



# **Flowing Wells Unified School District**

## **Potential Finds Opportunity**

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**Annual Comprehensive Financial Report**  
**For the Fiscal Year Ended June 30, 2023**

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**1556 W Prince Rd \* Tucson, Arizona 85705**

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

**Tucson, Arizona**

**Annual Comprehensive Financial Report  
Fiscal Year Ended June 30, 2023**

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) 696-8801 | FAX: (520) 690-2400

February 26, 2024

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

State law mandates that school districts required to undergo an annual single audit publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States by a certified public accounting firm licensed in the State of Arizona. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the Flowing Wells Unified School District No. 8 (District) for the fiscal year ended June 30, 2023.

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, 2023, 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, 2023, 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 Report.

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 5,317 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 2022-23 school year, the District experienced an increase in net limited assessed valuation of \$5,544,084 and an increase in its net full cash assessed valuation of \$4,548,985. The District anticipates an increase in its assessed valuations in the next couple of years to reflect market conditions.

Numerous national and state awards and recognitions provide evidence of the quality of Flowing Wells programs and staff. In June 2017, Flowing Wells earned District Accreditation from the international accrediting body, AdvancED. Both Flowing Wells High School and Sentinel Peak High School (the District's alternative high school) earned re-accreditation through Cognia in the 2021-2022 school year, and Flowing Wells Digital Campus, the District's online high school earned accreditation in the 2022-2023 school year. In May 2023, Emily Meschter Early Learning Center earned its third five-star rating on the First Things First's Quality First evaluation. All eight traditional Flowing Wells schools have earned the A+ designation by the Arizona Educational Foundation. Seven Flowing Wells teachers have earned Arizona Teacher of the Year honors and 16 teachers have been recognized as an Arizona Ambassador for Excellence (one of the top five teachers of the year). Additionally, ten teachers have been selected as winner of the Raytheon Teacher Leader Award and 13 others have been chosen as finalists. Five high school teachers have been chosen as the University of Arizona Online Outstanding High School Teacher and 17 others have been chosen as finalists. Fourteen teachers currently hold National Board Certification. Nine programs have earned the prestigious Golden Apple Award presented by the Arizona School Boards Association. The Arizona Department of Education released school letter grades in November 2023; five schools earned A labels, three schools earned B labels, and one school earned a C label. The District earned an overall B label. According to Arizona Auditor General Reports, Flowing Wells consistently outperforms its comparison peer group in terms of student achievement in mathematics, English language arts, and science, and the District devotes a greater percentage of its budget to instruction than its peers.

The District maintains budgetary controls as an integral part of its overall system of internal controls. The objective of these budgetary controls is to ensure compliance with legal provisions included in the annual expenditure budget adopted by the District's Governing Board. The annual expenditure budget also serves as the foundation for the District's financial planning and control. Activities of the general fund, special revenue funds, and capital projects funds are included in the annual appropriated budget. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is the total adopted expenditure budget. Arizona Revised Statutes permits the adopted expenditure budget to be revised annually. The District additionally exercises management control and oversight of the budget at the fund level. The District may have overexpenditures of budgeted funds 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.

### **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 small increase in enrollment in the 2022-23 school year. The District anticipates a slight decrease in enrollment in the 2023-24 school year.

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 slightly decrease in fiscal year 2024 and remain stable in future years. The District has received \$21.5 million in Federal funds through the CRRSA, ARP and other COVID related relief funds acts to provide for safe school reopening, additional student support, staff professional development and maintain staff over the next year. Additionally, the District is prioritizing technology initiatives, including one-to-one student Chromebooks, with these Federal funds. With the uncertainty of future state funding, the District continues to review staffing needs and set priorities based on student needs.

The Governing Board authorized the call for a 13 percent maintenance and operations budget override in November 2023. The voters approved 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.

The Arizona Department of Education awarded Douglas Elementary School, Homer Davis Elementary, Laguna Elementary School and Flowing Wells Junior High School \$2.1 million over five years for the 21st Century Schools grants. The five-year grants provide resources to extend our school day and school year with additional academic tutoring and enrichment and provide parental engagement training. These are all strategies which have been promoted by local, state, and national policy makers as keys to restructuring and reinventing education for the 21st Century student.

**Major Initiatives.** The District was successful in passing a bond election in November 2017, which gave the District the ability to issue \$23.9 million in school improvement bonds. The District issued \$8.9 million in school improvement bonds in May 2021. These funds were used to replace and construct new classrooms, a new community learning center with preschool classrooms, and renovate and improve school campuses across the District.

### **Awards and Acknowledgment**

**Awards.** The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its annual comprehensive financial report for the fiscal year ended June 30, 2022. This was the thirty-fifth consecutive year that the District has received this prestigious award. In addition, the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its annual comprehensive financial report for the fiscal year ended June 30, 2022. In order to be awarded these certificates, the District published an easily readable and efficiently organized annual comprehensive financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

These certificates are valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the programs' requirements and we are submitting it to ASBO and GFOA to determine its eligibility for the fiscal year ended June 30, 2023 certificates.

**Acknowledgments.** The preparation of the annual comprehensive financial report on a timely basis was made possible by the dedicated service of the entire staff of the business services department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

In closing, without the leadership and support of the Governing Board of the District, preparation of this report would not have been possible.

Respectfully submitted,

Handwritten signature of Kevin Stoltzfus in black ink.

Dr. Kevin Stoltzfus  
Superintendent

Handwritten signature of Stacy Trueblood in blue ink.

Ms. Stacy Trueblood  
Chief Financial Officer



The Certificate of Excellence in Financial Reporting  
is presented to

## Flowing Wells Unified School District 8

for its Annual Comprehensive Financial Report  
for the Fiscal Year Ended June 30, 2022.

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



A handwritten signature in black ink, reading 'John W. Hutchison', written over a horizontal line.

**John W. Hutchison**  
President

A handwritten signature in black ink, reading 'Siobhán McMahon', written over a horizontal line.

**Siobhán McMahon, CAE**  
Chief Operations Officer/  
Interim Executive Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

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

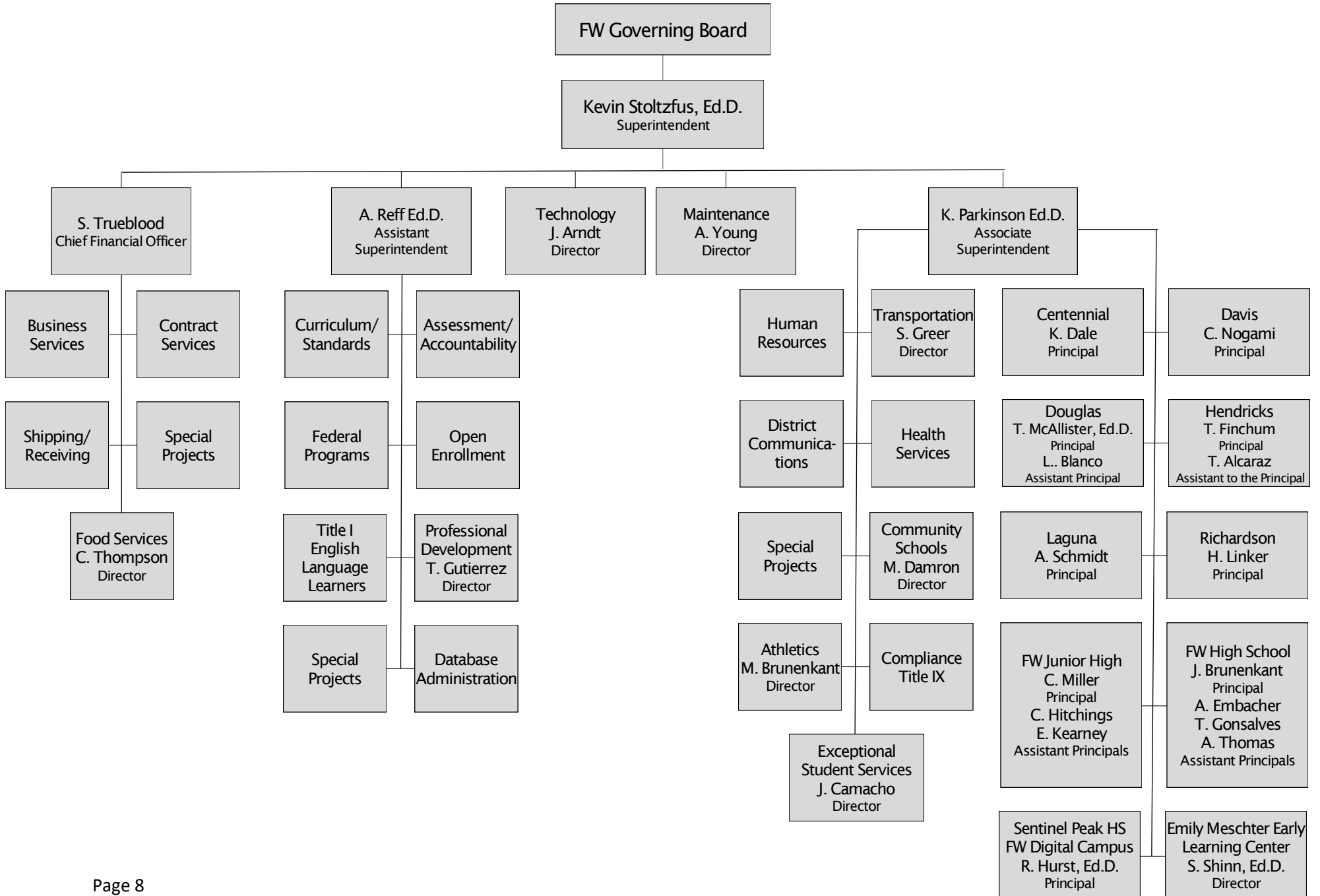
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO

# Flowing Wells School District Organizational Chart 2022-2023



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

**List of Principal Officials**

**Governing Board**

Kristie A. Hammar, President

James A. Love, Clerk

Wendy J. Effing, Member

Brianna Hamilton, Member

Thomas S. Jacobs, Member

**Administrative Staff**

Dr. Kevin Stoltzfus, Superintendent

Dr. Kimberley E. Parkinson, Associate Superintendent

Dr. Audrey Reff, Assistant Superintendent

Ms. Stacy Trueblood, Chief Financial Officer



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## **Financial Section**

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## Independent Auditor's Report

Governing Board  
Flowing Wells Unified School District No. 8

### **Report on Audit of Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Flowing Wells Unified School District No. 8 (District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Flowing Wells Unified School District No. 8, as of June 30, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Flowing Wells Unified School District No. 8 and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Change in Accounting Principle***

As described in Note 1, the District implemented the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, for the year ended June 30, 2023, which represents a change in accounting principle. Our opinion is not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

### ***Other Matters***

#### ***Required Supplementary Information***

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

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Combining and Individual Fund Financial Statements and Schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining and Individual Fund Financial Statements and Schedules information is fairly stated in all material respects in relation to the basic financial statements as a whole.

### *Other Information*

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

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

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 2024, 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  
February 26, 2024

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**Management's Discussion And Analysis (MD&A)  
(Required Supplementary Information)**



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**Flowing Wells Unified School District No. 8  
Management's Discussion and Analysis (MD&A)  
Year Ended June 30, 2023**

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, 2023. 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 \$6.3 million which represents a 30 percent increase from the prior fiscal year as a result of an increase in unrestricted state aid.
- General revenues accounted for \$50.1 million in revenue, or 70 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$21.6 million or 30 percent of total current fiscal year revenues.
- The District had approximately \$65.4 million in expenses related to governmental activities, an increase of 12 percent from the prior fiscal year due to increases in salaries and related benefits.
- Among major funds, the General Fund had \$43.3 million current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$43.1 million in expenditures. The General Fund's fund balance increased from \$15.8 million at the prior fiscal year end, to \$16.3 million at the end of the current fiscal year.

**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, 2023**

**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, 2023**

**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, Federal and State Grants, and Other Special Revenue funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and schedules.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget process and pension plan. The District adopts an annual expenditure budget for all governmental funds. A schedule of revenues, expenditures and changes in fund balances – budget and actual has been provided for the General Fund and the major Special Revenue Funds as required supplementary information. Schedules for the pension plan have been provided as required supplementary information.

**Government-Wide Financial Analysis**

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$27.1 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, 2023**

**Government-Wide Financial Analysis**

The following table presents a summary of the District's net position for the fiscal years ended June 30, 2023 and June 30, 2022.

	As of June 30, 2023	As of June 30, 2022
Current assets	\$ 35,670,188	\$ 36,117,428
Capital assets, net	69,487,463	62,170,246
Total assets	<u>105,157,651</u>	<u>98,287,674</u>
Deferred outflows	<u>8,140,190</u>	<u>9,308,155</u>
Current liabilities	6,190,897	3,845,029
Long-term liabilities	<u>78,770,779</u>	<u>72,192,624</u>
Total liabilities	<u>84,961,676</u>	<u>76,037,653</u>
Deferred inflows	<u>1,237,204</u>	<u>10,734,034</u>
Net position:		
Net investment in capital assets	35,418,891	30,236,059
Restricted	12,468,724	13,370,187
Unrestricted	<u>(20,788,654)</u>	<u>(22,782,104)</u>
Total net position	<u>\$ 27,098,961</u>	<u>\$ 20,824,142</u>

At the end of the current fiscal year the District reported a negative unrestricted net position of \$20.8 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 \$234,494 in bond premium.
- The principal retirement of \$747,665 and \$91,951 of financed purchases and leases, respectively.
- The addition of \$11.4 million in capital assets through the construction of school improvements and purchases of vehicles, furniture, and equipment.
- The depreciation of \$4.1 million of capital assets.
- The increase of \$9.6 million in pension liabilities and decrease of \$9.5 million in pension deferred inflows of resources.

**Flowing Wells Unified School District No. 8  
Management's Discussion and Analysis (MD&A)  
Year Ended June 30, 2023**

**Government-Wide Financial Analysis**

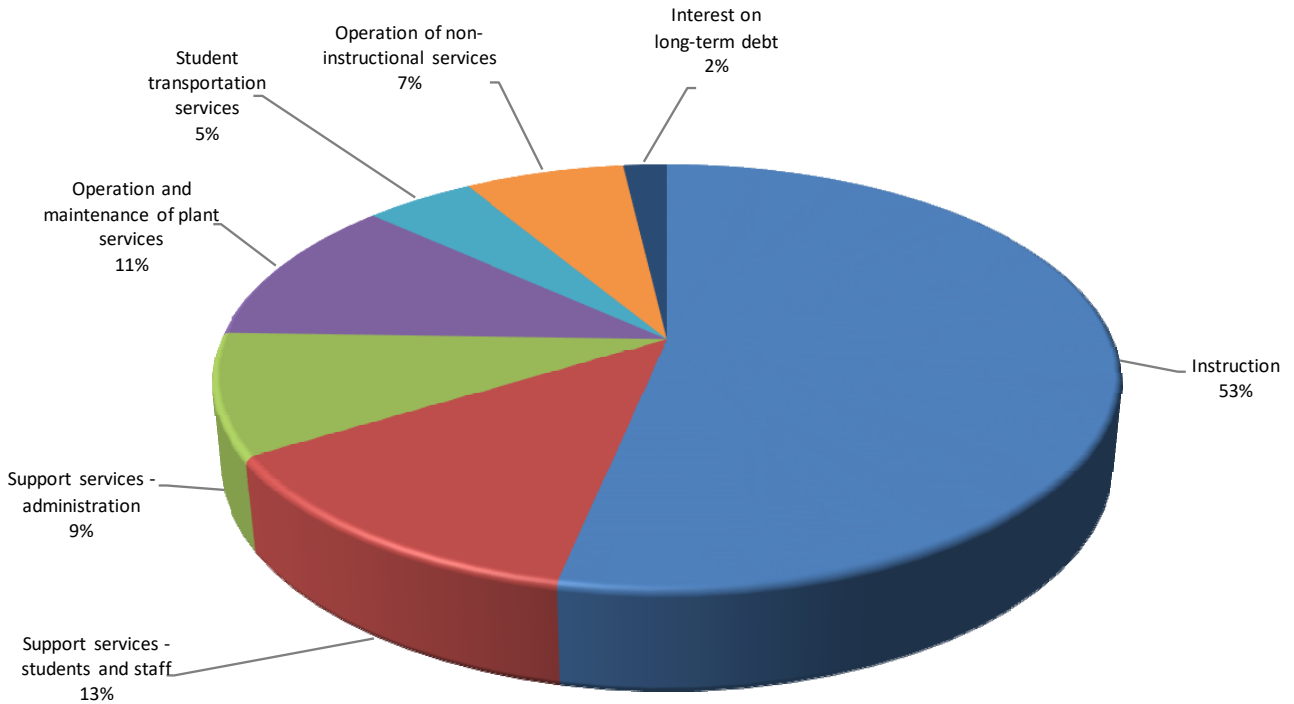
**Changes in net position.** The District's total revenues for the current fiscal year were \$71.7 million. The total cost of all programs and services was \$65.4 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2023 and June 30, 2022.

	Fiscal Year Ended <u>June 30, 2023</u>	Fiscal Year Ended <u>June 30, 2022</u>
<b>Revenues:</b>		
Program revenues:		
Charges for services	\$ 4,628,767	\$ 4,183,979
Operating grants and contributions	15,089,828	12,853,542
Capital grants and contributions	1,861,213	2,172,656
General revenues:		
Property taxes	13,790,359	13,213,140
Investment income	765,052	75,452
Unrestricted county aid		2,286,320
Unrestricted state aid	35,235,722	28,376,067
Unrestricted federal aid	336,919	411,287
<b>Total revenues</b>	<u>71,707,860</u>	<u>63,572,443</u>
<b>Expenses:</b>		
Instruction	34,848,056	32,256,065
Support services - students and staff	8,512,529	7,110,824
Support services – administration	6,043,958	5,225,877
Operation and maintenance of plant services	7,344,474	6,350,526
Student transportation services	3,045,896	2,511,037
Operation of non-instructional services	4,432,311	3,500,882
Interest on long-term debt	1,205,817	1,343,717
<b>Total expenses</b>	<u>65,433,041</u>	<u>58,298,928</u>
<b>Changes in net position</b>	6,274,819	5,273,515
<b>Net position, beginning</b>	<u>20,824,142</u>	<u>15,550,627</u>
<b>Net position, ending</b>	<u>\$ 27,098,961</u>	<u>\$ 20,824,142</u>

**Flowing Wells Unified School District No. 8  
Management's Discussion and Analysis (MD&A)  
Year Ended June 30, 2023**

**Government-Wide Financial Analysis**

**Expenses - Fiscal Year 2023**



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

- Instruction expense increased \$2.6 million is primarily due to increases in salaries and related benefits.
- The \$6.9 million increase in unrestricted state aid was due to increases in the base level support.

**Flowing Wells Unified School District No. 8  
Management's Discussion and Analysis (MD&A)  
Year Ended June 30, 2023**

**Government-Wide Financial Analysis**

The following table presents the cost of the District's major functional activities. The table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and District's taxpayers by each of these functions.

	Year Ended June 30, 2023		Year Ended June 30, 2022	
	Total	Net (Expense)/	Total	Net (Expense)/
	Expenses	Revenue	Expenses	Revenue
Instruction	\$ 34,848,056	\$ (21,029,299)	\$ 32,256,065	\$ (21,055,990)
Support services - students and staff	8,512,529	(6,651,573)	7,110,824	(5,482,407)
Support services - administration	6,043,958	(5,716,826)	5,225,877	(5,010,990)
Operation and maintenance of plant services	7,344,474	(6,529,105)	6,350,526	(4,818,279)
Student transportation services	3,045,896	(2,847,097)	2,511,037	(2,442,055)
Operation of non-instructional services	4,432,311	(25,830)	3,500,882	898,423
Interest on long-term debt	1,205,817	(1,053,503)	1,343,717	(1,177,453)
Total	\$ 65,433,041	\$ (43,853,233)	\$ 58,298,928	\$ (39,088,751)

- The cost of all governmental activities this year was \$65.4 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$21.6 million.
- Net cost of governmental activities of \$43.9 million was financed by general revenues, which are made up of primarily property taxes of \$13.8 million and state aid of \$35.2 million. Investment earnings accounted for \$765,052 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 \$28.8 million, a decrease of \$3.2 million due primarily to the use of bond proceeds.



**Flowing Wells Unified School District No. 8  
Management’s Discussion and Analysis (MD&A)  
Year Ended June 30, 2023**

**Financial Analysis of the District’s Funds**

The General Fund comprises 58 percent of the total fund balance. Approximately \$15.4 million, or 94 percent of the General Fund’s fund balance is unassigned.

The General Fund is the principal operating fund of the District. The fund balance increased \$567,916 in the General Fund to \$16.3 million as of fiscal year end. General Fund revenues increased \$4.9 million an increase in unrestricted state aid. General Fund expenditures increased \$6.4 million primarily due to increases in employee salaries and related benefits and school renovations.

The fund balance in the Federal and State Grants Fund increased \$350,316 due to an increase in revenues. The Federal and State Grants Fund had revenues of \$12.6 million and expenditures of \$11.9 million as a result of an increase in COVID related grants.

The Other Special Revenue Fund balance increased \$474,311 to \$4.2 million at fiscal year end.

**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 \$2.4 million increase, or six 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 overall favorable variance of \$3.7 million was primarily due to budgeting for potential expenditures.

**Capital Assets and Debt Administration**

**Capital Assets.** At year end, the District had invested \$121.8 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 \$11.3 million from the prior fiscal year due to the construction of school improvements and purchases of vehicles, furniture, and equipment. Total depreciation expense for the current fiscal year was \$4.1 million.

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2023 and June 30, 2022.

	As of June 30, 2023	As of June 30, 2022
Capital assets - non-depreciable	\$ 14,355,355	\$ 5,351,693
Capital assets - depreciable, net	55,132,108	56,818,553
Total	\$ 69,487,463	\$ 62,170,246

The estimated cost to complete current construction projects is \$6.2 million.

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

**Flowing Wells Unified School District No. 8  
Management's Discussion and Analysis (MD&A)  
Year Ended June 30, 2023**

**Capital Assets and Debt Administration**

**Debt Administration.** At year end, the District had \$28.6 million in long-term debt outstanding, \$2.1 million due within one year. Long-term debt decreased by \$2.1 million.

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 \$79.7 million and the Class B debt limit is \$53.2 million, which are more than the District's total outstanding general obligation and Class B debt, respectively.

Additional information on the District's long-term debt can be found in Notes 7 through 10.

**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 2023-24 budget. Among them:

- Fiscal year 2022-23 budget balance carry forward
- District student population.
- Employee salary and benefit rates

Also considered in the development of the budget is the local economy and inflation of the surrounding area.

Budgeted expenditures in the General Fund increased five percent to \$42.6 million in fiscal year 2023-24. 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 2023-24 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.

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## **Basic Financial Statements**

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**Government-Wide Financial Statements**

**Flowing Wells Unified School District No. 8**  
**Statement of Net Position**  
**June 30, 2023**

	<b>Governmental Activities</b>
<b>Assets</b>	
Current assets:	
Cash and investments	\$ 24,107,496
Deposits	90,785
Property taxes receivable	987,017
Accounts receivable	92,530
Due from governmental entities	9,247,281
Prepaid items	760,415
Inventory	308,145
Leases receivable	76,519
Total current assets	35,670,188
Noncurrent assets:	
Capital assets not being depreciated	14,355,355
Capital assets, net accumulated depreciation	54,954,763
Right-to-use assets, net accumulated amortization	177,345
Total noncurrent assets	69,487,463
<b>Total assets</b>	<b>105,157,651</b>
 <b>Deferred outflows of resources</b>	
Deferred charge on refunding	559,582
Pension plan items	7,580,608
<b>Total deferred outflows of resources</b>	<b>8,140,190</b>
 <b>Liabilities</b>	
Current liabilities:	
Accounts payable	2,509,599
Accrued payroll and employee benefits	3,105,848
Unearned revenues	575,450
Compensated absences payable	616,627
Financed purchases payable	767,675
Leases payable	89,497
Bonds payable	2,075,000
Total current liabilities	9,739,696
Noncurrent liabilities:	
Non-current portion of long-term obligations	75,221,980
Total noncurrent liabilities	75,221,980
<b>Total liabilities</b>	<b>84,961,676</b>
 <b>Deferred inflows of resources</b>	
Pension plan items	1,160,927
Leases	76,277
<b>Total deferred inflows of resources</b>	<b>1,237,204</b>
 <b>Net position</b>	
Net investment in capital assets	35,418,891
Restricted for:	
Instruction	7,618,122
Food service	1,873,885
Non-instructional purposes	1,337,466
Debt service	1,400,457
Capital outlay	238,794
Unrestricted	(20,788,654)
<b>Total net position</b>	<b>\$ 27,098,961</b>

**Flowing Wells Unified School District No. 8**  
**Statement of Activities**  
**For the Year Ended June 30, 2023**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenue</b>		<b>Capital Grants and Contributions</b>	<b>Net (Expense) Revenue and Changes in Net Position</b>	
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>			<b>Governmental Activities</b>
<b>Governmental activities</b>						
Instruction	\$ 34,848,056	\$ 3,348,822	\$ 8,724,692	\$ 1,745,243	\$ (21,029,299)	
Support services - students and staff	8,512,529	539,523	1,321,433		(6,651,573)	
Support services - administration	6,043,958		327,132		(5,716,826)	
Operation and maintenance of plant services	7,344,474	335,115	364,284	115,970	(6,529,105)	
Student transportation services	3,045,896		198,799		(2,847,097)	
Operation of non-instructional services	4,432,311	405,307	4,001,174		(25,830)	
Interest on long-term debt	1,205,817		152,314		(1,053,503)	
<b>Total governmental activities</b>	<u>\$ 65,433,041</u>	<u>\$ 4,628,767</u>	<u>\$ 15,089,828</u>	<u>\$ 1,861,213</u>	<u>(43,853,233)</u>	
<b>General revenues</b>						
Property taxes					13,790,359	
Investment income					765,052	
Unrestricted state aid					35,235,722	
Unrestricted federal aid					336,919	
<b>Total general revenues</b>					<u>50,128,052</u>	
<b>Changes in net position</b>					6,274,819	
<b>Net position, beginning of year</b>					<u>20,824,142</u>	
<b>Net position, end of year</b>					<u>\$ 27,098,961</u>	



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## **Fund Financial Statements**

**Flowing Wells Unified School District No. 8**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2023**

	<u>General</u>	<u>Federal and State Grants</u>	<u>Other Special Revenue</u>	<u>Non-Major Governmental Funds</u>
<b>Assets</b>				
Cash and investments	\$ 13,160,356	\$ 1,755,316	\$ 4,256,504	\$ 4,935,320
Deposits				90,785
Property taxes receivable	791,205			195,812
Accounts receivable	6,695		85,835	
Due from governmental entities	6,055,136	2,851,994		340,151
Prepaid items	760,415			
Inventory	141,971			166,174
Leases receivable	76,519			
<b>Total assets</b>	<u>\$ 20,992,297</u>	<u>\$ 4,607,310</u>	<u>\$ 4,342,339</u>	<u>\$ 5,728,242</u>
<b>Liabilities</b>				
Accounts payable	\$ 1,784,922	\$ 476,795	\$ 108,465	\$ 139,417
Accrued payroll and employee benefits	2,196,808	656,515	8,267	244,258
Unearned revenues		575,450		
<b>Total liabilities</b>	<u>3,981,730</u>	<u>1,708,760</u>	<u>116,732</u>	<u>383,675</u>
<b>Deferred inflows of resources</b>				
Unavailable revenues - property taxes	602,308			141,675
Unavailable revenues - intergovernmental		681,374		
Leases	76,277			
<b>Total deferred inflows of resources</b>	<u>678,585</u>	<u>681,374</u>		<u>141,675</u>
<b>Fund balances</b>				
Nonspendable	902,386			166,174
Restricted		2,217,176	4,225,607	5,036,718
Unassigned	15,429,596			
<b>Total fund balances</b>	<u>16,331,982</u>	<u>2,217,176</u>	<u>4,225,607</u>	<u>5,202,892</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 20,992,297</u>	<u>\$ 4,607,310</u>	<u>\$ 4,342,339</u>	<u>\$ 5,728,242</u>

**Total  
Governmental  
Funds**

---

\$ 24,107,496  
90,785  
987,017  
92,530  
9,247,281  
760,415  
308,145  
76,519  

---

\$ 35,670,188

\$ 2,509,599  
3,105,848  

---

575,450  

---

6,190,897

743,983  
681,374  

---

76,277  

---

1,501,634

1,068,560  
11,479,501  

---

15,429,596  

---

27,977,657

\$ 35,670,188

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**Flowing Wells Unified School District No. 8**  
**Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position**  
**June 30, 2023**

**Total fund balances - governmental funds** **\$ 27,977,657**

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	\$ 121,839,922	
Less accumulated depreciation/amortization	<u>(52,352,459)</u>	
		69,487,463

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

Property taxes	743,983	
Intergovernmental	<u>681,374</u>	
		1,425,357

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.

559,582

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	7,580,608	
Deferred inflows of resources related to pensions	<u>(1,160,927)</u>	
		6,419,681

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

Compensated absences payable	(1,179,275)	
Financed purchases payable	(5,833,074)	
Leases payable	(182,561)	
Bonds payable	(28,612,519)	
Net pension liability	<u>(42,963,350)</u>	
		<u>(78,770,779)</u>

**Net position of governmental activities** **\$ 27,098,961**

**Flowing Wells Unified School District No. 8**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2023**

	General	Federal and State Grants	Other Special Revenue	Non-Major Governmental Funds
<b>Revenues</b>				
Other local	\$ 1,791,172	\$ 15,523	\$ 2,862,514	\$ 836,043
Property taxes	10,712,696			3,056,756
State aid and grants	30,448,714	1,329,291	3,251	4,902,978
Federal aid, grants and reimbursements	<u>336,919</u>	<u>11,296,502</u>		<u>3,641,320</u>
<b>Total revenues</b>	<u>43,289,501</u>	<u>12,641,316</u>	<u>2,865,765</u>	<u>12,437,097</u>
<b>Expenditures</b>				
Current:				
Instruction	19,645,163	5,872,691	852,544	4,007,648
Support services - students and staff	5,097,478	2,122,861	883,409	165,301
Support services - administration	5,140,935	525,333	34,491	
Operation and maintenance of plant services	5,881,613	523,889	105,721	3,010
Student transportation services	2,065,362	331,703	129,309	
Operation of non-instructional services	103,904	854,571	23,864	3,239,951
Capital outlay	5,035,166	1,677,637	362,116	5,692,631
Debt service:				
Principal retirement	91,951			2,657,665
Interest and fiscal charges	<u>10,771</u>			<u>1,336,277</u>
<b>Total expenditures</b>	<u>43,072,343</u>	<u>11,908,685</u>	<u>2,391,454</u>	<u>17,102,483</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>217,158</u>	<u>732,631</u>	<u>474,311</u>	<u>(4,665,386)</u>
<b>Other financing sources (uses)</b>				
Transfers in	382,315			100,000
Transfers out	(100,000)	(382,315)		
Insurance recoveries	<u>68,443</u>			
<b>Total other financing sources (uses)</b>	<u>350,758</u>	<u>(382,315)</u>		<u>100,000</u>
<b>Changes in fund balances</b>	<u>567,916</u>	<u>350,316</u>	<u>474,311</u>	<u>(4,565,386)</u>
<b>Fund balances, beginning of year</b>	<u>15,764,066</u>	<u>1,866,860</u>	<u>3,751,296</u>	<u>9,768,278</u>
<b>Fund balances, end of year</b>	<u>\$ 16,331,982</u>	<u>\$ 2,217,176</u>	<u>\$ 4,225,607</u>	<u>\$ 5,202,892</u>

**Total  
Governmental  
Funds**

---

\$ 5,505,252  
13,769,452  
36,684,234  
15,274,741  
71,233,679

30,378,046  
8,269,049  
5,700,759  
6,514,233  
2,526,374  
4,222,290  
12,767,550

2,749,616  
1,347,048  
74,474,965

(3,241,286)

482,315  
(482,315)  
68,443  
68,443

(3,172,843)

31,150,500

\$ 27,977,657



**Flowing Wells Unified School District No. 8**  
**Reconciliation of the Statement of Revenues, Expenditures and**  
**Changes in Fund Balances of Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2023**

**Changes in fund balances - total governmental funds** **\$ (3,172,843)**

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/amortization expense.

Expenditures for capitalized assets	\$ 11,426,830	
Less current year depreciation/amortization	<u>(4,079,036)</u>	
		7,347,794

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

Property taxes	20,907	
Intergovernmental	<u>384,831</u>	
		405,738

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.

Financed purchase principal retirement	747,665	
Lease principal retirement	91,951	
Bond principal retirement	<u>1,910,000</u>	
		2,749,616

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	4,145,556	
Pension expense	<u>(5,351,448)</u>	
		(1,205,892)

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.

Loss on disposal of assets	(30,577)	
Amortization of deferred bond items	141,231	
Compensated absences	<u>39,752</u>	
		<u>150,406</u>

**Changes in net position in governmental activities** **\$ 6,274,819**

**Flowing Wells Unified School District No. 8**  
**Notes to Financial Statements**  
**June 30, 2023**

**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, 2023, the District implemented the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. This Statement increases the usefulness of the financial statements by requiring the recognition of certain assets and liabilities for SBITAs. This Statement also requires a government to disclose essential information about the arrangement. The District's analysis of SBITAs in effect at the beginning of the year resulted in no changes to beginning balances reported in the financial statements due to the implementation of this standard.

In addition, during the year the District consolidated individual reporting funds that were presented separately in the prior year financial statements. The consolidated funds include the Federal and State Grants Fund, Other Special Revenue Fund, and Other Capital Projects Fund.

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.

**Flowing Wells Unified School District No. 8**  
**Notes to Financial Statements**  
**June 30, 2023**

**Note 1 – Summary of Significant Accounting Policies**

The financial reporting entity consists of a primary government and its component units. A component unit is a legally separate entity that must be included in the reporting entity in conformity with generally accepted accounting principles. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Furthermore, there are no component units combined with the District for financial statement presentation purposes, and the District is not included in any other governmental reporting entity. Consequently, the District's financial statements include only the funds of those organizational entities for which its elected governing board is financially accountable. The District's major operations include education, student transportation, construction and maintenance of District facilities, food services, and bookstore and athletic functions.

**B. Government-Wide and Fund Financial Statements**

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

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. The District does not allocate indirect expenses to programs of functions. 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 aid, and other items not included among program revenues are reported instead as general revenues.

**Flowing Wells Unified School District No. 8**  
**Notes to Financial Statements**  
**June 30, 2023**

**Note 1 – Summary of Significant Accounting Policies**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

**Government-Wide Financial Statements** – The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. As a general rule, the effect of internal activity has been eliminated from the government-wide financial statements; however, the effects of interfund services provided and used between functions are reported as expenses and program revenues at amounts approximating their external exchange value.

**Fund Financial Statements** – Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Issuances of long-term debt and acquisitions under lease contracts and subscription-based information technology arrangements are reported as other financing sources.

Property taxes, state 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.

**Flowing Wells Unified School District No. 8**  
**Notes to Financial Statements**  
**June 30, 2023**

**Note 1 – Summary of Significant Accounting Policies**

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 and the Unrestricted Capital Outlay Fund, as well as 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.

Federal and State Grants Fund – The Federal and State Grants Fund accounts for financial assistance received for federal and state grants and projects.

Other Special Revenue Fund – The Other Special Revenue Fund accounts for the revenues and expenditures of other special revenue activities, including the following: civic center, community school, auxiliary operations, gifts and donations, fingerprinting, textbooks, insurance refund, career technical education, Arizona industry credentials, and student activities.

**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.

**Flowing Wells Unified School District No. 8**  
**Notes to Financial Statements**  
**June 30, 2023**

**Note 1 – Summary of Significant Accounting Policies**

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

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

**E. Investment Income**

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

**F. Receivables and Payables**

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Interfund balances between governmental funds are eliminated on the Statement of Net Position.

All receivables, including property taxes receivable, are shown net of an allowance for uncollectibles.

**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.

**Flowing Wells Unified School District No. 8**  
**Notes to Financial Statements**  
**June 30, 2023**

**Note 1 – Summary of Significant Accounting Policies**

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. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

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. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**J. Capital Assets**

Capital assets, which include land and improvements; buildings and improvements; vehicles, furniture, and equipment; construction in progress; and intangible right-to-use assets, 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.

**Flowing Wells Unified School District No. 8**  
**Notes to Financial Statements**  
**June 30, 2023**

**Note 1 – Summary of Significant Accounting Policies**

Capital assets are depreciated using the straight-line method over the estimated useful life of the asset. Intangible right-to-use assets are amortized over the shorter of the lease/subscription term or the underlying asset’s useful life. The estimated useful lives and amortization periods are as follows:

Land improvements	5 - 22 years
Buildings and improvements	20 - 80 years
Vehicles, furniture and equipment	3 - 15 years
Intangible right-to use assets	2 - 4 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 assets 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 assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

**L. Compensated Absences**

The District’s employee vacation and sick leave policies generally provide for granting vacation and sick leave with pay. Accrued sick leave is earned by all full-time employees at a rate of one day for every month. All full-time classified employees earn vacation at rates depending on length of service; however, accumulated vacation as of June 30 must be taken by July 1 of the year following the year it is earned or it will be forfeited. Only benefits considered vested are recognized in the financial statements. The liability for vacation and sick leave is reported on the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee leave, resignations and retirements. Generally, resources from the General Fund are used to pay for compensated absences.

**M. Leases**

As lessee, the District uses its estimated incremental borrowing rate to measure lease liabilities unless it can readily determine the interest rate implicit in the lease. The District's estimated incremental borrowing rate is based on Applicable Federal Rate.



**Flowing Wells Unified School District No. 8**  
**Notes to Financial Statements**  
**June 30, 2023**

**Note 1 – Summary of Significant Accounting Policies**

As lessor, if there is no stated rate in the lease contract (or if the stated rate is not the rate the District charges the lessee) and the implicit rate cannot be determined, the District uses its own estimated incremental borrowing rate as the discount rate to measure lease receivables. The District's estimated incremental borrowing rate is calculated based on the Applicable Federal Rate.

**N. 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.

**O. 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.

**P. 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.

**Q. Net Position Flow Assumption**

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

**Flowing Wells Unified School District No. 8**  
**Notes to Financial Statements**  
**June 30, 2023**

**Note 1 – Summary of Significant Accounting Policies**

**R. Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**Note 2 – Fund Balance Classifications**

Fund balances of the governmental funds are reported separately within classifications based on a hierarchy of the constraints placed on the use of those resources. The classifications are based on the relative strength of the constraints that control how the specific amounts can be spent. The classifications are nonspendable, restricted, and unrestricted, which includes committed, assigned, and unassigned fund balance classifications.

***Nonspendable.*** The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact.

***Restricted.*** Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation.

***Committed.*** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action of the Governing Board. Those committed amounts cannot be used for any other purpose unless the Governing Board removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

***Assigned.*** Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Governing Board or by the Chief Financial Officer who has been delegated that authority by a formal Governing Board action.

***Unassigned.*** Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

**Flowing Wells Unified School District No. 8**  
**Notes to Financial Statements**  
**June 30, 2023**

**Note 2 – Fund Balance Classifications**

The District applies restricted resources first when outlays are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

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

	General	Federal and State Grants	Other Special Revenue	Non-Major Governmental Funds
Fund Balances:				
Nonspendable:				
Inventory	\$ 141,971			\$ 166,174
Prepaid items	760,415			
Restricted:				
Debt service				1,258,782
Capital projects				238,794
Voter approved initiatives				1,831,431
Federal and state projects		2,217,176		
Auxiliary operations			1,296,190	
Food service				1,707,711
Civic center			228,870	
Community schools			906,222	
Insurance refund			185,475	
Gifts and donations			1,155,714	
Student activities			408,007	
Other purposes			45,129	
Unassigned	15,429,596			
Total fund balances	<u>\$ 16,331,982</u>	<u>\$ 2,217,176</u>	<u>\$ 4,225,607</u>	<u>\$ 5,202,892</u>

**Note 3 – 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 \$6.1 million and the bank balance was \$6.3 million. At year end, \$5.2 million of the District’s deposits were covered by collateral held by the pledging financial institution’s trust department or agent but not in the District’s name.

**Flowing Wells Unified School District No. 8**  
**Notes to Financial Statements**  
**June 30, 2023**

**Note 3 – Cash and Investments**

*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:

	Average Maturities	Fair Value
County Treasurer’s investment pool	305 days	\$ 17,396,013
State Treasurer’s investment pool 7	37 days	582,828
Total		\$ 17,978,841

*Interest Rate Risk.* The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit Risk.* The District has no investment policy that would further limit its investment choices. As of year end, the District’s investment in the County Treasurer’s investment pool did not receive a credit quality rating from a national rating agency. The State Treasurer’s Local Government Investment Pool 7 was rated AAA by Moody’s at year end.

**Flowing Wells Unified School District No. 8**  
**Notes to Financial Statements**  
**June 30, 2023**

**Note 3 – Cash and Investments**

*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 4 – 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	Federal and State Grants	Non-Major Governmental Funds
Due from other governmental entities:			
Due from federal government	\$ 31,502	\$ 2,821,665	\$ 62,172
Due from state government	6,023,634	30,329	277,979
Net due from governmental entities	\$ 6,055,136	\$ 2,851,994	\$ 340,151

**Note 5 – Leases Receivable**

The District leases land under the provisions of contracts classified as leases. The related receivables under the lease agreements have been recorded at the present value of their future minimum lease payments as of the inception date. Lease revenue of \$26,003 and related interest revenue of \$512 are recorded as other local revenue in the General Fund.

Future minimum lease payments to be received under the leases agreements at year end are summarized as follows:

Year Ending June 30:		
2024	\$	26,383
2025		26,383
2026		1,500
2027		1,500
2028		1,500
2029-33		7,500
2034-38		7,500
2039-42		6,000
Total	\$	78,266

**Flowing Wells Unified School District No. 8**  
**Notes to Financial Statements**  
**June 30, 2023**

**Note 6 – Capital Assets**

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

Governmental Activities	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 4,384,282	\$	\$	\$ 4,384,282
Construction in progress	967,411	9,003,662		9,971,073
Total capital assets, not being depreciated	<u>5,351,693</u>	<u>9,003,662</u>		<u>14,355,355</u>
Capital assets, being depreciated:				
Land improvements	4,646,384	623,299		5,269,683
Buildings and improvements	90,144,921	521,475		90,666,396
Vehicles, furniture and equipment	10,009,911	1,276,597	102,917	11,183,591
Total capital assets being depreciated	<u>104,801,216</u>	<u>2,421,371</u>	<u>102,917</u>	<u>107,119,670</u>
Less accumulated depreciation for:				
Land improvements	(3,776,805)	(232,582)		(4,009,387)
Buildings and improvements	(38,360,585)	(3,092,715)		(41,453,300)
Vehicles, furniture and equipment	(6,114,672)	(659,888)	(72,340)	(6,702,220)
Total accumulated depreciation	<u>(48,252,062)</u>	<u>(3,985,185)</u>	<u>(72,340)</u>	<u>(52,164,907)</u>
Total capital assets, being depreciated, net	<u>56,549,154</u>	<u>(1,563,814)</u>	<u>30,577</u>	<u>54,954,763</u>
Intangible right-to-use assets:				
Leased vehicles, furniture and equipment	363,100	1,797		364,897
Less accumulated amortization	(93,701)	(93,851)		(187,552)
Total intangible right-to-use assets, net	<u>269,399</u>	<u>(92,054)</u>		<u>177,345</u>
Governmental activities capital assets, net	<u>\$ 62,170,246</u>	<u>\$ 7,347,794</u>	<u>\$ 30,577</u>	<u>\$ 69,487,463</u>

Depreciation and amortization expense were charged to governmental functions as follows:

Instruction	\$ 3,033,712
Support services – students and staff	17,989
Support services – administration	47,760
Operation and maintenance of plant services	634,043
Student transportation services	218,261
Operation of non-instructional services	127,271
Total depreciation expense – governmental activities	<u>\$ 4,079,036</u>

**Construction Commitments** – At year end, the District had contractual commitments related to various capital projects for school improvements. At year end the District had spent \$10.0 on the projects and had estimated remaining contractual commitments of \$6.2 million. These projects are being funded with the General Fund and capital projects funds.

**Flowing Wells Unified School District No. 8**  
**Notes to Financial Statements**  
**June 30, 2023**

**Note 7 – Financed Purchases Payable**

The District has acquired energy efficient building improvements and solar energy structures under the provisions of contracts classified as financed purchases payables. Revenues from the General Fund are transferred to the Other Capital Projects Fund, a non-major governmental fund, to pay the debt obligations when due. The District received a federal interest subsidy to fund the interest payment for the District-wide energy project.

Annual debt service requirements to maturity on financed purchases payable at year end are summarized as follows:

Year ending June 30:	Governmental Activities	
	Principal	Interest
2024	\$ 767,675	\$ 225,077
2025	788,578	197,957
2026	809,975	170,247
2027	543,570	143,511
2028	550,462	121,010
2029-33	2,372,814	257,398
Total	<u>\$ 5,833,074</u>	<u>\$ 1,115,200</u>

**Note 8 – Leases Payable**

The District has acquired copiers and a postage meter under the provisions of contracts classified as leases. The related obligations under the lease agreements have been recorded at the present value of their future minimum lease payments as of the inception date. Revenues from the General Fund are used to pay the lease obligations. Amortization of right-to-use assets recorded under leases is included with depreciation expense.

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

Year ending June 30:	Governmental Activities	
	Principal	Interest
2024	\$ 89,497	\$ 7,277
2025	93,064	3,710
Total	<u>\$ 182,561</u>	<u>\$ 10,987</u>

**Flowing Wells Unified School District No. 8**  
**Notes to Financial Statements**  
**June 30, 2023**

**Note 8 – Leases Payable**

The right-to-use assets recorded under leases that meet the District’s capitalization threshold are as follows:

	Governmental Activities
Asset:	
Vehicles, furniture and equipment	\$ 363,100
Less: Accumulated amortization	187,402
Total	\$ 175,698

**Note 9 – General Obligation Bonds Payable**

Bonds payable at year end, consisted of the following outstanding general obligation bonds. The bonds are both callable and noncallable with interest payable semiannually. Property taxes from the Debt Service Fund, a non-major governmental fund, are used to pay bonded debt. The District’s legal debt limit is \$79.7 million, and the legal debt margin is \$52.1 million.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2023	Due Within One Year
<b>Governmental activities:</b>					
Refunding Bonds, Series 2016	\$ 9,800,000	4.00-5.00%	7/1/24-29	\$ 6,505,000	\$ 1,125,000
School Improvement Bonds, Project of 2017, Series A (2018)	13,385,000	2.75-5.00%	7/1/24-37	11,070,000	625,000
School Improvement Bonds, Project of 2017, Series B (2021)	8,905,000	3.00-4.00%	7/1/24-40	8,555,000	325,000
Total				\$ 26,130,000	\$ 2,075,000

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
2024	\$ 2,075,000	\$ 1,016,900
2025	2,215,000	940,150
2026	2,350,000	859,425
2027	2,000,000	771,925
2028	2,115,000	685,225
2029-33	7,410,000	2,272,925
2034-38	6,685,000	879,100
2039-40	1,280,000	58,050
Total	\$ 26,130,000	\$ 7,483,700



**Flowing Wells Unified School District No. 8**  
**Notes to Financial Statements**  
**June 30, 2023**

**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
<b>Governmental activities:</b>					
Bonds payable:					
General obligation bonds	\$ 28,040,000	\$	\$ 1,910,000	\$ 26,130,000	\$ 2,075,000
Premium	2,717,013		234,494	2,482,519	
Total bonds payable	<u>30,757,013</u>		<u>2,144,494</u>	<u>28,612,519</u>	<u>2,075,000</u>
Financed purchases payable	6,580,739		747,665	5,833,074	767,675
Leases payable	274,512		91,951	182,561	89,497
Net pension liability	33,361,333	9,602,017		42,963,350	
Compensated absences payable	1,219,027	735,204	774,956	1,179,275	616,627
Total long-term liabilities	<u>\$ 72,192,624</u>	<u>\$ 10,337,221</u>	<u>\$ 3,759,066</u>	<u>\$ 78,770,779</u>	<u>\$ 3,548,799</u>

**Note 11 – Interfund Transfers**

At year end, interfund balances were as follows:

**Interfund transfers** – Transfers between funds of \$482,315 were used to move federal grant funds restricted for indirect costs, and to transfer funds from the General Fund to the Other Capital Projects Fund, a non-major governmental fund, to pay the financed purchases 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.

**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.

**Flowing Wells Unified School District No. 8**  
**Notes to Financial Statements**  
**June 30, 2023**

**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.

**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](http://www.azasrs.gov).

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

**Flowing Wells Unified School District No. 8**  
**Notes to Financial Statements**  
**June 30, 2023**

**Note 14 – Pensions**

**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.

**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 12.17 percent (12.03 percent for retirement and 0.14 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 12.17 percent (11.92 percent for retirement, 0.11 percent for health insurance premium benefit, and 0.14 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, 2023 were \$4.1 million.

**Flowing Wells Unified School District No. 8**  
**Notes to Financial Statements**  
**June 30, 2023**

**Note 14 – Pensions**

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 9.68 percent (9.62 for retirement and 0.06 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, 2022. 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, 2021, to the measurement date of June 30, 2021. 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, 2022.

At June 30, 2023, the District reported the following amounts for its proportionate share of the pension plan net liability. In addition, at June 30, 2022, the District’s percentage proportion for the plan and the related change from its proportion measured as of June 30, 2021 was:

Net Liability	District % Proportion	Increase (Decrease)
\$ 42,963,350	0.263	0.009

**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, 2023 was \$5.4 million.

**Flowing Wells Unified School District No. 8**  
**Notes to Financial Statements**  
**June 30, 2023**

**Note 14 – Pensions**

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	\$ 366,073	\$
Changes of assumptions or other inputs	2,132,354	
Net difference between projected and actual earnings on pension investments		1,131,696
Changes in proportion and differences between contributions and proportionate share of contributions	936,625	29,231
Contributions subsequent to the measurement date	4,145,556	
Total	\$ 7,580,608	\$ 1,160,927

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, 2024. 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:		
2024	\$	2,498,795
2025		(71,112)
2026		(1,964,891)
2027		1,811,333

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

Actuarial valuation date	June 30, 2021
Actuarial roll forward date	June 30, 2022
Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Inflation	2.3%
Projected salary increases	2.9-8.4%
Permanent base increases	Included
Mortality rates	2017 SRA Scale U-MP

**Flowing Wells Unified School District No. 8**  
**Notes to Financial Statements**  
**June 30, 2023**

**Note 14 – Pensions**

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2020. 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, 2020, actuarial valuation.

The long-term expected rate of return on ASRS plan investments was determined to be 7.0 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.

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%	3.90%
Credit	20	5.30
Interest rate sensitive bonds	10	(0.20)
Real estate	20	6.00
Total	100%	

**Discount Rate.** The discount rate used to measure the total pension liability was 7.0 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.

**Flowing Wells Unified School District No. 8**  
**Notes to Financial Statements**  
**June 30, 2023**

**Note 14 – Pensions**

**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 7.0 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	6.0%	7.0%	8.0%
Net liability	\$ 63,391,146	\$ 42,963,350	\$ 25,929,760

**Contributions payable.** The District's accrued payroll and employee benefits included \$558,743 of outstanding pension contribution amounts payable to ASRS for the year ended June 30, 2023.

**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](http://www.azasrs.gov).

**Required Supplementary Information**



**Flowing Wells Unified School District No. 8**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**General**  
**For the Year Ended June 30, 2023**

	Budget		Non-GAAP Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Other local	\$	\$	\$ 1,295,245	\$ 1,295,245
Property taxes			8,696,704	8,696,704
State aid and grants			28,236,944	28,236,944
<b>Total revenues</b>			<u>38,228,893</u>	<u>38,228,893</u>
<b>Expenditures</b>				
Current:				
Instruction	20,614,270	21,594,404	19,615,318	1,979,086
Support services - students and staff	4,632,252	5,492,929	4,828,574	664,355
Support services - administration	4,524,415	4,987,974	4,729,768	258,206
Operation and maintenance of plant services	6,364,916	6,341,366	5,765,161	576,205
Student transportation services	2,086,644	2,218,627	2,007,238	211,389
Operation of non-instructional services	101,731	115,206	103,904	11,302
<b>Total expenditures</b>	<u>38,324,228</u>	<u>40,750,506</u>	<u>37,049,963</u>	<u>3,700,543</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(38,324,228)</u>	<u>(40,750,506)</u>	<u>1,178,930</u>	<u>41,929,436</u>
<b>Other financing sources (uses)</b>				
Transfers out			(100,000)	(100,000)
<b>Total other financing sources (uses)</b>			<u>(100,000)</u>	<u>(100,000)</u>
<b>Changes in fund balances</b>	<u>(38,324,228)</u>	<u>(40,750,506)</u>	<u>1,078,930</u>	<u>41,829,436</u>
<b>Fund balances, beginning of year</b>			<u>7,701,668</u>	<u>7,701,668</u>
<b>Fund balances, end of year</b>	<u>\$ (38,324,228)</u>	<u>\$ (40,750,506)</u>	<u>\$ 8,780,598</u>	<u>\$ 49,531,104</u>

**Flowing Wells Unified School District No. 8**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Federal and State Grants**  
**For the Year Ended June 30, 2023**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Other local	\$	\$	\$ 15,523	\$ 15,523
State aid and grants			1,329,291	1,329,291
Federal aid, grants and reimbursements			<u>11,296,502</u>	<u>11,296,502</u>
<b>Total revenues</b>			<u>12,641,316</u>	<u>12,641,316</u>
<b>Expenditures</b>				
Current:				
Instruction	11,288,738	11,369,120	5,872,691	5,496,429
Support services - students and staff	4,080,654	4,109,711	2,122,861	1,986,850
Support services - administration	1,009,818	1,017,008	525,333	491,675
Operation and maintenance of plant services	1,007,042	1,014,213	523,889	490,324
Student transportation services	637,614	642,154	331,703	310,451
Operation of non-instructional services	1,642,693	1,654,390	854,571	799,819
Capital outlay	<u>3,224,826</u>	<u>3,247,788</u>	<u>1,677,637</u>	<u>1,570,151</u>
<b>Total expenditures</b>	<u>22,891,384</u>	<u>23,054,384</u>	<u>11,908,685</u>	<u>11,145,699</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(22,891,384)</u>	<u>(23,054,384)</u>	<u>732,631</u>	<u>23,787,015</u>
<b>Other financing sources (uses)</b>				
Transfers out			(382,315)	(382,315)
<b>Total other financing sources (uses)</b>			<u>(382,315)</u>	<u>(382,315)</u>
<b>Changes in fund balances</b>	<u>(22,891,384)</u>	<u>(23,054,384)</u>	<u>350,316</u>	<u>23,404,700</u>
<b>Fund balances, beginning of year</b>			<u>1,866,860</u>	<u>1,866,860</u>
<b>Fund balances, end of year</b>	<u>\$ (22,891,384)</u>	<u>\$ (23,054,384)</u>	<u>\$ 2,217,176</u>	<u>\$ 25,271,560</u>

**Flowing Wells Unified School District No. 8**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Other Special Revenue**  
**For the Year Ended June 30, 2023**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Other local	\$	\$	\$ 2,862,514	\$ 2,862,514
State aid and grants			3,251	3,251
<b>Total revenues</b>			<u>2,865,765</u>	<u>2,865,765</u>
<b>Expenditures</b>				
Current:				
Instruction	1,933,991	2,344,318	852,544	1,491,774
Support services - students and staff	2,004,008	2,429,191	883,409	1,545,782
Support services - administration	78,243	94,843	34,491	60,352
Operation and maintenance of plant services	239,827	290,711	105,721	184,990
Student transportation services	293,337	355,573	129,309	226,264
Operation of non-instructional services	54,135	65,621	23,864	41,757
Capital outlay	821,458	995,744	362,116	633,628
<b>Total expenditures</b>	<u>5,425,000</u>	<u>6,576,000</u>	<u>2,391,454</u>	<u>4,184,546</u>
<b>Changes in fund balances</b>	<u>(5,425,000)</u>	<u>(6,576,000)</u>	<u>474,311</u>	<u>7,050,311</u>
<b>Fund balances, beginning of year</b>			<u>3,751,296</u>	<u>3,751,296</u>
<b>Fund balances, end of year</b>	<u>\$ (5,425,000)</u>	<u>\$ (6,576,000)</u>	<u>\$ 4,225,607</u>	<u>\$ 10,801,607</u>

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**Flowing Wells Unified School District No. 8**  
**Schedule of the Proportionate Share of the Net Pension Liability**  
**Arizona State Retirement System**  
**Last Nine Fiscal Years**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Measurement date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
District's proportion of the net pension (assets) liability	0.26%	0.25%	0.25%	0.25%
District's proportionate share of the net pension (assets) liability	\$ 42,963,350	\$ 33,361,333	\$ 44,092,528	\$ 36,887,199
District's covered payroll	\$ 31,315,137	\$ 28,510,215	\$ 28,152,472	\$ 26,704,392
District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	137.20%	117.02%	156.62%	138.13%
Plan fiduciary net position as a percentage of the total pension liability	74.26%	78.58%	69.33%	73.24%

**Schedule of Pension Contributions**  
**Arizona State Retirement System**  
**Last Nine Fiscal Years**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Actuarially determined contribution	\$ 4,145,556	\$ 3,760,948	\$ 3,321,440	\$ 3,223,458
Contributions in relation to the actuarially determined contribution	<u>4,145,556</u>	<u>3,760,948</u>	<u>3,321,440</u>	<u>3,223,458</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 34,778,154	\$ 31,315,137	\$ 28,510,215	\$ 28,152,472
Contributions as a percentage of covered payroll	11.92%	12.01%	11.65%	11.45%

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.

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
0.25%	0.25%	0.25%	0.26%	0.26%
\$ 34,954,065	\$ 39,252,014	\$ 40,775,406	\$ 41,134,327	\$ 38,786,309
\$ 24,879,413	\$ 24,535,853	\$ 23,217,124	\$ 23,839,210	\$ 24,022,561
140.49%	159.98%	175.63%	172.55%	161.46%
73.40%	69.92%	67.06%	68.35%	69.49%

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 2,985,551	\$ 2,711,856	\$ 2,644,965	\$ 2,519,058	\$ 2,596,090
<u>2,985,551</u>	<u>2,711,856</u>	<u>2,644,965</u>	<u>2,519,058</u>	<u>2,596,090</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 26,704,392	\$ 24,879,413	\$ 24,535,853	\$ 23,217,124	\$ 23,839,210
11.18%	10.90%	10.78%	10.85%	10.89%

**Flowing Wells Unified School District No. 8**  
**Notes to Required Supplementary Information**  
**June 30, 2023**

**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.
- Prepaid items are budgeted in the year prepaid.
- Employee insurance expenditures are budgeted in the year the employee insurance account is funded.

The following schedule reconciles expenditures and fund balances at the end of year:

	<u>Total</u>	<u>Fund</u>
	<u>Expenditures</u>	<u>Balances</u>
		<u>End of Year</u>
Statement of Revenues, Expenditures and Changes in		
Fund Balances - Governmental Funds	\$ 43,072,343	\$ 16,331,982
Activity budgeted as special revenue funds	(852,744)	(4,459,617)
Activity budgeted as capital projects funds	(5,099,913)	(1,492,312)
Current-year prepaid items	760,415	(760,415)
Prior-year prepaid items	(781,025)	
Employee insurance account	<u>(49,113)</u>	<u>(839,040)</u>
Schedule of Revenue, Expenditures and Changes in		
Fund Balances – Budget and Actual - General Fund	<u>\$ 37,049,963</u>	<u>\$ 8,780,598</u>

**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, 2021, valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2020. 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, 2020, actuarial valuation.

**Combining and Individual  
Fund Financial Statements and Schedules**



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## **Governmental Funds**

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## **Non-Major Governmental Funds**

### **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.

**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.

### **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.

### **Capital Projects Funds**

**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.

**Other Capital Projects Funds** – to account for the revenues and expenditures of other capital projects activities, including the following: energy water and savings, and building renewal grant.

**Flowing Wells Unified School District No. 8**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2023**

	Special Revenue Funds			Debt Service Fund
	Classroom Site	Instructional		Debt Service
		Improvement	Food Service	
<b>Assets</b>				
Cash and investments	\$ 1,767,143	\$ 37,176	\$ 1,687,562	\$ 1,204,645
Deposits			90,785	
Property taxes receivable				195,812
Due from governmental entities		268,655	62,172	
Inventory			166,174	
<b>Total assets</b>	<u>\$ 1,767,143</u>	<u>\$ 305,831</u>	<u>\$ 2,006,693</u>	<u>\$ 1,400,457</u>
<b>Liabilities</b>				
Accounts payable	\$	\$	\$ 130,093	\$
Accrued payroll and employee benefits	219,627	21,916	2,715	
<b>Total liabilities</b>	<u>219,627</u>	<u>21,916</u>	<u>132,808</u>	<u></u>
<b>Deferred inflows of resources</b>				
Unavailable revenues - property taxes				141,675
<b>Total deferred inflows of resources</b>	<u></u>	<u></u>	<u></u>	<u>141,675</u>
<b>Fund balances</b>				
Nonspendable			166,174	
Restricted	1,547,516	283,915	1,707,711	1,258,782
<b>Total fund balances</b>	<u>1,547,516</u>	<u>283,915</u>	<u>1,873,885</u>	<u>1,258,782</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 1,767,143</u>	<u>\$ 305,831</u>	<u>\$ 2,006,693</u>	<u>\$ 1,400,457</u>

**Capital Projects**

<u>Funds</u>	
<u>Other Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
\$ 238,794	\$ 4,935,320
	90,785
	195,812
9,324	340,151
	166,174
<u>\$ 248,118</u>	<u>\$ 5,728,242</u>
\$ 9,324	\$ 139,417
	244,258
<u>9,324</u>	<u>383,675</u>
	141,675
	<u>141,675</u>
	166,174
<u>238,794</u>	<u>5,036,718</u>
<u>238,794</u>	<u>5,202,892</u>
<u>\$ 248,118</u>	<u>\$ 5,728,242</u>

**Flowing Wells Unified School District No. 8**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2023**

	<u>Special Revenue Funds</u>			<u>Debt Service Fund</u>
	<u>Classroom Site</u>	<u>Instructional</u>		<u>Debt Service</u>
		<u>Improvement</u>	<u>Food Service</u>	
<b>Revenues</b>				
Other local	\$ 145,382	\$ 5,664	\$ 454,190	\$ 217,831
Property taxes				3,056,756
State aid and grants	4,420,806	366,202		
Federal aid, grants and reimbursements			3,489,006	
<b>Total revenues</b>	<u>4,566,188</u>	<u>371,866</u>	<u>3,943,196</u>	<u>3,274,587</u>
<b>Expenditures</b>				
Current:				
Instruction	3,757,963	249,685		
Support services - students and staff	48,167	117,134		
Operation and maintenance of plant services			3,010	
Operation of non-instructional services	12,041	445	3,227,465	
Capital outlay			543,398	
Debt service:				
Principal retirement				1,910,000
Interest and fiscal charges				1,084,650
<b>Total expenditures</b>	<u>3,818,171</u>	<u>367,264</u>	<u>3,773,873</u>	<u>2,994,650</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>748,017</u>	<u>4,602</u>	<u>169,323</u>	<u>279,937</u>
<b>Other financing sources (uses)</b>				
Transfers in				
<b>Total other financing sources (uses)</b>				
<b>Changes in fund balances</b>	<u>748,017</u>	<u>4,602</u>	<u>169,323</u>	<u>279,937</u>
<b>Fund balances, beginning of year</b>	<u>799,499</u>	<u>279,313</u>	<u>1,704,562</u>	<u>978,845</u>
<b>Fund balances, end of year</b>	<u>\$ 1,547,516</u>	<u>\$ 283,915</u>	<u>\$ 1,873,885</u>	<u>\$ 1,258,782</u>

<b>Capital Projects Funds</b>		<b>Total Non-Major Governmental Funds</b>
<b>Bond Building Fund</b>	<b>Other Capital Projects</b>	
\$	\$ 12,976	\$ 836,043
		3,056,756
	115,970	4,902,978
	152,314	3,641,320
	<u>281,260</u>	<u>12,437,097</u>
		4,007,648
		165,301
		3,010
		3,239,951
5,025,232	124,001	5,692,631
	747,665	2,657,665
	251,627	1,336,277
<u>5,025,232</u>	<u>1,123,293</u>	<u>17,102,483</u>
<u>(5,025,232)</u>	<u>(842,033)</u>	<u>(4,665,386)</u>
	100,000	100,000
	100,000	100,000
<u>(5,025,232)</u>	<u>(742,033)</u>	<u>(4,565,386)</u>
<u>5,025,232</u>	<u>980,827</u>	<u>9,768,278</u>
<u>\$</u>	<u>\$ 238,794</u>	<u>\$ 5,202,892</u>



**Flowing Wells Unified School District No. 8**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Classroom Site**  
**For the Year Ended June 30, 2023**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Other local	\$	\$	\$ 145,382	\$ 145,382
State aid and grants			4,420,806	4,420,806
<b>Total revenues</b>			<u>4,566,188</u>	<u>4,566,188</u>
<b>Expenditures</b>				
Current:				
Instruction	5,139,277	5,148,492	3,757,963	1,390,529
Support services - students and staff	98,831	65,373	48,167	17,206
Operation of non-instructional services	16,536	16,309	12,041	4,268
<b>Total expenditures</b>	<u>5,254,644</u>	<u>5,230,174</u>	<u>3,818,171</u>	<u>1,412,003</u>
<b>Changes in fund balances</b>	<u>(5,254,644)</u>	<u>(5,230,174)</u>	<u>748,017</u>	<u>5,978,191</u>
<b>Fund balances, beginning of year</b>			<u>799,499</u>	<u>799,499</u>
<b>Fund balances, end of year</b>	<u>\$ (5,254,644)</u>	<u>\$ (5,230,174)</u>	<u>\$ 1,547,516</u>	<u>\$ 6,777,690</u>

**Flowing Wells Unified School District No. 8**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Instructional Improvement**  
**For the Year Ended June 30, 2023**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Other local	\$	\$	\$ 5,664	\$ 5,664
State aid and grants			366,202	366,202
<b>Total revenues</b>			<u>371,866</u>	<u>371,866</u>
<b>Expenditures</b>				
Current:				
Instruction	305,933	261,743	249,685	12,058
Support services - students and staff	143,522	122,791	117,134	5,657
Operation of non-instructional services	545	466	445	21
<b>Total expenditures</b>	<u>450,000</u>	<u>385,000</u>	<u>367,264</u>	<u>17,736</u>
<b>Changes in fund balances</b>	<u>(450,000)</u>	<u>(385,000)</u>	<u>4,602</u>	<u>389,602</u>
<b>Fund balances, beginning of year</b>			<u>279,313</u>	<u>279,313</u>
<b>Fund balances, end of year</b>	<u>\$ (450,000)</u>	<u>\$ (385,000)</u>	<u>\$ 283,915</u>	<u>\$ 668,915</u>

**Flowing Wells Unified School District No. 8**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Food Service**  
**For the Year Ended June 30, 2023**

	<u>Budget</u>		<b>Variance with Final Budget</b>
	<u>Original and Final</u>	<u>Actual</u>	
<b>Revenues</b>			
Other local	\$	\$ 454,190	\$ 454,190
Federal aid, grants and reimbursements		3,489,006	3,489,006
<b>Total revenues</b>		<u>3,943,196</u>	<u>3,943,196</u>
<b>Expenditures</b>			
Current:			
Operation and maintenance of plant services	3,031	3,010	21
Operation of non-instructional services	3,249,809	3,227,465	22,344
Capital outlay	547,160	543,398	3,762
<b>Total expenditures</b>	<u>3,800,000</u>	<u>3,773,873</u>	<u>26,127</u>
<b>Changes in fund balances</b>	<u>(3,800,000)</u>	<u>169,323</u>	<u>3,969,323</u>
<b>Fund balances, beginning of year</b>		<u>1,704,562</u>	<u>1,704,562</u>
<b>Fund balances, end of year</b>	<u>\$ (3,800,000)</u>	<u>\$ 1,873,885</u>	<u>\$ 5,673,885</u>

**Flowing Wells Unified School District No. 8**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Debt Service**  
**For the Year Ended June 30, 2023**

	<u>Budget</u>		<b>Variance with Final Budget</b>
	<u>Original and Final</u>	<u>Actual</u>	
<b>Revenues</b>			
Other local	\$	\$ 217,831	\$ 217,831
Property taxes		3,056,756	3,056,756
<b>Total revenues</b>		<u>3,274,587</u>	<u>3,274,587</u>
<b>Expenditures</b>			
Debt service:			
Principal retirement	1,910,000	1,910,000	
Interest and fiscal charges	1,090,000	1,084,650	5,350
<b>Total expenditures</b>	<u>3,000,000</u>	<u>2,994,650</u>	<u>5,350</u>
<b>Changes in fund balances</b>	<u>(3,000,000)</u>	<u>279,937</u>	<u>3,279,937</u>
<b>Fund balances, beginning of year</b>		<u>978,845</u>	<u>978,845</u>
<b>Fund balances, end of year</b>	<u>\$ (3,000,000)</u>	<u>\$ 1,258,782</u>	<u>\$ 4,258,782</u>

**Flowing Wells Unified School District No. 8**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Bond Building**  
**For the Year Ended June 30, 2023**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Other local	\$ _____	\$ _____	\$ _____	\$ _____
<b>Total revenues</b>	_____	_____	_____	_____
<b>Expenditures</b>				
Capital outlay	5,320,000	5,100,000	5,025,232	74,768
<b>Total expenditures</b>	5,320,000	5,100,000	5,025,232	74,768
<b>Changes in fund balances</b>	(5,320,000)	(5,100,000)	(5,025,232)	74,768
<b>Fund balances, beginning of year</b>	_____	_____	5,025,232	5,025,232
<b>Fund balances, end of year</b>	<u>\$ (5,320,000)</u>	<u>\$ (5,100,000)</u>	<u>\$ _____</u>	<u>\$ 5,100,000</u>

**Flowing Wells Unified School District No. 8**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Other Capital Projects**  
**For the Year Ended June 30, 2023**

	<u>Budget</u>		<b>Variance with Final Budget</b>
	<u>Original and Final</u>	<u>Actual</u>	
<b>Revenues</b>			
Other local	\$	\$ 12,976	\$ 12,976
State aid and grants		115,970	115,970
Federal aid, grants and reimbursements		152,314	152,314
<b>Total revenues</b>		<u>281,260</u>	<u>281,260</u>
<b>Expenditures</b>			
Capital outlay	501,708	124,001	377,707
Debt service:			
Principal retirement	747,665	747,665	
Interest and fiscal charges	251,627	251,627	
<b>Total expenditures</b>	<u>1,501,000</u>	<u>1,123,293</u>	<u>377,707</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(1,501,000)</u>	<u>(842,033)</u>	<u>658,967</u>
<b>Other financing sources (uses)</b>			
Transfers in		100,000	100,000
<b>Total other financing sources (uses)</b>		<u>100,000</u>	<u>100,000</u>
<b>Changes in fund balances</b>	<u>(1,501,000)</u>	<u>(742,033)</u>	<u>758,967</u>
<b>Fund balances, beginning of year</b>		<u>980,827</u>	<u>980,827</u>
<b>Fund balances, end of year</b>	<u>\$ (1,501,000)</u>	<u>\$ 238,794</u>	<u>\$ 1,739,794</u>

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## 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 revenue.

### 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)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>
<b>Net Position:</b>					
Net investment in capital assets	\$ 35,418,891	\$ 30,236,059	\$ 28,848,930	\$ 27,513,958	\$ 25,430,264
Restricted	12,468,724	13,370,187	11,245,281	10,909,754	9,786,220
Unrestricted	<u>(20,788,654)</u>	<u>(22,782,104)</u>	<u>(24,543,584)</u>	<u>(25,467,803)</u>	<u>(27,715,109)</u>
Total net position	<u>\$ 27,098,961</u>	<u>\$ 20,824,142</u>	<u>\$ 15,550,627</u>	<u>\$ 12,955,909</u>	<u>\$ 7,501,375</u>
	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
<b>Net Position:</b>					
Net investment in capital assets	\$ 23,283,202	\$ 25,026,466	\$ 24,092,627	\$ 24,812,730	\$ 25,170,955
Restricted	11,356,514	9,355,820	8,792,574	9,469,901	10,697,873
Unrestricted	<u>(31,640,279)</u>	<u>(33,557,718)</u>	<u>(33,865,138)</u>	<u>(35,881,862)</u>	<u>5,010,342</u>
Total net position	<u>\$ 2,999,437</u>	<u>\$ 824,568</u>	<u>\$ (979,937)</u>	<u>\$ (1,599,231)</u>	<u>\$ 40,879,170</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)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>
<b>Expenses</b>					
Instruction	\$ 34,848,056	\$ 32,256,065	\$ 29,833,084	\$ 28,475,185	\$ 24,225,283
Support services - students and staff	8,512,529	7,110,824	6,421,191	5,959,015	4,987,041
Support services - administration	6,043,958	5,225,877	5,245,004	5,302,786	4,569,376
Operation and maintenance of plant services	7,344,474	6,350,526	6,279,478	5,924,941	5,599,744
Student transportation services	3,045,896	2,511,037	1,937,869	2,234,946	1,972,200
Operation of non-instructional services	4,432,311	3,500,882	1,975,536	2,852,969	3,004,446
Interest on long-term debt	1,205,817	1,343,717	1,137,034	943,756	1,889,166
Total expenses	<u>65,433,041</u>	<u>58,298,928</u>	<u>52,829,196</u>	<u>51,693,598</u>	<u>46,247,256</u>
<b>Program Revenues</b>					
Charges for services:					
Instruction	3,348,822	3,406,743	2,325,434	3,035,949	2,629,035
Operation of non-instructional services	405,307	99,891	22,310	327,390	462,517
Other activities	874,638	677,345	251,986	723,203	180,116
Operating grants and contributions	15,089,828	12,853,542	10,915,755	6,988,905	7,686,462
Capital grants and contributions	1,861,213	2,172,656	1,332,712	2,959,408	674,372
Total program revenues	<u>21,579,808</u>	<u>19,210,177</u>	<u>14,848,197</u>	<u>14,034,855</u>	<u>11,632,502</u>
<b>Net (Expense)/Revenue</b>	<u>\$ (43,853,233)</u>	<u>\$ (39,088,751)</u>	<u>\$ (37,980,999)</u>	<u>\$ (37,658,743)</u>	<u>\$ (34,614,754)</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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Expenses</b>					
Instruction	\$ 23,277,175	\$ 23,882,165	\$ 23,797,530	\$ 24,416,291	\$ 23,230,551
Support services - students and staff	4,688,884	4,933,647	5,044,693	4,947,880	4,888,880
Support services - administration	4,366,079	4,528,761	4,355,587	4,682,031	4,467,273
Operation and maintenance of plant services	5,606,194	5,479,983	5,685,776	5,806,271	5,686,411
Student transportation services	1,738,539	1,835,192	1,739,543	1,841,991	1,826,102
Operation of non-instructional services	2,891,627	2,922,808	2,850,419	2,797,966	2,758,328
Interest on long-term debt	712,726	605,593	836,764	884,425	960,722
Total expenses	<u>43,281,224</u>	<u>44,188,149</u>	<u>44,310,312</u>	<u>45,376,855</u>	<u>43,818,267</u>
<b>Program Revenues</b>					
Charges for services:					
Instruction	2,000,946	2,118,503	2,140,284	2,861,211	2,537,148
Operation of non-instructional services	411,761	376,302	382,954	395,497	397,266
Other activities	167,595	832,528	993,741	436,118	377,557
Operating grants and contributions	7,315,216	6,936,911	7,721,121	7,666,253	7,518,260
Capital grants and contributions	295,225	1,595,923	330,778	310,594	261,557
Total program revenues	<u>10,190,743</u>	<u>11,860,167</u>	<u>11,568,878</u>	<u>11,669,673</u>	<u>11,091,788</u>
<b>Net (Expense)/Revenue</b>	<u>\$ (33,090,481)</u>	<u>\$ (32,327,982)</u>	<u>\$ (32,741,434)</u>	<u>\$ (33,707,182)</u>	<u>\$ (32,726,479)</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)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>
<b>Net (Expense)/Revenue</b>	\$ (43,853,233)	\$ (39,088,751)	\$ (37,980,999)	\$ (37,658,743)	\$ (34,614,754)
<b>General Revenues:</b>					
Property taxes	13,790,359	13,213,140	13,061,224	12,917,688	12,639,068
Investment income	765,052	75,452	100,352	391,420	554,897
Unrestricted county aid		2,286,320	2,162,310	2,112,919	2,090,391
Unrestricted state aid	35,235,722	28,376,067	24,900,462	25,988,487	23,534,890
Unrestricted federal aid	336,919	411,287	351,369	323,127	297,446
<b>Total general revenues</b>	50,128,052	44,362,266	40,575,717	41,733,641	39,116,692
<b>Changes in Net Position</b>	\$ 6,274,819	\$ 5,273,515	\$ 2,594,718	\$ 4,074,898	\$ 4,501,938

(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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Net (Expense)/Revenue</b>	\$ (33,090,481)	\$ (32,327,982)	\$ (32,741,434)	\$ (33,707,182)	\$ (32,726,479)
<b>General Revenues:</b>					
Property taxes	11,908,270	11,970,929	11,305,735	11,501,779	11,835,870
Investment income	159,625	109,665	72,972	53,418	65,307
Unrestricted county aid	2,062,934	2,087,943	2,010,153	1,945,722	1,923,971
Unrestricted state aid	20,918,532	19,803,718	19,816,228	18,307,824	18,135,679
Unrestricted federal aid	215,989	160,232	155,640	126,746	161,497
<b>Total general revenues</b>	<u>35,265,350</u>	<u>34,132,487</u>	<u>33,360,728</u>	<u>31,935,489</u>	<u>32,122,324</u>
<b>Changes in Net Position</b>	<u>\$ 2,174,869</u>	<u>\$ 1,804,505</u>	<u>\$ 619,294</u>	<u>\$ (1,771,693)</u>	<u>\$ (604,155)</u>

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

**Note:** Due to a change in legislation, beginning with fiscal year 2023, unrestricted county aid is now presented with property taxes.

**(Concluded)**

**Flowing Wells Unified School District No. 8**  
**Fund Balances - Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>
General Fund:					
Nondspendable	\$ 902,386	\$ 962,479	\$ 753,135	\$ 813,232	\$ 732,972
Unassigned	15,429,596	12,566,464	11,201,095	8,838,775	6,871,913
Total General Fund	<b>\$ 16,331,982</b>	<b>\$ 13,528,943</b>	<b>\$ 11,954,230</b>	<b>\$ 9,652,007</b>	<b>\$ 7,604,885</b>
All Other Governmental Funds:					
Nondspendable	\$ 166,174	\$ 113,763	\$ 95,421	\$ 100,048	\$ 106,215
Restricted	11,479,501	17,850,363	19,726,999	10,689,890	21,996,678
Unassigned		(342,569)	(351,372)	(234,542)	(47,459)
Total all other governmental funds	<b>\$ 11,645,675</b>	<b>\$ 17,621,557</b>	<b>\$ 19,471,048</b>	<b>\$ 10,555,396</b>	<b>\$ 22,055,434</b>

**(Continued)**

**Flowing Wells Unified School District No. 8**  
**Fund Balances - Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified accrual basis of accounting)**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Fund:					
Nonspendable	\$ 742,038	\$ 694,160	\$ 569,029	\$ 645,580	\$ 886,994
Unassigned	5,930,917	6,002,795	6,583,530	4,811,772	4,870,251
Total General Fund	<u>\$ 6,672,955</u>	<u>\$ 6,696,955</u>	<u>\$ 7,152,559</u>	<u>\$ 5,457,352</u>	<u>\$ 5,757,245</u>
All Other Governmental Funds:					
Nonspendable	\$ 79,204	\$ 86,059	\$ 113,343	\$ 48,240	\$ 75,601
Restricted	25,110,406	9,328,521	9,165,666	10,120,001	12,158,034
Unassigned	(89,200)			(37,697)	(27,136)
Total all other governmental funds	<u>\$ 25,100,410</u>	<u>\$ 9,414,580</u>	<u>\$ 9,279,009</u>	<u>\$ 10,130,544</u>	<u>\$ 12,206,499</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)**

	<b>Fiscal Year Ended June 30</b>				
	<u><b>2023</b></u>	<u><b>2022</b></u>	<u><b>2021</b></u>	<u><b>2020</b></u>	<u><b>2019</b></u>
<b>Federal sources:</b>					
Federal grants	\$ 11,785,735	\$ 9,880,832	\$ 7,742,628	\$ 4,223,179	\$ 4,651,260
National School Lunch Program	3,489,006	3,940,617	2,066,892	2,422,601	2,528,980
Total federal sources	<u>15,274,741</u>	<u>13,821,449</u>	<u>9,809,520</u>	<u>6,645,780</u>	<u>7,180,240</u>
<b>State sources:</b>					
State equalization assistance	30,448,714	23,568,240	21,889,987	22,658,056	20,259,367
State grants	1,332,542	906,107	922,605	955,148	766,644
School Facilities Oversight Board	115,970	607,304	492,015	1,951,042	108,674
Other revenues	<u>4,787,008</u>	<u>4,807,827</u>	<u>3,010,475</u>	<u>3,330,431</u>	<u>3,275,523</u>
Total state sources	<u>36,684,234</u>	<u>29,889,478</u>	<u>26,315,082</u>	<u>28,894,677</u>	<u>24,410,208</u>
<b>Local sources:</b>					
Property taxes	13,769,452	13,198,601	12,946,485	12,915,409	12,573,845
County aid		2,286,320	2,162,310	2,134,446	2,090,391
Food service sales	405,307	99,891	5,542	321,998	382,452
Investment income	765,052	75,452	100,352	391,420	554,897
Other revenues	<u>4,334,893</u>	<u>4,503,900</u>	<u>3,334,398</u>	<u>4,177,087</u>	<u>3,457,457</u>
Total local sources	<u>19,274,704</u>	<u>20,164,164</u>	<u>18,549,087</u>	<u>19,940,360</u>	<u>19,059,042</u>
<b>Total revenues</b>	<u><u>\$ 71,233,679</u></u>	<u><u>\$ 63,875,091</u></u>	<u><u>\$ 54,673,689</u></u>	<u><u>\$ 55,480,817</u></u>	<u><u>\$ 50,649,490</u></u>

(Continued)

**Flowing Wells Unified School District No. 8**  
**Governmental Funds Revenues**  
**Last Ten Fiscal Years**  
**(Modified accrual basis of accounting)**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Federal sources:</b>					
Federal grants	\$ 4,106,685	\$ 5,105,541	\$ 4,784,320	\$ 5,180,092	\$ 4,867,094
National School Lunch Program	2,565,275	2,606,491	2,654,882	2,532,756	2,560,220
Total federal sources	<u>6,671,960</u>	<u>7,712,032</u>	<u>7,439,202</u>	<u>7,712,848</u>	<u>7,427,314</u>
<b>State sources:</b>					
State equalization assistance	17,884,357	17,123,536	17,413,770	16,043,535	15,891,586
State grants	273,703	130,248	157,772	244,142	218,861
School Facilities Oversight Board	181,911	281,857	293,475	239,517	105,886
Other revenues	<u>3,216,788</u>	<u>2,680,174</u>	<u>2,402,451</u>	<u>2,264,325</u>	<u>2,244,093</u>
Total state sources	<u>21,556,759</u>	<u>20,215,815</u>	<u>20,267,468</u>	<u>18,791,519</u>	<u>18,460,426</u>
<b>Local sources:</b>					
Property taxes	11,910,220	11,886,197	11,276,121	11,606,810	11,807,713
County aid	2,062,934	2,087,943	2,010,153	1,945,722	1,923,971
Food service sales	349,170	368,223	372,443	384,262	389,350
Investment income	159,625	109,665	72,972	53,907	65,307
Other revenues	<u>2,795,763</u>	<u>3,528,047</u>	<u>3,461,633</u>	<u>3,215,125</u>	<u>3,111,874</u>
Total local sources	<u>17,277,712</u>	<u>17,980,075</u>	<u>17,193,322</u>	<u>17,205,826</u>	<u>17,298,215</u>
<b>Total revenues</b>	<u>\$ 45,506,431</u>	<u>\$ 45,907,922</u>	<u>\$ 44,899,992</u>	<u>\$ 43,710,193</u>	<u>\$ 43,185,955</u>

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

**Note:** Due to a change in legislation, beginning with fiscal year 2023, county aid is now presented with property taxes.

**(Concluded)**

**Flowing Wells Unified School District No. 8**  
**Governmental Funds Expenditures and Debt Service Ratio**  
**Last Ten Fiscal Years**  
**(Modified accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<u><b>2023</b></u>	<u><b>2022</b></u>	<u><b>2021</b></u>	<u><b>2020</b></u>	<u><b>2019</b></u>
<b>Expenditures:</b>					
Current -					
Instruction	\$ 30,378,046	\$ 28,786,464	\$ 25,347,384	\$ 25,254,459	\$ 23,701,936
Support services - students and staff	8,269,049	7,079,122	6,185,638	5,800,310	5,318,265
Support services - administration	5,700,759	4,888,275	4,777,330	4,851,412	4,598,422
Operation and maintenance of plant services	6,514,233	5,784,253	5,435,121	5,242,038	5,206,740
Student transportation services	2,526,374	1,933,375	1,408,070	1,639,012	1,679,592
Operation of non-instructional services	4,222,290	3,323,621	1,788,453	2,648,574	2,884,580
Capital outlay	12,767,550	8,661,733	4,540,583	18,013,964	4,410,941
Debt service -					
Principal retirement	2,749,616	2,531,734	2,694,416	2,090,821	3,163,876
Interest and fiscal charges	1,347,048	1,484,948	1,212,423	1,019,145	1,964,555
Bond issuance costs			204,444		
<b>Total expenditures</b>	<u><u>\$ 74,474,965</u></u>	<u><u>\$ 64,473,525</u></u>	<u><u>\$ 53,593,862</u></u>	<u><u>\$ 66,559,735</u></u>	<u><u>\$ 52,928,907</u></u>
Expenditures for capitalized assets	\$ 11,426,830	\$ 6,738,137	\$ 2,811,051	\$ 15,746,835	\$ 3,145,563
Debt service as a percentage of noncapital expenditures	6%	7%	8%	6%	10%

(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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Expenditures:</b>					
Current -					
Instruction	\$ 22,193,984	\$ 21,866,324	\$ 21,190,136	\$ 21,768,437	\$ 20,885,766
Support services - students and staff	4,887,217	4,919,281	4,929,873	4,784,411	4,827,700
Support services - administration	4,374,101	4,452,051	4,175,551	4,421,107	4,260,005
Operation and maintenance of plant services	5,570,404	5,734,135	5,587,530	5,578,554	5,529,864
Student transportation services	1,631,830	1,546,219	1,486,441	1,550,724	1,594,744
Operation of non-instructional services	2,776,074	2,797,043	2,781,371	2,698,230	2,700,687
Capital outlay	7,800,870	2,634,100	3,862,990	2,805,263	2,408,565
Debt service -					
Principal retirement	1,810,714	1,646,317	1,438,880	1,377,010	1,969,395
Interest and fiscal charges	650,939	730,332	853,893	901,554	977,851
Bond issuance costs	252,015	213,359			
<b>Total expenditures</b>	<u>\$ 51,948,148</u>	<u>\$ 46,539,161</u>	<u>\$ 46,306,665</u>	<u>\$ 45,885,290</u>	<u>\$ 45,154,577</u>
Expenditures for capitalized assets	\$ 7,228,702	\$ 1,665,104	\$ 2,912,507	\$ 1,693,714	\$ 1,695,076
Debt service as a percentage of noncapital expenditures	6%	5%	5%	5%	7%

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

**(Concluded)**

**Flowing Wells Unified School District No. 8**  
**Other Financing Sources and Uses and Net Changes in Fund Balances - Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>
<b>Excess (deficiency) of revenues over expenditures</b>	\$ (3,241,286)	\$ (598,434)	\$ 1,079,827	\$ (11,078,918)	\$ (2,279,417)
<b>Other financing sources (uses):</b>					
Issuance of school improvement bonds			8,905,000		
Premium on sale of bonds			1,251,000		
Insurance recoveries	68,443	95,970	46,772	172,373	148,326
Transfers in	482,315	1,534,749	1,027,362	1,034,262	1,249,153
Transfers out	(482,315)	(1,534,749)	(1,027,362)	(1,034,262)	(1,249,153)
<b>Total other financing sources (uses)</b>	<b><u>68,443</u></b>	<b><u>95,970</u></b>	<b><u>10,202,772</u></b>	<b><u>172,373</u></b>	<b><u>148,326</u></b>
<b>Changes in fund balances</b>	<b><u>\$ (3,172,843)</u></b>	<b><u>\$ (502,464)</u></b>	<b><u>\$ 11,282,599</u></b>	<b><u>\$ (10,906,545)</u></b>	<b><u>\$ (2,131,091)</u></b>
	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
<b>Excess (deficiency) of revenues over expenditures</b>	\$ (6,441,717)	\$ (631,239)	\$ (1,406,673)	\$ (2,175,097)	\$ (1,968,622)
<b>Other financing sources (uses):</b>					
Issuance of school improvement bonds	13,385,000				
Issuance of refunding bonds		9,800,000			
Premium on sale of bonds	834,340	1,621,601			
Payment to refunded bond escrow agent		(11,208,242)			
Capital lease agreements	7,843,184		2,261,793	68,024	
Transfers in	815,774	268,763	318,071	250,071	2,557,872
Transfers out	(815,774)	(268,763)	(318,071)	(250,071)	(2,557,872)
<b>Total other financing sources (uses)</b>	<b><u>22,062,524</u></b>	<b><u>213,359</u></b>	<b><u>2,261,793</u></b>	<b><u>68,024</u></b>	<b><u></u></b>
<b>Changes in fund balances</b>	<b><u>\$ 15,620,807</u></b>	<b><u>\$ (417,880)</u></b>	<b><u>\$ 855,120</u></b>	<b><u>\$ (2,107,073)</u></b>	<b><u>\$ (1,968,622)</u></b>

**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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Commercial, Industrial, Utilities and Mining	\$ 124,090,783	\$ 122,774,390	\$ 111,450,645	\$ 112,314,117	\$ 109,191,270
Agricultural and Vacant	3,553,660	3,408,642	3,439,947	3,622,156	4,046,429
Residential (Owner Occupied)	62,427,220	59,737,777	57,160,267	54,915,674	52,125,002
Residential (Rental)	34,942,272	33,658,629	31,869,107	30,732,676	30,133,326
Railroad, Private Cars and Airlines	1,605,341	1,495,787	1,277,985	1,376,094	1,447,956
Historical Property	1,260	1,227	1,313	1,244	1,272
<b>Total</b>	<b>\$ 226,620,536</b>	<b>\$ 221,076,452</b>	<b>\$ 205,199,264</b>	<b>\$ 202,961,961</b>	<b>\$ 196,945,255</b>
Gross Full Cash Value	\$ 2,240,178,243	\$ 2,158,491,262	\$ 2,009,407,685	\$ 1,946,507,971	\$ 1,841,624,532
Ratio of Net Limited Assessed Value to Gross Full Cash Value	10%	10%	10%	10%	11%
Total Direct Rate	6.56	6.49	6.68	6.85	6.89

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Commercial, Industrial, Utilities and Mining	\$ 106,316,995	\$ 104,178,703	\$ 103,613,262	\$ 108,115,016	\$ 108,646,346
Agricultural and Vacant	3,954,237	4,211,883	4,864,782	5,133,265	5,596,377
Residential (Owner Occupied)	49,489,791	47,694,240	45,879,412	45,906,498	48,103,134
Residential (Rental)	29,876,426	29,734,047	28,211,503	26,631,922	23,819,874
Railroad, Private Cars and Airlines	1,461,845	1,295,731	1,339,071	1,074,849	908,886
Historical Property	1,281	1,277			
<b>Total</b>	<b>\$ 191,100,575</b>	<b>\$ 187,115,881</b>	<b>\$ 183,908,030</b>	<b>\$ 186,861,550</b>	<b>\$ 187,074,617</b>
Gross Full Cash Value	\$ 1,739,772,247	\$ 1,692,941,979	\$ 1,603,347,327	\$ 1,551,507,923	\$ 1,528,762,890
Ratio of Net Limited Assessed Value to Gross Full Cash Value	11%	11%	11%	12%	12%
Total Direct Rate	6.75	6.90	6.63	6.61	6.71

**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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Commercial, Industrial, Utilities and Mining	\$ 142,168,466	\$ 142,377,808	\$ 128,027,945	\$ 126,209,609	\$ 120,912,533
Agricultural and Vacant	4,334,512	4,279,347	4,091,371	3,962,554	4,232,271
Residential (Owner Occupied)	73,799,144	71,033,833	68,381,071	64,044,729	58,096,655
Residential (Rental)	43,421,096	41,647,363	37,557,591	37,039,193	35,862,454
Railroad, Private Cars and Airlines	2,081,943	1,917,797	1,599,553	1,684,126	1,730,274
Historical Property	<u>1,292</u>	<u>1,320</u>	<u>1,313</u>	<u>1,244</u>	<u>1,272</u>
<b>Total</b>	<u>\$ 265,806,453</u>	<u>\$ 261,257,468</u>	<u>\$ 239,658,844</u>	<u>\$ 232,941,455</u>	<u>\$ 220,835,459</u>
Gross Full Cash Value	\$ 2,240,178,243	\$ 2,158,491,262	\$ 2,009,407,685	\$ 1,946,507,971	\$ 1,841,624,532
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	12%	12%	12%	12%	12%
Estimated Net Full Cash Value	\$ 2,001,310,645	\$ 1,935,410,943	\$ 1,783,063,266	\$ 1,724,333,660	\$ 1,629,201,874
Total Direct Rate	6.56	6.49	6.68	6.85	6.89

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Commercial, Industrial, Utilities and Mining	\$ 112,075,368	\$ 107,302,198	\$ 107,392,880	\$ 109,340,130	\$ 109,940,821
Agricultural and Vacant	4,199,537	4,420,389	4,961,780	5,212,117	5,776,203
Residential (Owner Occupied)	53,805,547	52,468,419	48,169,512	46,102,323	48,127,140
Residential (Rental)	32,967,356	31,754,325	28,944,070	26,800,291	24,050,117
Railroad, Private Cars and Airlines	1,689,571	1,380,686	1,362,614	1,084,163	916,837
Historical Property	<u>1,281</u>	<u>1,277</u>	<u>1,277</u>	<u>1,277</u>	<u>1,277</u>
<b>Total</b>	<u>\$ 204,738,660</u>	<u>\$ 197,327,294</u>	<u>\$ 190,830,856</u>	<u>\$ 188,539,024</u>	<u>\$ 188,811,118</u>
Gross Full Cash Value	\$ 1,739,772,247	\$ 1,692,941,979	\$ 1,603,347,327	\$ 1,551,507,923	\$ 1,528,762,890
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	12%	12%	12%	12%	12%
Estimated Net Full Cash Value	\$ 1,506,130,002	\$ 1,453,406,024	\$ 1,363,963,750	\$ 1,320,333,156	\$ 1,306,927,608
Total Direct Rate	6.75	6.90	6.63	6.61	6.71

**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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Commercial, Industrial, Utilities and Mining	18 %	18 %	18 %	18 %	18 %
Agricultural and Vacant	15	15	15	15	15
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	15	15	15	15	14

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Commercial, Industrial, Utilities and Mining	18 %	18 %	19 %	19 %	20 %
Agricultural and Vacant	15	15	16	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	15	14	15	16	15

**Source:** The source of this information is the State and County Abstract of the Assessment Roll, Arizona Department of Revenue.

**Note:** Additional classes of property exist, but do not amount to a significant portion of the District's total valuation, therefore they are not included on this schedule.



**Flowing Wells Unified School District No. 8  
Direct and Overlapping Property Tax Rates  
Last Ten Fiscal Years**

Fiscal Year Ended June 30	Overlapping Rates									District Direct Rates		
	State Equalization	County	County Free Library	Flood Control District	Community College District	Fire District Assistance	Central Arizona Water	City of Tucson	Northwest Fire District	Primary	Secondary	Total
	2023		4.20	0.55	0.32	1.29	0.04	0.14	1.43	3.17	3.70	2.86
2022	0.43	4.33	0.54	0.33	1.27	0.04	0.14	1.31	3.05	3.85	2.63	6.48
2021	0.44	4.44	0.54	0.33	1.34	0.04	0.14	1.36	3.00	3.82	2.86	6.68
2020	0.46	4.69	0.54	0.33	1.38	0.04	0.14	1.38	3.00	3.97	2.88	6.85
2019	0.47	4.76	0.52	0.33	1.40	0.04	0.14	1.48	3.05	4.08	2.80	6.88
2018	0.49	5.16	0.51	0.31	1.39	0.05	0.14	1.43	3.07	4.21	2.55	6.76
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

**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**

<b>Taxpayer</b>	<b>2023</b>		<b>2014</b>	
	<b>Net Limited Assessed Valuation</b>	<b>Percentage of District's Net Limited Assessed Valuation</b>	<b>Net Full Cash Assessed Valuation</b>	<b>Percentage of District's Net Full Cash Assessed Valuation</b>
Unisource Energy Corp	\$ 12,279,565	5.42 %	\$ 10,191,954	5.40 %
Southwest Gas Corp	4,537,081	2.00	2,260,334	1.20
Marana Marketplace Partners, LLC	3,067,089	1.35	2,597,101	1.38
Realty Income Properties LLC	2,469,048	1.09	1,946,867	1.03
Pegasus Tucson Owner LLC	2,378,917	1.05		
Verizon Wireless	2,193,438	0.97		
Orange Grove Properties LLC	2,158,292	0.95	1,600,000	0.85
National Retail Properties LP	1,749,713	0.77		
Price Company	1,614,236	0.71	1,283,588	0.68
Union Pacific Railroad	1,605,340	0.71		
GRH Marana LLC			1,516,032	0.80
Qwest Corp			1,914,176	1.01
Target Corporation			1,418,705	0.75
HD Development of Maryland			1,452,780	0.77
Total	<u>\$ 34,052,719</u>	<u>15.02 %</u>	<u>\$ 26,181,537</u>	<u>13.87 %</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
2023	\$ 12,749,295	\$ 12,300,327	96.48 %	\$	\$ 12,300,327	96.48 %
2022	12,273,287	12,006,712	97.83	249,484	12,256,196	99.86
2021	12,132,595	11,742,600	96.79	285,530	12,028,130	99.14
2020	11,965,363	11,619,938	97.11	270,613	11,890,551	99.37
2019	11,675,286	11,337,858	97.11	288,169	11,626,027	99.58
2018	11,969,592	11,591,724	96.84	365,822	11,957,546	99.90
2017	12,007,875	11,572,304	96.37	380,233	11,952,537	99.54
2016	11,343,045	10,765,389	94.91	526,354	11,291,743	99.55
2015	11,478,903	10,952,587	95.41	487,963	11,440,550	99.67
2014	10,908,887	10,420,496	95.52	452,516	10,873,012	99.67

**Source:** The source of this information is the 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	Financed Purchases and Leases	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Percentage of Personal Income
2023	\$ 28,612,519	\$ 1,400,457	\$ 27,212,062	1.21 %	\$ 296	\$ 6,015,635	\$ 34,628,154	1.55 %	\$ 376	0.06 %
2022	30,757,013	1,113,595	29,643,418	1.37	307	6,855,251	37,612,264	1.74	389	0.07
2021	32,706,507	1,122,866	31,583,641	1.57	347	7,308,885	40,015,392	1.99	439	0.08
2020	24,704,159	1,116,750	23,587,409	1.21	245	8,018,301	32,722,460	1.68	340	0.07
2019	26,727,811	847,786	25,880,025	1.41	272	8,254,122	34,981,933	1.90	367	0.08
2018	28,586,463	527,231	28,059,232	1.61	306	9,727,998	38,314,461	2.20	418	0.09
2017	16,081,862	441,021	15,640,841	0.92	173	2,105,528	18,187,390	1.07	201	0.05
2016	16,275,819	280,710	15,995,109	1.00	171	2,256,845	18,532,664	1.16	198	0.05
2015	17,667,948	684,171	16,983,777	1.09	182	58,932	17,726,880	1.14	190	0.05
2014	18,970,000	1,008,072	17,961,928	1.17	193	82,918	19,052,918	1.25	205	0.05

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

**Note:** The provisions of the Governmental Accounting Standards Board (GASB) Statement No. 87 were adopted in fiscal year 2022. The standard replaces the previous capital and operating lease designations with financed purchases or leases depending on the substance of the transactions. The fiscal year 2014-2021 information within this column relates to the transactions previously designated as capital leases.

**Flowing Wells Unified School District No. 8**  
**Direct and Overlapping Governmental Activities Debt**  
**June 30, 2023**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Overlapping:			
State of Arizona	None	0.29 %	None
Pima County	99,615,000	2.24	\$ 2,231,376
Pima County Community College	None	2.24	None
City of Tucson	110,905,000	1.80	1,996,290
Northwest Fire District	27,020,000	11.31	3,055,962
Subtotal, Overlapping Debt			<u>7,283,628</u>
Direct:			
Flowing Wells Unified School District No. 8	34,628,154	100.00	<u>34,628,154</u>
Total Direct and Overlapping Governmental Activities Debt			<u>\$ 41,911,782</u>

**Direct and Overlapping General Bonded Debt Ratios**

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation		12.21 %
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 380	
As a Percentage of Net Limited Assessed Valuation		15.43 %
As a Percentage of Gross Full Cash Value		1.56 %

**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, 2022 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 2023:**

Net full cash assessed valuation	\$ 265,806,453
Debt limit (20% of assessed value)	53,161,291
Debt applicable to limit	<u>27,680,988</u>
Legal debt margin	<u><u>\$ 25,480,303</u></u>

**Total Legal Debt Margin Calculation for Fiscal Year 2023:**

Net full cash assessed valuation	\$ 265,806,453
Debt limit (30% of assessed value)	79,741,936
Debt applicable to limit	<u>27,680,988</u>
Legal debt margin	<u><u>\$ 52,060,948</u></u>

**Fiscal Year Ended June 30**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Debt Limit	\$ 79,741,936	\$ 78,377,240	\$ 71,897,653	\$ 69,882,437	\$ 66,250,638
Total net debt applicable to limit	<u>27,680,988</u>	<u>29,647,119</u>	<u>31,404,918</u>	<u>23,447,013</u>	<u>25,305,000</u>
Legal debt margin	<u><u>\$ 52,060,948</u></u>	<u><u>\$ 48,730,121</u></u>	<u><u>\$ 40,492,735</u></u>	<u><u>\$ 46,435,424</u></u>	<u><u>\$ 40,945,638</u></u>
Total net debt applicable to the limit as a percentage of debt limit	35%	38%	44%	34%	38%

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Debt Limit	\$ 61,421,598	\$ 59,198,188	\$ 57,249,257	\$ 56,561,707	\$ 56,643,335
Total net debt applicable to limit	<u>26,995,000</u>	<u>14,585,000</u>	<u>16,080,000</u>	<u>17,455,000</u>	<u>18,740,000</u>
Legal debt margin	<u><u>\$ 34,426,598</u></u>	<u><u>\$ 44,613,188</u></u>	<u><u>\$ 41,169,257</u></u>	<u><u>\$ 39,106,707</u></u>	<u><u>\$ 37,903,335</u></u>
Total net debt applicable to the limit as a percentage of debt limit	44%	25%	28%	31%	33%

**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>
2022	1,072,298	\$ 57,601,036	\$ 54,464	3.8 %	92,018
2021	1,058,318	55,696,681	52,942	5.0	96,613
2020	1,052,375	51,331,920	48,373	7.4	91,127
2019	1,044,675	47,604,994	45,456	4.0	96,258
2018	1,034,201	45,748,033	44,028	4.5	95,305
2017	1,026,099	42,585,356	41,637	4.5	91,680
2016	1,013,103	40,182,115	39,541	4.9	90,519
2015	1,009,371	38,922,402	38,536	5.6	93,460
2014	1,007,162	37,198,714	37,031	6.2	93,105
2013	992,394	36,935,363	37,063	6.9	93,033

**Sources:** The source of the "Personal Income" and "Per Capita" information is the Bureau of Economic Analysis. The source of the "Population" and "Unemployment Rate" information is the Arizona Office of Employment and Population Statistics.

**Flowing Wells Unified School District No. 8  
Principal Employers  
Current Fiscal Year and Fiscal Year Nine Years Prior**

<u>Employer</u>	<u>2023</u>		<u>2014</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
University of Arizona	10,846	2.18 %	11,047	2.63 %
Raytheon Missile Systems	9,600	1.93	9,933	2.37
State of Arizona	8,508	1.71	9,439	2.25
Davis Monthan AFB	8,406	1.69	8,933	2.13
Wal-Mart Stores, Inc.	7,450	1.50	5,200	1.24
Pima County	6,076	1.22	7,328	1.75
Tucson Unified School District	7,688	1.54	6,525	1.55
University of Arizona Health Network	6,099	1.22	6,329	1.51
Tohono O'Odham Nation	4,350	0.87	4,350	1.04
City of Tucson	4,585	0.92	4,845	1.15
Tucson Medical Center	2,977	0.60	2,954	0.70
Carondelet Health Network	3,668	0.74	3,476	0.83
US Border Patrol	6,500	1.31	4,135	0.98
Freeport-McMoran Mining	5,463	1.10	5,600	1.33
Fort Huachuca	5,096	1.02	5,717	1.36
Total	<u>97,312</u>	<u>19.55 %</u>	<u>95,811</u>	<u>22.82 %</u>
Total employment	<u>497,989</u>		<u>419,900</u>	

**Source:** The source of the 2023 information is the Business Journal Book of Lists and the 2014 information is from the Arizona Daily Star.

**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**

	<b>Full-time Equivalent Employees as of June 30</b>				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Supervisory</b>					
Principals	9	9	9	9	9
Assistant principals	7	6	5	6	6
Total supervisory	<u>16</u>	<u>15</u>	<u>14</u>	<u>15</u>	<u>15</u>
<b>Instruction</b>					
Teachers	296	294	295	292	288
Aides	100	96	91	92	94
Total instruction	<u>396</u>	<u>390</u>	<u>386</u>	<u>384</u>	<u>382</u>
<b>Student Services</b>					
Certified	20	20	21	22	22
Classified	41	37	36	35	30
Total student services	<u>61</u>	<u>57</u>	<u>57</u>	<u>57</u>	<u>52</u>
<b>Support and Administration</b>					
Certified	13	11	11	9	10
Classified	160	152	144	139	141
Total support and administration	<u>173</u>	<u>163</u>	<u>155</u>	<u>148</u>	<u>151</u>
<b>Total</b>	<u><u>646</u></u>	<u><u>625</u></u>	<u><u>612</u></u>	<u><u>604</u></u>	<u><u>600</u></u>

(Continued)

**Flowing Wells Unified School District No. 8  
Full-Time Equivalent District Employees by Type  
Last Ten Fiscal Years**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Supervisory</b>					
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>
<b>Instruction</b>					
Teachers	289	292	293	293	293
Aides	104	104	104	106	113
Total instruction	<u>393</u>	<u>396</u>	<u>397</u>	<u>399</u>	<u>406</u>
<b>Student Services</b>					
Certified	23	23	25	24	27
Classified	29	28	28	27	26
Total student services	<u>52</u>	<u>51</u>	<u>53</u>	<u>51</u>	<u>53</u>
<b>Support and Administration</b>					
Certified	10	10	9	9	13
Classified	137	141	140	151	147
Total support and administration	<u>147</u>	<u>151</u>	<u>149</u>	<u>160</u>	<u>160</u>
<b>Total</b>	<u><u>607</u></u>	<u><u>613</u></u>	<u><u>614</u></u>	<u><u>625</u></u>	<u><u>634</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**

<b>Fiscal Year Ended June 30</b>	<b>Average Daily Membership</b>	<b>Operating Expenditures</b>	<b>Cost per Pupil</b>	<b>Percentage Change</b>	<b>Expenses</b>	<b>Cost per Pupil</b>	<b>Percentage Change</b>	<b>Teaching Staff</b>	<b>Pupil-Teacher Ratio</b>	<b>Percentage of Free/Reduced Students</b>
2023	4,955	\$ 57,610,751	\$ 11,626	9.78 %	\$ 65,433,041	\$ 13,205	10.78 %	396	12.5	73.0 %
2022	4,891	51,795,110	10,590	16.51	58,298,928	11,920	11.56	390	12.5	81.0
2021	4,944	44,941,996	9,090	5.08	52,829,196	10,685	8.57	386	12.8	69.2
2020	5,253	45,435,805	8,650	6.22	51,693,598	9,841	13.38	384	13.7	74.2
2019	5,328	43,389,535	8,144	5.43	46,247,256	8,680	7.57	382	13.9	73.0
2018	5,364	41,433,610	7,724	0.51	43,281,224	8,069	(1.83)	393	13.6	75.0
2017	5,376	41,315,053	7,685	3.09	44,188,149	8,220	(0.09)	396	13.6	76.0
2016	5,386	40,150,902	7,455	(2.11)	44,310,312	8,227	(2.87)	397	13.6	75.8
2015	5,358	40,801,463	7,616	2.99	45,376,855	8,470	4.03	399	13.4	72.8
2014	5,382	39,798,766	7,395	3.27	43,818,267	8,142	1.61	406	13.3	75.8

**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**

	<b>Fiscal Year Ended June 30</b>									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Schools</b>										
<b>Elementary</b>										
Buildings	40	45	33	33	43	45	45	45	45	45
Square feet	345,348	333,132	312,000	312,000	308,253	321,505	321,505	321,505	321,505	320,827
Enrollment	2,550	2,603	2,565	2,780	2,780	2,764	2,845	2,894	2,934	2,951
<b>Middle</b>										
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	768	818	774	827	827	819	803	771	852	889
<b>High</b>										
Buildings	53	52	51	51	51	51	51	51	51	51
Square feet	280,911	280,367	278,879	278,879	278,879	278,879	278,879	278,879	278,879	279,406
Enrollment	1,843	1,872	1,852	1,862	1,862	1,905	1,839	1,836	1,795	1,720
<b>Other</b>										
Buildings	12	11	11	11	11	11	11	11	11	11
Square feet	50,520	39,261	43,706	43,706	43,706	43,706	43,706	43,706	43,706	55,517
Enrollment	156	129	93	132	132	142	151	145	133	150
<b>Administrative</b>										
Buildings	8	8	8	8	8	8	8	8	8	8
Square feet	15,556	15,556	18,794	18,794	18,794	18,794	18,794	18,794	18,794	18,794
<b>Transportation</b>										
Garages	1	1	1	1	1	1	1	1	1	1
Buses	28	27	27	27	27	25	25	25	25	25
<b>Athletics</b>										
Football fields	3	3	3	3	3	3	3	3	3	3
Soccer fields	3	3	3	3	3	3	3	3	3	3
Running tracks	5	5	5	5	5	5	5	5	5	5
Baseball/softball	12	12	12	12	12	12	12	12	12	12
Swimming pools	1	1	1	1	1	1	1	1	1	1
Playgrounds	15	15	15	15	15	15	15	15	15	15

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

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

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