of June 30, 2019. 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, 2019.

At June 30, 2020, the District reported the following amounts for its proportionate share of the pension plan net liability. In addition, at June 30, 2019, the District’s percentage proportion for each plan and the related change from its proportion measured as of June 30, 2018 was:

Net Liability	District % Proportion	Increase (Decrease)
\$ 36,887,199	0.254	0.003

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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, 2020 was \$3.7 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	\$ 666,377	\$ 6,935
Changes of assumptions or other inputs	155,923	1,468,921
Net difference between projected and actual earnings on pension investments		829,097
Changes in proportion and differences between contributions and proportionate share of contributions	275,931	78,429
Contributions subsequent to the measurement date	3,223,458	
Total	\$ 4,321,689	\$ 2,383,382

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, 2021. 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:	
2021	\$ (496,041)
2022	(851,943)
2023	(159,222)
2024	222,055

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 14 – PENSIONS

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

Actuarial valuation date	June 30, 2018
Actuarial roll forward date	June 30, 2019
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, 2018 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%	6.09%
Credit	20	5.36
Interest rate sensitive bonds	10	1.62
Real estate	20	5.85
Total	<u>100%</u>	

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 14 – PENSIONS

Discount Rate. The discount rate used to measure the 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	\$ 52,499,029	\$ 36,887,199	\$ 23,839,728

Contributions payable. The District’s accrued payroll and employee benefits included \$415,591 of outstanding pension contribution amounts payable to ASRS for the year ended June 30, 2020.

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.

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REQUIRED SUPPLEMENTARY INFORMATION

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FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL
YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other local	\$	\$	\$ 3,403,182	\$ 3,403,182
Property taxes			10,058,748	10,058,748
State aid and grants			21,756,541	21,756,541
Total revenues			<u>35,218,471</u>	<u>35,218,471</u>
Expenditures:				
Current -				
Instruction	19,083,856	19,345,839	18,288,481	1,057,358
Support services - students and staff	3,889,754	4,090,871	3,835,147	255,724
Support services - administration	4,406,805	4,588,098	4,457,985	130,113
Operation and maintenance of plant services	5,569,705	5,357,527	4,889,095	468,432
Student transportation services	1,804,215	1,739,647	1,534,389	205,258
Operation of non-instructional services	95,125	101,268	94,632	6,636
Total expenditures	<u>34,849,460</u>	<u>35,223,250</u>	<u>33,099,729</u>	<u>2,123,521</u>
Excess (deficiency) of revenues over expenditures	<u>(34,849,460)</u>	<u>(35,223,250)</u>	<u>2,118,742</u>	<u>37,341,992</u>
Other financing sources (uses):				
Transfer out			(810,000)	(810,000)
Total other financing sources (uses)			<u>(810,000)</u>	<u>(810,000)</u>
Changes in fund balances	<u>(34,849,460)</u>	<u>(35,223,250)</u>	<u>1,308,742</u>	<u>36,531,992</u>
Fund balances, beginning of year, as restated			3,888,312	3,888,312
Increase (decrease) in reserve for prepaid items			65,348	65,348
Increase (decrease) in reserve for inventory			14,812	14,812
Fund balances (deficits), end of year	<u>\$ (34,849,460)</u>	<u>\$ (35,223,250)</u>	<u>\$ 5,277,214</u>	<u>\$ 40,500,464</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 SIX FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Measurement date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
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	\$ 36,887,199	\$ 34,954,065	\$ 39,252,014	\$ 40,775,406
District's covered payroll	\$ 26,704,392	\$ 24,879,413	\$ 24,535,853	\$ 23,217,124
District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	138.13%	140.49%	159.98%	175.63%
Plan fiduciary net position as a percentage of the total pension liability	73.24%	73.40%	69.92%	67.06%

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 3,223,458	\$ 2,985,551	\$ 2,711,856	\$ 2,644,965
Contributions in relation to the actuarially determined contribution	<u>3,223,458</u>	<u>2,985,551</u>	<u>2,711,856</u>	<u>2,644,965</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 28,152,472	\$ 26,704,392	\$ 24,879,413	\$ 24,535,853
Contributions as a percentage of covered payroll	11.45%	11.18%	10.90%	10.78%

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.

2016

2015

June 30, 2015

June 30, 2014

0.26%

0.26%

\$ 41,134,327

\$ 38,786,309

\$ 23,839,210

\$ 24,022,561

172.55%

161.46%

68.35%

69.49%

2016

2015

\$ 2,519,058

\$ 2,596,090

2,519,058

2,596,090

\$

\$

\$ 23,217,124

\$ 23,839,210

10.85%

10.89%

FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2020

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.

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	\$ 34,298,859	\$ 9,652,007
Activity budgeted as special revenue funds	(1,047,042)	(3,480,568)
Employee insurance account	(152,088)	(894,225)
Schedule of Revenues, Expenditures and Changes in Fund		
Balances – Budget and Actual – General Fund	\$ 33,099,729	\$ 5,277,214

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, 2018, 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, 2020

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<u>ASSETS</u>			
Cash and investments	\$ 5,809,564	\$ 973,150	\$ 1,150,498
Property taxes receivable		143,600	
Accounts receivable	14,277		
Due from governmental entities	779,714		335,991
Deposits held by others	90,577		
Inventory	100,048		
Total assets	<u>\$ 6,794,180</u>	<u>\$ 1,116,750</u>	<u>\$ 1,486,489</u>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES</u>			
<u>AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 151,817	\$	\$
Construction contracts payable			334,652
Due to other funds	238,783		846
Accrued payroll and employee benefits	385,783		
Unearned revenues	771		
Total liabilities	<u>777,154</u>		<u>335,498</u>
Deferred inflows of resources:			
Unavailable revenues - property taxes		108,675	
Unavailable revenues - intergovernmental	120,986		
Total deferred inflows of resources	<u>120,986</u>	<u>108,675</u>	
Fund balances (deficits):			
Nonspendable	100,048		
Restricted	6,030,534	1,008,075	1,150,991
Unassigned	(234,542)		
Total fund balances	<u>5,896,040</u>	<u>1,008,075</u>	<u>1,150,991</u>
 Total liabilities, deferred inflows of resources and fund balances	 <u>\$ 6,794,180</u>	 <u>\$ 1,116,750</u>	 <u>\$ 1,486,489</u>

Total Non-Major
Governmental
Funds

\$ 7,933,212
143,600
14,277
1,115,705
90,577
100,048
\$ 9,397,419

\$ 151,817
334,652
239,629
385,783
771
1,112,652

108,675
120,986
229,661

100,048
8,189,600
(234,542)
8,055,106

\$ 9,397,419

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, 2020

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Revenues:			
Other local	\$ 2,878,491	\$ 114,361	\$ 8,882
Property taxes		2,852,496	
State aid and grants	4,044,403		1,951,042
Federal aid, grants and reimbursements	6,322,653		
Total revenues	<u>13,245,547</u>	<u>2,966,857</u>	<u>1,959,924</u>
Expenditures:			
Current -			
Instruction	6,788,700		
Support services - students and staff	1,590,631		
Support services - administration	86,309		
Operation and maintenance of plant services	209,434		
Student transportation services	66,786		
Operation of non-instructional services	2,552,268		
Capital outlay	1,649,848		1,951,058
Debt service -			
Principal retirement		1,855,000	193,100
Interest and fiscal charges		982,596	34,639
Total expenditures	<u>12,943,976</u>	<u>2,837,596</u>	<u>2,178,797</u>
Excess (deficiency) of revenues over expenditures	<u>301,571</u>	<u>129,261</u>	<u>(218,873)</u>
Other financing sources (uses):			
Transfer in		135,406	810,000
Transfer out	(88,856)		
Total other financing sources (uses)	<u>(88,856)</u>	<u>135,406</u>	<u>810,000</u>
Changes in fund balances	<u>212,715</u>	<u>264,667</u>	<u>591,127</u>
Fund balances, beginning of year, as restated	5,689,492	743,408	559,864
Increase (decrease) in reserve for inventory	(6,167)		
Fund balances, end of year	<u>\$ 5,896,040</u>	<u>\$ 1,008,075</u>	<u>\$ 1,150,991</u>

Total Non-Major
Governmental
Funds

\$ 3,001,734
2,852,496
5,995,445
6,322,653
18,172,328

6,788,700
1,590,631
86,309
209,434
66,786
2,552,268
3,600,906

2,048,100
1,017,235
17,960,369

211,959

945,406
(88,856)
856,550

1,068,509

6,992,764

(6,167)

\$ 8,055,106

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.

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 telecommunications costs.

Other Federal Projects - to account for financial assistance received for other supplemental federal projects.

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

Gifted - to account for financial assistance received for programs for gifted students.

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, 2020

	<u>Classroom Site</u>	<u>Instructional Improvement</u>	<u>County, City, and Town Grants</u>
<u>ASSETS</u>			
Cash and investments	\$ 656,566	\$ 262,048	\$ 12,749
Accounts receivable			
Due from governmental entities	236,662	136,112	
Deposits held by others			
Inventory			
Total assets	<u>\$ 893,228</u>	<u>\$ 398,160</u>	<u>\$ 12,749</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			
Accrued payroll and employee benefits	148,087	20,391	
Unearned revenues			
Total liabilities	<u>148,087</u>	<u>20,391</u>	
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Fund balances (deficits):			
Nonspendable			
Restricted	745,141	377,769	12,749
Unassigned			
Total fund balances	<u>745,141</u>	<u>377,769</u>	<u>12,749</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 893,228</u>	<u>\$ 398,160</u>	<u>\$ 12,749</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>	<u>Homeless Education</u>
\$ 47,793	\$ 8,510	\$ 771	\$	\$	\$
58,173	983		78,843	2,430	4,292
<u>\$ 105,966</u>	<u>\$ 9,493</u>	<u>\$ 771</u>	<u>\$ 78,843</u>	<u>\$ 2,430</u>	<u>\$ 4,292</u>
\$	\$ 4,277	\$	\$	\$	\$
105,966	5,216		15,255	306	2,117
			63,588	2,124	2,175
		771			
<u>105,966</u>	<u>9,493</u>	<u>771</u>	<u>78,843</u>	<u>2,430</u>	<u>4,292</u>
	983		52,011		
	(983)		(52,011)		
	<u>(983)</u>		<u>(52,011)</u>		
<u>\$ 105,966</u>	<u>\$ 9,493</u>	<u>\$ 771</u>	<u>\$ 78,843</u>	<u>\$ 2,430</u>	<u>\$ 4,292</u>

(Continued)

**FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2020**

	E-Rate	Other Federal Projects	College Credit Exam Incentives
<u>ASSETS</u>			
Cash and investments	\$ 517,713	\$	\$ 29,811
Accounts receivable			
Due from governmental entities	67,349	115,461	
Deposits held by others			
Inventory			
Total assets	\$ 585,062	\$ 115,461	\$ 29,811
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 11,144	\$ 27,622	\$
Due to other funds		210,902	
Accrued payroll and employee benefits		16,819	
Unearned revenues			
Total liabilities	11,144	255,343	
Deferred inflows of resources:			
Unavailable revenues - intergovernmental	67,349	624	
Fund balances (deficits):			
Nonspendable			
Restricted	506,569		29,811
Unassigned		(140,506)	
Total fund balances	506,569	(140,506)	29,811
 Total liabilities, deferred inflows of resources and fund balances	\$ 585,062	\$ 115,461	\$ 29,811

<u>Results-based Funding</u>	<u>Other State Projects</u>	<u>Food Service</u>	<u>Civic Center</u>	<u>Community School</u>	<u>Auxiliary Operations</u>
\$ 911,159	\$ 59,656	\$ 683,629	\$ 333,034	\$ 9,618	\$ 1,024,940
	19	3,675			
		79,390			
		90,577			
		89,608			10,440
<u>\$ 911,159</u>	<u>\$ 59,675</u>	<u>\$ 946,879</u>	<u>\$ 333,034</u>	<u>\$ 9,618</u>	<u>\$ 1,035,380</u>
\$	\$	\$ 84,225	\$	\$	\$
	19				
4,072	6,223	1,761			
<u>4,072</u>	<u>6,242</u>	<u>85,986</u>			
	19				
		89,608			10,440
907,087	53,414	771,285	333,034	9,618	1,024,940
<u>907,087</u>	<u>53,414</u>	<u>860,893</u>	<u>333,034</u>	<u>9,618</u>	<u>1,035,380</u>
<u>\$ 911,159</u>	<u>\$ 59,675</u>	<u>\$ 946,879</u>	<u>\$ 333,034</u>	<u>\$ 9,618</u>	<u>\$ 1,035,380</u>

(Continued)

**FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2020**

	<u>Gifts and Donations</u>	<u>Fingerprint</u>	<u>Textbooks</u>
<u>ASSETS</u>			
Cash and investments	\$ 718,061	\$ 12,607	\$ 3,761
Accounts receivable	5,793		4,809
Due from governmental entities			
Deposits held by others			
Inventory			
Total assets	<u>\$ 723,854</u>	<u>\$ 12,607</u>	<u>\$ 8,570</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 3,052	\$	\$
Due to other funds			
Accrued payroll and employee benefits			
Unearned revenues			
Total liabilities	<u>3,052</u>		
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Fund balances (deficits):			
Nonspendable			
Restricted	720,802	12,607	8,570
Unassigned			
Total fund balances	<u>720,802</u>	<u>12,607</u>	<u>8,570</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 723,854</u>	<u>\$ 12,607</u>	<u>\$ 8,570</u>

<u>Insurance Refund</u>	<u>Career Technical Education</u>	<u>Student Activities</u>	<u>Totals</u>
\$ 178,050	\$	\$ 339,088	\$ 5,809,564
			14,277
			779,714
			90,577
			100,048
<u>\$ 178,050</u>	<u>\$</u>	<u>\$ 339,088</u>	<u>\$ 6,794,180</u>
\$	\$ 21,497	\$	\$ 151,817
	10,184		238,783
	9,361		385,783
			771
	<u>41,042</u>		<u>777,154</u>
			<u>120,986</u>
178,050		339,088	100,048
	(41,042)		6,030,534
<u>178,050</u>	<u>(41,042)</u>	<u>339,088</u>	<u>(234,542)</u>
			<u>5,896,040</u>
<u>\$ 178,050</u>	<u>\$</u>	<u>\$ 339,088</u>	<u>\$ 6,794,180</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, 2020

	<u>Classroom Site</u>	<u>Instructional Improvement</u>	<u>County, City, and Town Grants</u>
Revenues:			
Other local	\$ 21,903	\$ 7,112	\$ 21,527
State aid and grants	2,839,945	249,310	
Federal aid, grants and reimbursements			
Total revenues	<u>2,861,848</u>	<u>256,422</u>	<u>21,527</u>
Expenditures:			
Current -			
Instruction	2,847,512	224,710	
Support services - students and staff	57,411	107,485	8,851
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>2,904,923</u>	<u>332,195</u>	<u>8,851</u>
Excess (deficiency) of revenues over expenditures	<u>(43,075)</u>	<u>(75,773)</u>	<u>12,676</u>
Other financing sources (uses):			
Transfer out			
Total other financing sources (uses)	<u> </u>	<u> </u>	<u> </u>
Changes in fund balances	<u>(43,075)</u>	<u>(75,773)</u>	<u>12,676</u>
Fund balances (deficits), beginning of year, as restated	788,216	453,542	73
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ 745,141</u>	<u>\$ 377,769</u>	<u>\$ 12,749</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>	<u>Homeless Education</u>
\$	\$	\$	\$	\$	\$
1,921,755	238,566	41,445	1,075,843	158,047	29,291
<u>1,921,755</u>	<u>238,566</u>	<u>41,445</u>	<u>1,075,843</u>	<u>158,047</u>	<u>29,291</u>
1,147,767	124,367	30,339	1,123,390	76,467	
563,482	40,804	8,590	4,227	53,174	28,001
26,559	45,830	643	237		
	46				
4,901					
103,892	16,246			27,660	
<u>1,846,601</u>	<u>227,293</u>	<u>39,572</u>	<u>1,127,854</u>	<u>157,301</u>	<u>28,001</u>
75,154	11,273	1,873	(52,011)	746	1,290
(75,154)	(8,648)	(1,873)			(1,290)
<u>(75,154)</u>	<u>(8,648)</u>	<u>(1,873)</u>			<u>(1,290)</u>
	2,625		(52,011)	746	
	(3,608)			(746)	
<u>\$</u>	<u>\$ (983)</u>	<u>\$</u>	<u>\$ (52,011)</u>	<u>\$</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, 2020

	E-Rate	Other Federal Projects	State Vocational Education
Revenues:			
Other local	\$ 8,790	\$	\$
State aid and grants			61,709
Federal aid, grants and reimbursements		435,105	
Total revenues	8,790	435,105	61,709
Expenditures:			
Current -			
Instruction		320,507	24,266
Support services - students and staff	40	72,623	
Support services - administration		323	
Operation and maintenance of plant services	132,058	829	
Student transportation services			55
Operation of non-instructional services			
Capital outlay		510,729	37,388
Total expenditures	132,098	905,011	61,709
Excess (deficiency) of revenues over expenditures	(123,308)	(469,906)	
Other financing sources (uses):			
Transfer out		(1,891)	
Total other financing sources (uses)		(1,891)	
Changes in fund balances	(123,308)	(471,797)	
Fund balances (deficits), beginning of year, as restated	629,877	331,291	
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ 506,569	\$ (140,506)	\$

<u>Gifted</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>
\$ 4,473	\$ 25,363	\$ 656,482	\$ 207,121	\$ 338,851	\$ 61,680
<u>4,473</u>	<u>25,363</u>	<u>656,482</u>	<u>207,121</u>	<u>2,422,601</u>	<u>61,680</u>
				<u>2,761,452</u>	
1,351	12,525	38,782	166,938		
2,102		7,742	17,586		1,105
		5,000			
			380		
				2,519,312	27,465
1,020			17,077	162,990	4,050
<u>4,473</u>	<u>12,525</u>	<u>51,524</u>	<u>201,981</u>	<u>2,682,302</u>	<u>32,620</u>
	<u>12,838</u>	<u>604,958</u>	<u>5,140</u>	<u>79,150</u>	<u>29,060</u>
	<u>12,838</u>	<u>604,958</u>	<u>5,140</u>	<u>79,150</u>	<u>29,060</u>
	16,973	302,129	48,274	792,226	303,974
				(10,483)	
<u>\$</u>	<u>\$ 29,811</u>	<u>\$ 907,087</u>	<u>\$ 53,414</u>	<u>\$ 860,893</u>	<u>\$ 333,034</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, 2020

	Community School	Auxiliary Operations	Gifts and Donations
Revenues:			
Other local	\$ 171	\$ 769,674	\$ 414,610
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	171	769,674	414,610
Expenditures:			
Current -			
Instruction		340,877	40,599
Support services - students and staff		247,027	105,116
Support services - administration			5,907
Operation and maintenance of plant services		6,830	4,237
Student transportation services		53,549	2,817
Operation of non-instructional services		5,491	
Capital outlay		69,027	68,808
Total expenditures		722,801	227,484
Excess (deficiency) of revenues over expenditures	171	46,873	187,126
Other financing sources (uses):			
Transfer out			
Total other financing sources (uses)			
Changes in fund balances	171	46,873	187,126
Fund balances (deficits), beginning of year, as restated	9,447	984,191	533,676
Increase (decrease) in reserve for inventory		4,316	
Fund balances (deficits), end of year	\$ 9,618	\$ 1,035,380	\$ 720,802

<u>Fingerprint</u>	<u>Textbooks</u>	<u>Insurance Refund</u>	<u>Career Technical Education</u>	<u>Student Activities</u>	<u>Totals</u>
\$ 989	\$ 4,983	\$ 3,198	\$ 950,861	\$ 274,142	\$ 2,878,491
<u>989</u>	<u>4,983</u>	<u>3,198</u>	<u>950,861</u>	<u>274,142</u>	<u>13,245,547</u>
	19,682		183,548	65,073	6,788,700
			83,155	182,110	1,590,631
			1,810		86,309
			65,054		209,434
			1,845	3,619	66,786
					2,552,268
			<u>613,386</u>	<u>17,575</u>	<u>1,649,848</u>
	<u>19,682</u>		<u>948,798</u>	<u>268,377</u>	<u>12,943,976</u>
<u>989</u>	<u>(14,699)</u>	<u>3,198</u>	<u>2,063</u>	<u>5,765</u>	<u>301,571</u>
					(88,856)
					(88,856)
<u>989</u>	<u>(14,699)</u>	<u>3,198</u>	<u>2,063</u>	<u>5,765</u>	<u>212,715</u>
11,618	23,269	174,852	(43,105)	333,323	5,689,492
					(6,167)
<u>\$ 12,607</u>	<u>\$ 8,570</u>	<u>\$ 178,050</u>	<u>\$ (41,042)</u>	<u>\$ 339,088</u>	<u>\$ 5,896,040</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, 2020

	Classroom Site		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 21,903	\$ 21,903
State aid and grants		2,839,945	2,839,945
Federal aid, grants and reimbursements			
Total revenues		<u>2,861,848</u>	<u>2,861,848</u>
Expenditures:			
Current -			
Instruction	3,564,999	2,847,512	717,487
Support services - students and staff	73,029	57,411	15,618
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>3,638,028</u>	<u>2,904,923</u>	<u>733,105</u>
Excess (deficiency) of revenues over expenditures	<u>(3,638,028)</u>	<u>(43,075)</u>	<u>3,594,953</u>
Other financing sources (uses):			
Insurance recoveries			
Transfer in			
Transfer out			
Total other financing sources (uses)			
Changes in fund balances	<u>(3,638,028)</u>	<u>(43,075)</u>	<u>3,594,953</u>
Fund balances (deficits), beginning of year, as restated		788,216	788,216
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (3,638,028)</u>	<u>\$ 745,141</u>	<u>\$ 4,383,169</u>

Instructional Improvement			County, City, and Town Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 7,112 249,310	\$ 7,112 249,310	\$	\$ 21,527	\$ 21,527
	<u>256,422</u>	<u>256,422</u>		<u>21,527</u>	<u>21,527</u>
670,000	224,710 107,485	445,290 (107,485)	41,000	8,851	32,149
<u>670,000</u>	<u>332,195</u>	<u>337,805</u>	<u>41,000</u>	<u>8,851</u>	<u>32,149</u>
<u>(670,000)</u>	<u>(75,773)</u>	<u>594,227</u>	<u>(41,000)</u>	<u>12,676</u>	<u>53,676</u>
<u>(670,000)</u>	<u>(75,773)</u>	<u>594,227</u>	<u>(41,000)</u>	<u>12,676</u>	<u>53,676</u>
	453,542	453,542		73	73
<u>\$ (670,000)</u>	<u>\$ 377,769</u>	<u>\$ 1,047,769</u>	<u>\$ (41,000)</u>	<u>\$ 12,749</u>	<u>\$ 53,749</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, 2020

	Title I Grants		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		1,921,755	1,921,755
Total revenues		<u>1,921,755</u>	<u>1,921,755</u>
Expenditures:			
Current -			
Instruction	2,275,000	1,147,767	1,127,233
Support services - students and staff		563,482	(563,482)
Support services - administration		26,559	(26,559)
Operation and maintenance of plant services			
Student transportation services		4,901	(4,901)
Operation of non-instructional services			
Capital outlay		103,892	(103,892)
Total expenditures	<u>2,275,000</u>	<u>1,846,601</u>	<u>428,399</u>
Excess (deficiency) of revenues over expenditures	<u>(2,275,000)</u>	<u>75,154</u>	<u>2,350,154</u>
Other financing sources (uses):			
Insurance recoveries			
Transfer in			
Transfer out		(75,154)	(75,154)
Total other financing sources (uses)		<u>(75,154)</u>	<u>(75,154)</u>
Changes in fund balances	<u>(2,275,000)</u>		<u>2,275,000</u>
Fund balances (deficits), beginning of year, as restated			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (2,275,000)</u>	<u>\$</u>	<u>\$ 2,275,000</u>

Title IV Grants			Limited English & Immigrant Students		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	238,566	238,566		41,445	41,445
	238,566	238,566		41,445	41,445
423,750	124,367	299,383	99,000	30,339	68,661
	40,804	(40,804)		8,590	(8,590)
	45,830	(45,830)		643	(643)
	46	(46)			
	16,246	(16,246)			
423,750	227,293	196,457	99,000	39,572	59,428
(423,750)	11,273	435,023	(99,000)	1,873	100,873
	(8,648)	(8,648)		(1,873)	(1,873)
	(8,648)	(8,648)		(1,873)	(1,873)
(423,750)	2,625	426,375	(99,000)		99,000
	(3,608)	(3,608)			
\$ (423,750)	\$ (983)	\$ 422,767	\$ (99,000)	\$	\$ 99,000

(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, 2020

	Special Education Grants		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		1,075,843	1,075,843
Total revenues		1,075,843	1,075,843
Expenditures:			
Current -			
Instruction	1,150,000	1,123,390	26,610
Support services - students and staff		4,227	(4,227)
Support services - administration		237	(237)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	1,150,000	1,127,854	22,146
Excess (deficiency) of revenues over expenditures	(1,150,000)	(52,011)	1,097,989
Other financing sources (uses):			
Insurance recoveries			
Transfer in			
Transfer out			
Total other financing sources (uses)			
Changes in fund balances	(1,150,000)	(52,011)	1,097,989
Fund balances (deficits), beginning of year, as restated			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (1,150,000)	\$ (52,011)	\$ 1,097,989

Vocational Education			Homeless Education		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	158,047	158,047		29,291	29,291
	158,047	158,047		29,291	29,291
152,000	76,467	75,533	25,000	28,001	(3,001)
	53,174	(53,174)			
	27,660	(27,660)			
152,000	157,301	(5,301)	25,000	28,001	(3,001)
(152,000)	746	152,746	(25,000)	1,290	26,290
				(1,290)	(1,290)
				(1,290)	(1,290)
(152,000)	746	152,746	(25,000)		25,000
	(746)	(746)			
\$ (152,000)	\$	\$ 152,000	\$ (25,000)	\$	\$ 25,000

(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, 2020

	Medicaid Reimbursement		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 16,754	\$ 16,754
State aid and grants			
Federal aid, grants and reimbursements		323,127	323,127
Total revenues		339,881	339,881
Expenditures:			
Current -			
Instruction	1,100,000	25,190	1,074,810
Support services - students and staff		332,740	(332,740)
Support services - administration		23,273	(23,273)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay		11,178	(11,178)
Total expenditures	1,100,000	392,381	707,619
Excess (deficiency) of revenues over expenditures	(1,100,000)	(52,500)	1,047,500
Other financing sources (uses):			
Insurance recoveries			
Transfer in			
Transfer out			
Total other financing sources (uses)			
Changes in fund balances	(1,100,000)	(52,500)	1,047,500
Fund balances (deficits), beginning of year, as restated		1,069,065	1,069,065
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (1,100,000)	\$ 1,016,565	\$ 2,116,565

E-Rate			Other Federal Projects		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 8,790	\$ 8,790	\$	\$	\$
				435,105	435,105
	<u>8,790</u>	<u>8,790</u>		<u>435,105</u>	<u>435,105</u>
			1,700,000	320,507	1,379,493
	40	(40)		72,623	(72,623)
516,000	132,058	383,942		323	(323)
				829	(829)
				510,729	(510,729)
<u>516,000</u>	<u>132,098</u>	<u>383,902</u>	<u>1,700,000</u>	<u>905,011</u>	<u>794,989</u>
<u>(516,000)</u>	<u>(123,308)</u>	<u>392,692</u>	<u>(1,700,000)</u>	<u>(469,906)</u>	<u>1,230,094</u>
				(1,891)	(1,891)
				<u>(1,891)</u>	<u>(1,891)</u>
<u>(516,000)</u>	<u>(123,308)</u>	<u>392,692</u>	<u>(1,700,000)</u>	<u>(471,797)</u>	<u>1,228,203</u>
	629,877	629,877		331,291	331,291
<u>\$ (516,000)</u>	<u>\$ 506,569</u>	<u>\$ 1,022,569</u>	<u>\$ (1,700,000)</u>	<u>\$ (140,506)</u>	<u>\$ 1,559,494</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, 2020

	State Vocational Education		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants		61,709	61,709
Federal aid, grants and reimbursements			
Total revenues		61,709	61,709
Expenditures:			
Current -			
Instruction	62,000	24,266	37,734
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services		55	(55)
Operation of non-instructional services			
Capital outlay		37,388	(37,388)
Total expenditures	62,000	61,709	291
Excess (deficiency) of revenues over expenditures	(62,000)		62,000
Other financing sources (uses):			
Insurance recoveries			
Transfer in			
Transfer out			
Total other financing sources (uses)			
Changes in fund balances	(62,000)		62,000
Fund balances (deficits), beginning of year, as restated			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (62,000)	\$	\$ 62,000

Gifted			College Credit Exam Incentives		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 4,473	\$ 4,473	\$	\$ 25,363	\$ 25,363
	<u>4,473</u>	<u>4,473</u>		<u>25,363</u>	<u>25,363</u>
5,100	1,351 2,102	3,749 (2,102)	42,500	12,525	29,975
	<u>1,020</u>	<u>(1,020)</u>			
<u>5,100</u>	<u>4,473</u>	<u>627</u>	<u>42,500</u>	<u>12,525</u>	<u>29,975</u>
<u>(5,100)</u>		<u>5,100</u>	<u>(42,500)</u>	<u>12,838</u>	<u>55,338</u>
<u>(5,100)</u>		<u>5,100</u>	<u>(42,500)</u>	<u>12,838</u>	<u>55,338</u>
				16,973	16,973
<u>\$ (5,100)</u>	<u>\$</u>	<u>\$ 5,100</u>	<u>\$ (42,500)</u>	<u>\$ 29,811</u>	<u>\$ 72,311</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, 2020

	Results-based Funding		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants		656,482	656,482
Federal aid, grants and reimbursements			
Total revenues		<u>656,482</u>	<u>656,482</u>
Expenditures:			
Current -			
Instruction	948,500	38,782	909,718
Support services - students and staff		7,742	(7,742)
Support services - administration		5,000	(5,000)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>948,500</u>	<u>51,524</u>	<u>896,976</u>
Excess (deficiency) of revenues over expenditures	<u>(948,500)</u>	<u>604,958</u>	<u>1,553,458</u>
Other financing sources (uses):			
Insurance recoveries			
Transfer in			
Transfer out			
Total other financing sources (uses)			
Changes in fund balances	<u>(948,500)</u>	<u>604,958</u>	<u>1,553,458</u>
Fund balances (deficits), beginning of year, as restated		302,129	302,129
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (948,500)</u>	<u>\$ 907,087</u>	<u>\$ 1,855,587</u>

Other State Projects			School Plant		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	207,121	207,121		56,010	56,010
	<u>207,121</u>	<u>207,121</u>		<u>56,010</u>	<u>56,010</u>
325,000	166,938	158,062			
	17,586	(17,586)			
	380	(380)	600,000		600,000
	<u>17,077</u>	<u>(17,077)</u>			
<u>325,000</u>	<u>201,981</u>	<u>123,019</u>	<u>600,000</u>		<u>600,000</u>
<u>(325,000)</u>	<u>5,140</u>	<u>330,140</u>	<u>(600,000)</u>	<u>56,010</u>	<u>656,010</u>
<u>(325,000)</u>	<u>5,140</u>	<u>330,140</u>	<u>(600,000)</u>	<u>56,010</u>	<u>656,010</u>
	48,274	48,274		537,799	537,799
<u>\$ (325,000)</u>	<u>\$ 53,414</u>	<u>\$ 378,414</u>	<u>\$ (600,000)</u>	<u>\$ 593,809</u>	<u>\$ 1,193,809</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, 2020

	Food Service		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 338,851	\$ 338,851
State aid and grants			
Federal aid, grants and reimbursements		2,422,601	2,422,601
Total revenues		<u>2,761,452</u>	<u>2,761,452</u>
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	3,300,000	2,519,312	780,688
Capital outlay		162,990	(162,990)
Total expenditures	<u>3,300,000</u>	<u>2,682,302</u>	<u>617,698</u>
Excess (deficiency) of revenues over expenditures	<u>(3,300,000)</u>	<u>79,150</u>	<u>3,379,150</u>
Other financing sources (uses):			
Insurance recoveries			
Transfer in			
Transfer out			
Total other financing sources (uses)			
Changes in fund balances	<u>(3,300,000)</u>	<u>79,150</u>	<u>3,379,150</u>
Fund balances (deficits), beginning of year, as restated		792,226	792,226
Increase (decrease) in reserve for inventory		(10,483)	(10,483)
Fund balances (deficits), end of year	<u>\$ (3,300,000)</u>	<u>\$ 860,893</u>	<u>\$ 4,160,893</u>

Civic Center			Community School		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 61,680	\$ 61,680	\$	\$ 171	\$ 171
	<u>61,680</u>	<u>61,680</u>		<u>171</u>	<u>171</u>
	1,105	(1,105)	10,000		10,000
340,000	27,465	312,535			
	4,050	(4,050)			
<u>340,000</u>	<u>32,620</u>	<u>307,380</u>	<u>10,000</u>		<u>10,000</u>
<u>(340,000)</u>	<u>29,060</u>	<u>369,060</u>	<u>(10,000)</u>	<u>171</u>	<u>10,171</u>
<u>(340,000)</u>	<u>29,060</u>	<u>369,060</u>	<u>(10,000)</u>	<u>171</u>	<u>10,171</u>
	303,974	303,974		9,447	9,447
<u>\$ (340,000)</u>	<u>\$ 333,034</u>	<u>\$ 673,034</u>	<u>\$ (10,000)</u>	<u>\$ 9,618</u>	<u>\$ 19,618</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, 2020

	Auxiliary Operations		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 769,674	\$ 769,674
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>769,674</u>	<u>769,674</u>
Expenditures:			
Current -			
Instruction	1,800,000	340,877	1,459,123
Support services - students and staff		247,027	(247,027)
Support services - administration			
Operation and maintenance of plant services		6,830	(6,830)
Student transportation services		53,549	(53,549)
Operation of non-instructional services		5,491	(5,491)
Capital outlay		69,027	(69,027)
Total expenditures	<u>1,800,000</u>	<u>722,801</u>	<u>1,077,199</u>
Excess (deficiency) of revenues over expenditures	<u>(1,800,000)</u>	<u>46,873</u>	<u>1,846,873</u>
Other financing sources (uses):			
Insurance recoveries			
Transfer in			
Transfer out			
Total other financing sources (uses)			
Changes in fund balances	<u>(1,800,000)</u>	<u>46,873</u>	<u>1,846,873</u>
Fund balances (deficits), beginning of year, as restated		984,191	984,191
Increase (decrease) in reserve for inventory		4,316	4,316
Fund balances (deficits), end of year	<u>\$ (1,800,000)</u>	<u>\$ 1,035,380</u>	<u>\$ 2,835,380</u>

Gifts and Donations			Fingerprint		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 414,610	\$ 414,610	\$	\$ 989	\$ 989
	<u>414,610</u>	<u>414,610</u>		<u>989</u>	<u>989</u>
910,000	40,599	869,401	12,500		12,500
	105,116	(105,116)			
	5,907	(5,907)			
	4,237	(4,237)			
	2,817	(2,817)			
	<u>68,808</u>	<u>(68,808)</u>			
<u>910,000</u>	<u>227,484</u>	<u>682,516</u>	<u>12,500</u>		<u>12,500</u>
<u>(910,000)</u>	<u>187,126</u>	<u>1,097,126</u>	<u>(12,500)</u>	<u>989</u>	<u>13,489</u>
<u>(910,000)</u>	<u>187,126</u>	<u>1,097,126</u>	<u>(12,500)</u>	<u>989</u>	<u>13,489</u>
	533,676	533,676		11,618	11,618
<u>\$ (910,000)</u>	<u>\$ 720,802</u>	<u>\$ 1,630,802</u>	<u>\$ (12,500)</u>	<u>\$ 12,607</u>	<u>\$ 25,107</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, 2020

	Insurance Proceeds		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
Revenues:			
Other local	\$	\$ 1,964	\$ 1,964
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>1,964</u>	<u>1,964</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services		7,569	(7,569)
Student transportation services		10,161	(10,161)
Operation of non-instructional services		1,674	(1,674)
Capital outlay	300,000	146,004	153,996
Total expenditures	<u>300,000</u>	<u>165,408</u>	<u>134,592</u>
Excess (deficiency) of revenues over expenditures	<u>(300,000)</u>	<u>(163,444)</u>	<u>136,556</u>
Other financing sources (uses):			
Insurance recoveries		172,373	172,373
Transfer in			
Transfer out			
Total other financing sources (uses)		<u>172,373</u>	<u>172,373</u>
Changes in fund balances	<u>(300,000)</u>	<u>8,929</u>	<u>308,929</u>
Fund balances (deficits), beginning of year, as restated		105,044	105,044
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (300,000)</u>	<u>\$ 113,973</u>	<u>\$ 413,973</u>

Textbooks			Litigation Recovery		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 4,983	\$ 4,983	\$	\$ 2,938	\$ 2,938
	<u>4,983</u>	<u>4,983</u>		<u>2,938</u>	<u>2,938</u>
25,000	19,682	5,318	162,000		162,000
<u>25,000</u>	<u>19,682</u>	<u>5,318</u>	<u>162,000</u>		<u>162,000</u>
<u>(25,000)</u>	<u>(14,699)</u>	<u>10,301</u>	<u>(162,000)</u>	<u>2,938</u>	<u>164,938</u>
<u>(25,000)</u>	<u>(14,699)</u>	<u>10,301</u>	<u>(162,000)</u>	<u>2,938</u>	<u>164,938</u>
	23,269	23,269		160,634	160,634
<u>\$ (25,000)</u>	<u>\$ 8,570</u>	<u>\$ 33,570</u>	<u>\$ (162,000)</u>	<u>\$ 163,572</u>	<u>\$ 325,572</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, 2020

	Indirect Costs		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
Revenues:			
Other local	\$	\$ 27,566	\$ 27,566
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>27,566</u>	<u>27,566</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff		41,792	(41,792)
Support services - administration	1,500,000	283,845	1,216,155
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>1,500,000</u>	<u>325,637</u>	<u>1,174,363</u>
Excess (deficiency) of revenues over expenditures	<u>(1,500,000)</u>	<u>(298,071)</u>	<u>1,201,929</u>
Other financing sources (uses):			
Insurance recoveries			
Transfer in		88,856	88,856
Transfer out			
Total other financing sources (uses)		<u>88,856</u>	<u>88,856</u>
Changes in fund balances	<u>(1,500,000)</u>	<u>(209,215)</u>	<u>1,290,785</u>
Fund balances (deficits), beginning of year, as restated		1,609,703	1,609,703
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (1,500,000)</u>	<u>\$ 1,400,488</u>	<u>\$ 2,900,488</u>

Insurance Refund			Career Technical Education		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 3,198	\$ 3,198	\$	\$ 950,861	\$ 950,861
	<u>3,198</u>	<u>3,198</u>		<u>950,861</u>	<u>950,861</u>
180,000		180,000	1,170,000	183,548	986,452
				83,155	(83,155)
				1,810	(1,810)
				65,054	(65,054)
				1,845	(1,845)
				<u>613,386</u>	<u>(613,386)</u>
<u>180,000</u>		<u>180,000</u>	<u>1,170,000</u>	<u>948,798</u>	<u>221,202</u>
<u>(180,000)</u>	<u>3,198</u>	<u>183,198</u>	<u>(1,170,000)</u>	<u>2,063</u>	<u>1,172,063</u>
<u>(180,000)</u>	<u>3,198</u>	<u>183,198</u>	<u>(1,170,000)</u>	<u>2,063</u>	<u>1,172,063</u>
	174,852	174,852		(43,105)	(43,105)
<u>\$ (180,000)</u>	<u>\$ 178,050</u>	<u>\$ 358,050</u>	<u>\$ (1,170,000)</u>	<u>\$ (41,042)</u>	<u>\$ 1,128,958</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, 2020

	District Services		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
Revenues:			
Other local	\$	\$ 121,449	\$ 121,449
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>121,449</u>	<u>121,449</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services	330,000	135,940	194,060
Student transportation services		27,676	(27,676)
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>330,000</u>	<u>163,616</u>	<u>166,384</u>
Excess (deficiency) of revenues over expenditures	<u>(330,000)</u>	<u>(42,167)</u>	<u>287,833</u>
Other financing sources (uses):			
Insurance recoveries			
Transfer in			
Transfer out			
Total other financing sources (uses)			
Changes in fund balances	<u>(330,000)</u>	<u>(42,167)</u>	<u>287,833</u>
Fund balances (deficits), beginning of year, as restated		234,328	234,328
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (330,000)</u>	<u>\$ 192,161</u>	<u>\$ 522,161</u>

Student Activities			Totals		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 274,142	\$ 274,142	\$	\$ 3,105,172	\$ 3,105,172
				4,044,403	4,044,403
				6,645,780	6,645,780
	<u>274,142</u>	<u>274,142</u>		<u>13,795,355</u>	<u>13,795,355</u>
	65,073	(65,073)	16,787,349	6,813,890	9,973,459
	182,110	(182,110)	139,029	1,965,163	(1,826,134)
			1,500,000	393,427	1,106,573
			1,446,000	352,943	1,093,057
	3,619	(3,619)		104,623	(104,623)
			3,640,000	2,553,942	1,086,058
	<u>17,575</u>	<u>(17,575)</u>	<u>300,000</u>	<u>1,807,030</u>	<u>(1,507,030)</u>
	<u>268,377</u>	<u>(268,377)</u>	<u>23,812,378</u>	<u>13,991,018</u>	<u>9,821,360</u>
	<u>5,765</u>	<u>5,765</u>	<u>(23,812,378)</u>	<u>(195,663)</u>	<u>23,616,715</u>
				172,373	172,373
				88,856	88,856
				<u>(88,856)</u>	<u>(88,856)</u>
				<u>172,373</u>	<u>172,373</u>
	<u>5,765</u>	<u>5,765</u>	<u>(23,812,378)</u>	<u>(23,290)</u>	<u>23,789,088</u>
	333,323	333,323		9,406,065	9,406,065
				(6,167)	(6,167)
<u>\$</u>	<u>\$ 339,088</u>	<u>\$ 339,088</u>	<u>\$ (23,812,378)</u>	<u>\$ 9,376,608</u>	<u>\$ 33,188,986</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, 2020

	Debt Service		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 114,361	\$ 114,361
Property taxes		2,852,496	2,852,496
Total revenues		<u>2,966,857</u>	<u>2,966,857</u>
Expenditures:			
Debt service -			
Principal retirement	1,855,000	1,855,000	
Interest and fiscal charges	1,045,000	982,596	62,404
Total expenditures	<u>2,900,000</u>	<u>2,837,596</u>	<u>62,404</u>
Excess (deficiency) of revenues over expenditures	<u>(2,900,000)</u>	<u>129,261</u>	<u>3,029,261</u>
Other financing sources (uses):			
Transfer in		135,406	135,406
Total other financing sources (uses)		<u>135,406</u>	<u>135,406</u>
Changes in fund balances	<u>(2,900,000)</u>	<u>264,667</u>	<u>3,164,667</u>
Fund balances, beginning of year		743,408	743,408
Fund balances (deficits), end of year	<u>\$ (2,900,000)</u>	<u>\$ 1,008,075</u>	<u>\$ 3,908,075</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, 2020

	Adjacent Ways	Energy and Water Savings	Building Renewal Grant
<u>ASSETS</u>			
Cash and investments	\$ 26,986	\$ 1,123,512	\$
Due from governmental entities			335,991
Total assets	\$ 26,986	\$ 1,123,512	\$ 335,991
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Construction contracts payable	\$	\$	\$ 334,652
Due to other funds			846
Total liabilities			335,498
Fund balances:			
Restricted	26,986	1,123,512	493
Total fund balances	26,986	1,123,512	493
 Total liabilities and fund balances	 \$ 26,986	 \$ 1,123,512	 \$ 335,991

Totals

\$	1,150,498
	<u>335,991</u>
\$	<u>1,486,489</u>

\$	334,652
	<u>846</u>
	<u>335,498</u>

	<u>1,150,991</u>
	<u>1,150,991</u>
\$	<u>1,486,489</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, 2020

	<u>Adjacent Ways</u>	<u>Energy and Water Savings</u>	<u>Emergency Deficiencies Correction</u>
Revenues:			
Other local	\$ 524	\$ 7,911	\$
State aid and grants			
Total revenues	<u>524</u>	<u>7,911</u>	<u></u>
Expenditures:			
Capital outlay			17
Debt service -			
Principal retirement		193,100	
Interest and fiscal charges		34,639	
Total expenditures		<u>227,739</u>	<u>17</u>
Excess (deficiency) of revenues over expenditures	<u>524</u>	<u>(219,828)</u>	<u>(17)</u>
Other financing sources (uses):			
Transfer in		810,000	
Total other financing sources (uses)		<u>810,000</u>	
Changes in fund balances	<u>524</u>	<u>590,172</u>	<u>(17)</u>
Fund balances, beginning of year	26,462	533,340	17
Fund balances, end of year	<u>\$ 26,986</u>	<u>\$ 1,123,512</u>	<u>\$</u>

Building Renewal Grant	Totals
\$ 447	\$ 8,882
<u>1,951,042</u>	<u>1,951,042</u>
<u>1,951,489</u>	<u>1,959,924</u>
1,951,041	1,951,058
	193,100
	34,639
<u>1,951,041</u>	<u>2,178,797</u>
<u>448</u>	<u>(218,873)</u>
	810,000
	<u>810,000</u>
<u>448</u>	<u>591,127</u>
45	559,864
<u>\$ 493</u>	<u>\$ 1,150,991</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, 2020

	Unrestricted Capital Outlay		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 256,274	\$ 256,274
Property taxes		4,165	4,165
State aid and grants		1,142,691	1,142,691
Total revenues		1,403,130	1,403,130
Expenditures:			
Capital outlay	4,236,714	1,875,378	2,361,336
Debt service -			
Principal retirement	42,721	42,721	
Interest and fiscal charges	1,910	1,910	
Total expenditures	4,281,345	1,920,009	2,361,336
Excess (deficiency) of revenues over expenditures	(4,281,345)	(516,879)	3,764,466
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses)			
Changes in fund balances	(4,281,345)	(516,879)	3,764,466
Fund balances, beginning of year		2,960,942	2,960,942
Fund balances (deficits), end of year	\$ (4,281,345)	\$ 2,444,063	\$ 6,725,408

Adjacent Ways			Bond Building		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 524	\$ 524	\$	\$ 137,080	\$ 137,080
	<u>524</u>	<u>524</u>		<u>137,080</u>	<u>137,080</u>
26,650		26,650	12,437,000	12,380,498	56,502
<u>26,650</u>		<u>26,650</u>	<u>12,437,000</u>	<u>12,380,498</u>	<u>56,502</u>
<u>(26,650)</u>	<u>524</u>	<u>27,174</u>	<u>(12,437,000)</u>	<u>(12,243,418)</u>	<u>193,582</u>
				<u>(135,406)</u>	<u>(135,406)</u>
				<u>(135,406)</u>	<u>(135,406)</u>
<u>(26,650)</u>	<u>524</u>	<u>27,174</u>	<u>(12,437,000)</u>	<u>(12,378,824)</u>	<u>58,176</u>
	26,462	26,462		12,435,051	12,435,051
<u>\$ (26,650)</u>	<u>\$ 26,986</u>	<u>\$ 53,636</u>	<u>\$ (12,437,000)</u>	<u>\$ 56,227</u>	<u>\$ 12,493,227</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, 2020

	Energy and Water Savings		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 7,911	\$ 7,911
Property taxes			
State aid and grants			
Total revenues	(900,000)	(219,828)	680,172
Expenditures:			
Capital outlay	672,261		672,261
Debt service -			
Principal retirement	193,100	193,100	
Interest and fiscal charges	34,639	34,639	
Total expenditures	900,000	227,739	672,261
Excess (deficiency) of revenues over expenditures	(900,000)	(219,828)	680,172
Other financing sources (uses):			
Transfer in		810,000	810,000
Transfer out			
Total other financing sources (uses)	(900,000)	590,172	1,490,172
Changes in fund balances	(900,000)	590,172	1,490,172
Fund balances, beginning of year		533,340	533,340
Fund balances (deficits), end of year	\$ (900,000)	\$ 1,123,512	\$ 2,023,512

Emergency Deficiencies Correction			Building Renewal Grant		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$ 447	\$ 447
				1,951,042	1,951,042
				1,951,489	1,951,489
1,000	17	983	2,500,000	1,951,041	548,959
1,000	17	983	2,500,000	1,951,041	548,959
(1,000)	(17)	983	(2,500,000)	448	2,500,448
(1,000)	(17)	983	(2,500,000)	448	2,500,448
	17	17		45	45
\$ (1,000)	\$	\$ 1,000	\$ (2,500,000)	\$ 493	\$ 2,500,493

(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, 2020

	Totals		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 402,236	\$ 402,236
Property taxes		4,165	4,165
State aid and grants		3,093,733	3,093,733
Total revenues		<u>3,500,134</u>	<u>3,500,134</u>
Expenditures:			
Capital outlay	19,873,625	16,206,934	3,666,691
Debt service -			
Principal retirement	235,821	235,821	
Interest and fiscal charges	36,549	36,549	
Total expenditures	<u>20,145,995</u>	<u>16,479,304</u>	<u>3,666,691</u>
Excess (deficiency) of revenues over expenditures	<u>(20,145,995)</u>	<u>(12,979,170)</u>	<u>7,166,825</u>
Other financing sources (uses):			
Transfer in		810,000	810,000
Transfer out		(135,406)	(135,406)
Total other financing sources (uses)		<u>674,594</u>	<u>674,594</u>
Changes in fund balances	<u>(20,145,995)</u>	<u>(12,304,576)</u>	<u>7,841,419</u>
Fund balances, beginning of year		15,955,857	15,955,857
Fund balances (deficits), end of year	<u>\$ (20,145,995)</u>	<u>\$ 3,651,281</u>	<u>\$ 23,797,276</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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Net Position:					
Net investment in capital assets	\$ 27,513,958	\$ 25,430,264	\$ 23,283,202	\$ 25,026,466	\$ 24,092,627
Restricted	10,909,754	9,786,220	11,356,514	9,355,820	8,792,574
Unrestricted	<u>(25,467,803)</u>	<u>(27,715,109)</u>	<u>(31,640,279)</u>	<u>(33,557,718)</u>	<u>(33,865,138)</u>
Total net position	<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><u>\$ (979,937)</u></u>
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Net Position:					
Net investment in capital assets	\$ 24,812,730	\$ 25,170,955	\$ 23,701,048	\$ 23,872,917	\$ 23,987,659
Restricted	9,469,901	10,697,873	9,844,179	9,500,287	8,671,300
Unrestricted	<u>(35,881,862)</u>	<u>5,010,342</u>	<u>8,185,304</u>	<u>9,894,441</u>	<u>11,526,946</u>
Total net position	<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>	<u><u>\$ 44,185,905</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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Expenses					
Instruction	\$ 28,475,185	\$ 24,225,283	\$ 23,277,175	\$ 23,882,165	\$ 23,797,530
Support services - students and staff	5,959,015	4,987,041	4,688,884	4,933,647	5,044,693
Support services - administration	5,302,786	4,569,376	4,366,079	4,528,761	4,355,587
Operation and maintenance of plant services	5,924,941	5,599,744	5,606,194	5,479,983	5,685,776
Student transportation services	2,234,946	1,972,200	1,738,539	1,835,192	1,739,543
Operation of non-instructional services	2,852,969	3,004,446	2,891,627	2,922,808	2,850,419
Interest on long-term debt	943,756	1,889,166	712,726	605,593	836,764
Total expenses	<u>51,693,598</u>	<u>46,247,256</u>	<u>43,281,224</u>	<u>44,188,149</u>	<u>44,310,312</u>
Program Revenues					
Charges for services:					
Instruction	3,035,949	2,629,035	2,000,946	2,118,503	2,140,284
Operation of non-instructional services	327,390	462,517	411,761	376,302	382,954
Other activities	723,203	180,116	167,595	832,528	993,741
Operating grants and contributions	6,988,905	7,686,462	7,315,216	6,936,911	7,721,121
Capital grants and contributions	2,959,408	674,372	295,225	1,595,923	330,778
Total program revenues	<u>14,034,855</u>	<u>11,632,502</u>	<u>10,190,743</u>	<u>11,860,167</u>	<u>11,568,878</u>
Net (Expense)/Revenue	<u>\$ (37,658,743)</u>	<u>\$ (34,614,754)</u>	<u>\$ (33,090,481)</u>	<u>\$ (32,327,982)</u>	<u>\$ (32,741,434)</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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Expenses					
Instruction	\$ 24,416,291	\$ 23,230,551	\$ 22,630,089	\$ 21,825,817	\$ 21,193,617
Support services - students and staff	4,947,880	4,888,880	4,860,351	4,884,465	5,374,109
Support services - administration	4,682,031	4,467,273	4,484,144	4,170,644	4,097,324
Operation and maintenance of plant services	5,806,271	5,686,411	5,609,774	5,355,853	5,638,515
Student transportation services	1,841,991	1,826,102	1,788,886	1,531,310	1,623,623
Operation of non-instructional services	2,797,966	2,758,328	2,656,459	2,603,557	2,708,750
Interest on long-term debt	884,425	960,722	1,055,486	1,237,986	651,747
Total expenses	<u>45,376,855</u>	<u>43,818,267</u>	<u>43,085,189</u>	<u>41,609,632</u>	<u>41,287,685</u>
Program Revenues					
Charges for services:					
Instruction	2,861,211	2,537,148	2,305,102	2,393,490	2,691,103
Operation of non-instructional services	395,497	397,266	398,362	387,526	425,040
Other activities	436,118	377,557	372,398	350,356	269,948
Operating grants and contributions	7,666,253	7,518,260	7,205,183	6,904,820	7,909,199
Capital grants and contributions	310,594	261,557	303,062	118,143	325,834
Total program revenues	<u>11,669,673</u>	<u>11,091,788</u>	<u>10,584,107</u>	<u>10,154,335</u>	<u>11,621,124</u>
Net (Expense)/Revenue	<u>\$ (33,707,182)</u>	<u>\$ (32,726,479)</u>	<u>\$ (32,501,082)</u>	<u>\$ (31,455,297)</u>	<u>\$ (29,666,561)</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				
	2020	2019	2018	2017	2016
Net (Expense)/Revenue	\$ (37,658,743)	\$ (34,614,754)	\$ (33,090,481)	\$ (32,327,982)	\$ (32,741,434)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	10,060,895	9,759,689	9,613,026	9,756,362	9,573,126
Property taxes, levied for debt service	2,856,793	2,667,159	2,163,936	2,214,566	1,732,605
Property taxes, levied for capital outlay		212,220	131,308	1	4
Investment income	391,420	554,897	159,625	109,665	72,972
Unrestricted county aid	2,112,919	2,090,391	2,062,934	2,087,943	2,010,153
Unrestricted state aid	25,988,487	23,534,890	20,918,532	19,803,718	19,816,228
Unrestricted federal aid	323,127	297,446	215,989	160,232	155,640
Total general revenues	41,733,641	39,116,692	35,265,350	34,132,487	33,360,728
Changes in Net Position	\$ 4,074,898	\$ 4,501,938	\$ 2,174,869	\$ 1,804,505	\$ 619,294

(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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Net (Expense)/Revenue	\$ (33,707,182)	\$ (32,726,479)	\$ (32,501,082)	\$ (31,455,297)	\$ (29,666,561)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	9,806,714	9,964,424	8,588,037	8,496,476	9,988,442
Property taxes, levied for debt service	1,695,060	1,871,372	2,931,255	2,889,704	2,516,168
Property taxes, levied for capital outlay	5	74	85		
Investment income	53,418	65,307	137,035	71,821	97,158
Unrestricted county aid	1,945,722	1,923,971	1,904,018	1,613,268	1,459,486
Unrestricted state aid	18,307,824	18,135,679	17,261,140	17,292,481	19,084,987
Unrestricted federal aid	126,746	161,497	142,398	173,287	231,490
Total general revenues	<u>31,935,489</u>	<u>32,122,324</u>	<u>30,963,968</u>	<u>30,537,037</u>	<u>33,377,731</u>
Changes in Net Position	<u>\$ (1,771,693)</u>	<u>\$ (604,155)</u>	<u>\$ (1,537,114)</u>	<u>\$ (918,260)</u>	<u>\$ 3,711,170</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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
General Fund:					
Nonspendable	\$ 813,232	\$ 732,972	\$ 742,038	\$ 694,160	\$ 569,029
Unassigned	8,838,775	6,871,913	5,930,917	6,002,795	6,583,530
Total General Fund	\$ 9,652,007	\$ 7,604,885	\$ 6,672,955	\$ 6,696,955	\$ 7,152,559
All Other Governmental Funds:					
Nonspendable	\$ 100,048	\$ 106,215	\$ 79,204	\$ 86,059	\$ 113,343
Restricted	10,689,890	21,996,678	25,110,406	9,328,521	9,165,666
Unassigned	(234,542)	(47,459)	(89,200)		
Total all other governmental funds	\$ 10,555,396	\$ 22,055,434	\$ 25,100,410	\$ 9,414,580	\$ 9,279,009

(Continued)

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Fund:					
Nondisposable	\$ 645,580	\$ 886,994	\$ 858,379	\$ 1,000,613	\$ 735,929
Unassigned	4,811,772	4,870,251	6,415,291	8,070,158	10,037,516
Total General Fund	<u>\$ 5,457,352</u>	<u>\$ 5,757,245</u>	<u>\$ 7,273,670</u>	<u>\$ 9,070,771</u>	<u>\$ 10,773,445</u>
All Other Governmental Funds:					
Nondisposable	\$ 48,240	\$ 75,601	\$ 69,169	\$ 52,201	\$ 137,965
Restricted	10,120,001	12,158,034	12,554,480	15,075,445	17,853,310
Unassigned	(37,697)	(27,136)			
Total all other governmental funds	<u>\$ 10,130,544</u>	<u>\$ 12,206,499</u>	<u>\$ 12,623,649</u>	<u>\$ 15,127,646</u>	<u>\$ 17,991,275</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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Federal sources:					
Federal grants	\$ 4,223,179	\$ 4,651,260	\$ 4,106,685	\$ 5,105,541	\$ 4,784,320
National School Lunch Program	2,422,601	2,528,980	2,565,275	2,606,491	2,654,882
Total federal sources	<u>6,645,780</u>	<u>7,180,240</u>	<u>6,671,960</u>	<u>7,712,032</u>	<u>7,439,202</u>
State sources:					
State equalization assistance	22,658,056	20,259,367	17,884,357	17,123,536	17,413,770
State grants	955,148	766,644	273,703	130,248	157,772
School Facilities Board	1,951,042	108,674	181,911	281,857	293,475
Other revenues	3,330,431	3,275,523	3,216,788	2,680,174	2,402,451
Total state sources	<u>28,894,677</u>	<u>24,410,208</u>	<u>21,556,759</u>	<u>20,215,815</u>	<u>20,267,468</u>
Local sources:					
Property taxes	12,915,409	12,573,845	11,910,220	11,886,197	11,276,121
County aid	2,134,446	2,090,391	2,062,934	2,087,943	2,010,153
Food service sales	321,998	382,452	349,170	368,223	372,443
Investment income	391,420	554,897	159,625	109,665	72,972
Other revenues	4,177,087	3,457,457	2,795,763	3,528,047	3,461,633
Total local sources	<u>19,940,360</u>	<u>19,059,042</u>	<u>17,277,712</u>	<u>17,980,075</u>	<u>17,193,322</u>
Total revenues	<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>	<u><u>\$ 44,899,992</u></u>

(Continued)

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Federal sources:					
Federal grants	\$ 5,180,092	\$ 4,867,094	\$ 4,732,432	\$ 4,434,794	\$ 4,597,027
State Fiscal Stabilization (ARRA)					231,490
Education Jobs				15,121	985,187
National School Lunch Program	2,532,756	2,560,220	2,431,567	2,285,107	2,152,228
Total federal sources	<u>7,712,848</u>	<u>7,427,314</u>	<u>7,163,999</u>	<u>6,735,022</u>	<u>7,965,932</u>
State sources:					
State equalization assistance	16,043,535	15,891,586	15,465,219	15,656,612	17,630,781
State grants	244,142	218,861	307,855	212,400	170,959
School Facilities Board	239,517	105,886			
Other revenues	2,264,325	2,244,093	1,795,921	1,636,197	1,590,776
Total state sources	<u>18,791,519</u>	<u>18,460,426</u>	<u>17,568,995</u>	<u>17,505,209</u>	<u>19,392,516</u>
Local sources:					
Property taxes	11,606,810	11,807,713	11,486,643	11,573,940	12,400,383
County aid	1,945,722	1,923,971	1,904,018	1,613,268	1,459,486
Food service sales	384,262	389,350	392,935	385,882	366,360
Investment income	53,907	65,307	137,035	71,821	97,158
Other revenues	3,215,125	3,111,874	2,861,716	2,994,034	3,251,579
Total local sources	<u>17,205,826</u>	<u>17,298,215</u>	<u>16,782,347</u>	<u>16,638,945</u>	<u>17,574,966</u>
Total revenues	<u>\$ 43,710,193</u>	<u>\$ 43,185,955</u>	<u>\$ 41,515,341</u>	<u>\$ 40,879,176</u>	<u>\$ 44,933,414</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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Expenditures:					
Current -					
Instruction	\$ 25,254,459	\$ 23,701,936	\$ 22,193,984	\$ 21,866,324	\$ 21,190,136
Support services - students and staff	5,800,310	5,318,265	4,887,217	4,919,281	4,929,873
Support services - administration	4,851,412	4,598,422	4,374,101	4,452,051	4,175,551
Operation and maintenance of plant services	5,242,038	5,206,740	5,570,404	5,734,135	5,587,530
Student transportation services	1,639,012	1,679,592	1,631,830	1,546,219	1,486,441
Operation of non-instructional services	2,648,574	2,884,580	2,776,074	2,797,043	2,781,371
Capital outlay	18,013,964	4,410,941	7,800,870	2,634,100	3,862,990
Debt service -					
Interest and fiscal charges	1,019,145	1,964,555	650,939	730,332	853,893
Principal retirement	2,090,821	3,163,876	1,810,714	1,646,317	1,438,880
Bond issuance costs			252,015	213,359	
Total expenditures	<u>\$ 66,559,735</u>	<u>\$ 52,928,907</u>	<u>\$ 51,948,148</u>	<u>\$ 46,539,161</u>	<u>\$ 46,306,665</u>
Expenditures for capitalized assets	\$ 15,746,835	\$ 3,145,563	\$ 7,228,702	\$ 1,665,104	\$ 2,912,507
Debt service as a percentage of noncapital expenditures	6%	10%	6%	5%	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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Expenditures:					
Current -					
Instruction	\$ 21,768,437	\$ 20,885,766	\$ 19,855,181	\$ 20,126,200	\$ 19,394,272
Support services - students and staff	4,784,411	4,827,700	4,718,700	4,789,466	5,197,363
Support services - administration	4,421,107	4,260,005	4,376,932	3,995,245	3,809,344
Operation and maintenance of plant services	5,578,554	5,529,864	5,406,671	5,285,569	5,522,750
Student transportation services	1,550,724	1,594,744	1,540,842	1,348,207	1,379,688
Operation of non-instructional services	2,698,230	2,700,687	2,603,417	2,488,686	2,608,305
Capital outlay	2,805,263	2,408,565	4,162,231	4,732,527	6,196,061
Debt service -					
Interest and fiscal charges	901,554	977,851	1,055,486	1,237,986	684,029
Principal retirement	1,377,010	1,969,395	1,881,713	1,620,514	1,892,182
Bond issuance costs					93,588
Total expenditures	<u>\$ 45,885,290</u>	<u>\$ 45,154,577</u>	<u>\$ 45,601,173</u>	<u>\$ 45,624,400</u>	<u>\$ 46,777,582</u>
Expenditures for capitalized assets	\$ 1,693,714	\$ 1,695,076	\$ 3,243,504	\$ 4,117,011	\$ 4,971,858
Debt service as a percentage of noncapital expenditures	5%	7%	7%	7%	6%

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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Excess (deficiency) of revenues over expenditures	\$ (11,078,918)	\$ (2,279,417)	\$ (6,441,717)	\$ (631,239)	\$ (1,406,673)
Other financing sources (uses):					
Insurance recoveries	172,373	148,326			
School improvement bonds issued			13,385,000		
Refunding bonds issued				9,800,000	
Premium on sale of bonds			834,340	1,621,601	
Capital lease agreements			7,843,184		2,261,793
Transfers in	1,034,262	1,249,153	815,774	268,763	318,071
Transfers out	(1,034,262)	(1,249,153)	(815,774)	(268,763)	(318,071)
Payment to refunded bond escrow agent				(11,208,242)	
Total other financing sources (uses)	<u>172,373</u>	<u>148,326</u>	<u>22,062,524</u>	<u>213,359</u>	<u>2,261,793</u>
Changes in fund balances	<u>\$ (10,906,545)</u>	<u>\$ (2,131,091)</u>	<u>\$ 15,620,807</u>	<u>\$ (417,880)</u>	<u>\$ 855,120</u>
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Excess (deficiency) of revenues over expenditures	\$ (2,175,097)	\$ (1,968,622)	\$ (4,085,832)	\$ (4,745,224)	\$ (1,844,168)
Other financing sources (uses):					
School improvement bonds issued					9,950,000
Premium on sale of bonds					125,870
Capital lease agreements	68,024				434,367
Transfers in	250,071	2,557,872	330,192	220,090	90,034
Transfers out	(250,071)	(2,557,872)	(330,192)	(220,090)	(90,034)
Total other financing sources (uses)	<u>68,024</u>	<u></u>	<u></u>	<u></u>	<u>10,510,237</u>
Changes in fund balances	<u>\$ (2,107,073)</u>	<u>\$ (1,968,622)</u>	<u>\$ (4,085,832)</u>	<u>\$ (4,745,224)</u>	<u>\$ 8,666,069</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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Commercial, Industrial, Utilities and Mining	\$ 112,314,117	\$ 109,191,270	\$ 106,316,995	\$ 104,178,703	\$ 103,613,262
Agricultural and Vacant	3,622,156	4,046,429	3,954,237	4,211,883	4,864,782
Residential (Owner Occupied)	54,915,674	52,125,002	49,489,791	47,694,240	45,879,412
Residential (Rental)	30,732,676	30,133,326	29,876,426	29,734,047	28,211,503
Railroad, Private Cars and Airlines	1,376,094	1,447,956	1,461,845	1,295,731	1,339,071
Historical Property	1,244	1,272	1,281	1,277	
Certain Government Property Improvements					
Total	\$ 202,961,961	\$ 196,945,255	\$ 191,100,575	\$ 187,115,881	\$ 183,908,030
Gross Full Cash Value	\$ 1,946,507,971	\$ 1,841,624,532	\$ 1,739,772,247	\$ 1,692,941,979	\$ 1,603,347,327
Ratio of Net Limited Assessed Value to Gross Full Cash Value	10%	11%	11%	11%	11%
Total Direct Rate	6.85	6.89	6.75	6.90	6.63

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Commercial, Industrial, Utilities and Mining	\$ 108,115,016	\$ 108,646,346	\$ 117,028,380	\$ 115,885,389	\$ 119,121,232
Agricultural and Vacant	5,133,265	5,596,377	6,006,160	6,419,440	6,539,972
Residential (Owner Occupied)	45,906,498	48,103,134	55,089,281	59,833,213	69,648,932
Residential (Rental)	26,631,922	23,819,874	24,602,502	24,477,012	25,056,971
Railroad, Private Cars and Airlines	1,074,849	908,886	866,428	735,611	684,499
Historical Property			111,799	382,032	308,798
Certain Government Property Improvements				12,043	
Total	\$ 186,861,550	\$ 187,074,617	\$ 203,704,550	\$ 207,744,740	\$ 221,360,404
Gross Full Cash Value	\$ 1,551,507,923	\$ 1,528,762,890	\$ 1,624,311,957	\$ 1,681,789,943	\$ 1,765,177,346
Ratio of Net Limited Assessed Value to Gross Full Cash Value	12%	12%	13%	12%	13%
Total Direct Rate	6.61	6.71	5.98	5.97	6.04

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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Commercial, Industrial, Utilities and Mining	\$ 126,209,609	\$ 120,912,533	\$ 112,075,368	\$ 107,302,198	\$ 107,392,880
Agricultural and Vacant	3,962,554	4,232,271	4,199,537	4,420,389	4,961,780
Residential (Owner Occupied)	64,044,729	58,096,655	53,805,547	52,468,419	48,169,512
Residential (Rental)	37,039,193	35,862,454	32,967,356	31,754,325	28,944,070
Railroad, Private Cars and Airlines	1,684,126	1,730,274	1,689,571	1,380,686	1,362,614
Historical Property	1,244	1,272	1,281	1,277	
Certain Government Property Improvements					
Total	\$ 232,941,455	\$ 220,835,459	\$ 204,738,660	\$ 197,327,294	\$ 190,830,856
Gross Full Cash Value	\$ 1,946,507,971	\$ 1,841,624,532	\$ 1,739,772,247	\$ 1,692,941,979	\$ 1,603,347,327
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	12%	12%	12%	12%	12%
Estimated Net Full Cash Value	1,724,333,660	1,629,201,874	1,506,130,002	1,453,406,024	1,363,963,750
Total Direct Rate	6.85	6.89	6.75	6.90	6.63

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Commercial, Industrial, Utilities and Mining	\$ 109,340,130	\$ 109,940,821	\$ 120,572,082	\$ 121,451,430	\$ 128,937,745
Agricultural and Vacant	5,212,117	5,776,203	6,485,635	7,219,438	8,085,468
Residential (Owner Occupied)	46,102,323	48,127,140	55,147,501	59,948,263	70,127,699
Residential (Rental)	26,800,291	24,050,117	24,663,656	24,920,187	26,651,322
Railroad, Private Cars and Airlines	1,084,163	916,837	881,512	814,148	807,216
Historical Property			447,195	1,528,123	1,296,954
Certain Government Property Improvements				12,602	
Total	\$ 188,539,024	\$ 188,811,118	\$ 208,197,581	\$ 215,894,191	\$ 235,906,404
Gross Full Cash Value	\$ 1,551,507,923	\$ 1,528,762,890	\$ 1,624,311,957	\$ 1,681,789,943	\$ 1,765,177,346
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	12%	12%	13%	13%	13%
Estimated Net Full Cash Value	1,320,333,156	1,306,927,608	1,432,907,715	1,498,761,251	1,631,009,877
Total Direct Rate	6.61	6.71	5.98	5.97	6.04

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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Commercial, Industrial, Utilities and Mining	18 %	18 %	18 %	18 %	19 %
Agricultural and Vacant	15	15	15	15	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	15	14	15	14	15

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Commercial, Industrial, Utilities and Mining	19 %	20 %	20 %	20 %	21 %
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	16	15	15	15	17

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
	2020	0.46	4.69	0.54	0.33	1.38	0.04	0.14	1.38	3.00	3.97	2.88
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
2011	0.36	3.31	0.31	0.26	0.11	0.04	0.10	0.96	2.46	3.88	2.16	6.04

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	2020		2011	
	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	\$ 10,964,600	5.40 %	\$ 9,379,872	3.98 %
Southwest Gas Corp	3,097,288	1.53	1,875,857	0.80
Marana Marketplace Partners, LLC	2,793,791	1.38	1,588,610	0.67
Verizon Wireless	2,232,186	1.10	1,425,832	0.60
Realty Income Properties LLC	2,203,043	1.09		
Orange Grove Properties LLC	1,852,200	0.91	1,520,000	0.64
Qwest Corp	1,496,552	0.74	2,569,243	1.09
National Retail Properties LP	1,576,389	0.78		
Union Pacific Railroad	1,376,094	0.68		
Tanger Co	1,329,615	0.66		
Marana Ina Road LLC			2,113,201	0.90
GRH Marana LLC			1,665,576	0.71
Target Corporation			1,458,900	0.62
HD Development of Maryland			1,404,175	0.60
Total	<u>\$ 28,921,758</u>	<u>14.25 %</u>	<u>\$25,001,266</u>	<u>10.60 %</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
2020	\$ 11,965,363	\$ 11,619,938	97.11 %	\$	\$ 11,619,938	97.11 %
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
2011	12,450,248	11,805,314	94.82	641,090	12,446,404	99.97

Source: The source of this information is the 2020 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
2020	\$ 24,704,159	\$ 1,116,750	\$ 23,587,409	1.21 %	\$ 245	\$ 8,018,301	\$ 32,722,460	1.68 %	\$ 340	N/A %
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
2011	25,680,000	1,369,504	24,310,496	1.38	280	349,540	26,029,540	1.47	300	0.08

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

Note: N/A indicates that the information is not available.

**FLOWING WELLS UNIFIED SCHOOL DISTRICT NO. 8
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2020**

<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	0.32 %	None
Pima County	227,335,000	2.36	5,372,345
Community College District	None	2.36	None
City of Tucson	148,145,000	5.77	8,545,697
Northwest Fire District	30,340,000	17.33	5,256,873
Subtotal, Overlapping Debt			<u>19,174,915</u>
Direct:			
Flowing Wells Unified School District No. 8	32,722,460	100.00	<u>32,722,460</u>
Total Direct and Overlapping Governmental Activities Debt			<u><u>\$ 51,897,375</u></u>

DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS

Net Direct General Obligation Bonded Debt	
As a Percentage of Net Limited Assessed Valuation	11.55 %
Net Direct and Overlapping General Bonded Debt	
Per Capita	\$ 443
As a Percentage of Net Limited Assessed Valuation	21.00 %
As a Percentage of Gross Full Cash Value	2.19 %

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, 2019 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 2020:

Net full cash assessed valuation	\$ 232,941,455
Debt limit (20% of assessed value)	46,588,291
Debt applicable to limit	<u>23,447,013</u>
Legal debt margin	<u><u>\$ 23,141,278</u></u>

Total Legal Debt Margin Calculation for Fiscal Year 2020:

Net full cash assessed valuation	\$ 232,941,455
Debt limit (30% of assessed value)	69,882,437
Debt applicable to limit	<u>23,447,013</u>
Legal debt margin	<u><u>\$ 46,435,424</u></u>

Fiscal Year Ended June 30

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Debt Limit	\$ 69,882,437	\$ 66,250,638	\$ 61,421,598	\$ 59,198,188	\$ 57,249,257
Total net debt applicable to limit	<u>23,447,013</u>	<u>25,305,000</u>	<u>26,995,000</u>	<u>14,585,000</u>	<u>16,080,000</u>
Legal debt margin	<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>	<u><u>\$ 41,169,257</u></u>
Total net debt applicable to the limit as a percentage of debt limit	34%	38%	44%	25%	28%

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Debt Limit	\$ 56,561,707	\$ 56,643,335	\$ 62,459,274	\$ 64,768,257	\$ 70,771,921
Total net debt applicable to limit	<u>17,455,000</u>	<u>18,740,000</u>	<u>22,370,000</u>	<u>23,945,000</u>	<u>25,680,000</u>
Legal debt margin	<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>	<u><u>\$ 45,091,921</u></u>
Total net debt applicable to the limit as a percentage of debt limit	31%	33%	36%	37%	36%

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>
2019	1,044,675	\$ N/A	\$ N/A	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
2010	960,263	34,360,759	34,987	9.0	86,769

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 for 2010 is the University of Arizona, Eller College of Management, Economic and Business Research Center. For 2011 through 2019, the source of the information is the Arizona Office of Employment and Population Statistics.

Note: N/A indicates that the information is not available.

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

<u>Employer</u>	<u>2020</u>		<u>2011</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
University of Arizona	11,251	2.95 %	10,481	4.94 %
Raytheon Missile Systems	9,600	2.51	10,500	4.95
State of Arizona	8,580	2.25	8,866	4.18
Davis Monthan AFB	8,406	2.20	8,462	3.99
Pima County	7,060	1.85	6,403	3.02
Tucson Unified School District	6,770	1.77	6,709	3.16
Banner University of Arizona Health Network	6,272	1.64		
U.S. Customs and Border Protection	5,739	1.50		
Freeport-McMoran Mining	5,530	1.45		
Wal-Mart Stores, Inc.	5,500	1.44	7,308	3.44
Fort Huachuca			6,225	2.93
City of Tucson			4,930	2.32
Carondelet Health Services				
UA Healthcare			5,982	2.82
Total	<u>74,708</u>	<u>19.56 %</u>	<u>75,866</u>	<u>35.75 %</u>
Total employment	<u>382,000</u>		<u>212,314</u>	

Source: Arizona Daily Star - 200, June 2020 and The Book of Lists 2020, Insire 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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Supervisory					
Principals	9	9	9	9	9
Assistant principals	6	6	6	6	6
Total supervisory	<u>15</u>	<u>15</u>	<u>15</u>	<u>15</u>	<u>15</u>
Instruction					
Teachers	292	288	289	292	293
Aides	92	94	104	104	104
Total instruction	<u>384</u>	<u>382</u>	<u>393</u>	<u>396</u>	<u>397</u>
Student Services					
Certified	22	22	23	23	25
Classified	35	30	29	28	28
Total student services	<u>57</u>	<u>52</u>	<u>52</u>	<u>51</u>	<u>53</u>
Support and Administration					
Certified	9	10	10	10	9
Classified	139	141	137	141	140
Total support and administration	<u>148</u>	<u>151</u>	<u>147</u>	<u>151</u>	<u>149</u>
Total	<u><u>604</u></u>	<u><u>600</u></u>	<u><u>607</u></u>	<u><u>613</u></u>	<u><u>614</u></u>

(Continued)

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Supervisory					
Principals	9	9	9	9	8
Assistant principals	6	6	5	5	5
Total supervisory	<u>15</u>	<u>15</u>	<u>14</u>	<u>14</u>	<u>13</u>
Instruction					
Teachers	293	293	293	290	300
Aides	106	113	106	93	93
Total instruction	<u>399</u>	<u>406</u>	<u>399</u>	<u>383</u>	<u>393</u>
Student Services					
Certified	24	27	26	25	21
Classified	27	26	24	23	26
Total student services	<u>51</u>	<u>53</u>	<u>50</u>	<u>48</u>	<u>47</u>
Support and Administration					
Certified	9	13	14	16	19
Classified	151	147	147	144	143
Total support and administration	<u>160</u>	<u>160</u>	<u>161</u>	<u>160</u>	<u>162</u>
Total	<u><u>625</u></u>	<u><u>634</u></u>	<u><u>624</u></u>	<u><u>605</u></u>	<u><u>615</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
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
2011	5,324	37,911,722	7,121	(3.84)	41,287,685	7,755	(4.64)	393	13.5	72.2

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>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>2011</u>
<u>Schools</u>										
Elementary										
Buildings	33	43	45	45	45	45	45	45	45	44
Square feet	312,000	308,253	321,505	321,505	321,505	321,505	320,827	319,387	315,706	311,615
Enrollment	2,780	2,780	2,764	2,845	2,894	2,934	2,951	3,044	2,960	2,915
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	827	827	819	803	771	852	889	813	795	809
High										
Buildings	51	51	51	51	51	51	51	51	50	52
Square feet	278,879	278,879	278,879	278,879	278,879	278,879	279,406	278,906	277,304	270,249
Enrollment	1,862	1,862	1,905	1,839	1,836	1,795	1,720	1,632	1,682	1,676
Other										
Buildings	11	11	11	11	11	11	11	11	11	10
Square feet	43,706	43,706	43,706	43,706	43,706	43,706	55,517	55,517	55,517	50,172
Enrollment	132	132	142	151	145	133	150	164	190	191
<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	25	25	25	25	25	25	23	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	11
Swimming pools	1	1	1	1	1	1	1	1	1	1
Playgrounds	15	15	15	15	15	15	15	15	15	14

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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