

**Notice of Governing Board Meeting  
by Videoconference or Telephone Call  
Board of Trustees  
Tuesday, March 26, 2024**

A Governing Board Meeting of the Board of Trustees will be held on Tuesday, March 26, 2024, beginning at 6:00 PM, District Administration Center, 1556 West Prince Road, Tucson, Arizona 85705.

Due to health and safety concerns related to the COVID-19 coronavirus, this meeting will be conducted by videoconference or telephone call. At least a quorum of the board will be participating by videoconference or telephone call in accordance with the provisions of Sections 551.125 or 551.127 of the Texas Government Code that have not been suspended by order of the governor.

Members of the public may access this meeting and or provide public comments as identified below:

The subjects to be discussed or considered or upon which any formal action may be taken are listed below. Items do not have to be taken in the same order as shown on this meeting notice. For more information about public comment, see Policy BED. Unless removed from the consent agenda, items identified within the consent agenda will be acted on at one time.

**A. Opening of Meeting**

1. Call to Order
2. Pledge of Allegiance

**B. Superintendent's Report**

1. Recognition of Building Blocks for Character Students
  - a. Superintendent Dr. Kevin Stoltzfus will recognize the March Building Blocks for Character Student from each school.
2. Recognition of Support Staff Employee of the Year
  - a. Superintendent Dr. Kevin Stoltzfus will recognize the Centennial Elementary School Support Staff Employee of the Year, Judy Lopez.
3. Recognition of Outstanding Volunteer of the Year
  - a. Superintendent Dr. Kevin Stoltzfus will recognize the Centennial Elementary School Outstanding Volunteer of the Year, Linda Lagen.
4. Recognition of Teacher of the Year
  - a. Superintendent Dr. Kevin Stoltzfus will recognize the Centennial Elementary School Teacher of the Year, Tiffany Mendola.
5. Recognition of Community Partner: R.E. Darling Co., Inc.
  - a. Superintendent Dr. Kevin Stoltzfus will recognize representatives from R.E. Darling Co., Inc. for the company's support for our Flowing Wells students and community.
6. Recognition of FWHS Assistant to the Principal, Effective July 1, 2024
  - a. Superintendent Dr. Kevin Stoltzfus will recognize Ariana Brown for her selection to serve as Assistant to the Principal at FWHS, effective July 1, 2024.
7. Update on District Events and Activities
  - a. Superintendent Dr. Kevin Stoltzfus will provide an update on Flowing Wells School District Events and Activities.

**BREAK- The brief break provides an opportunity for families and friends to leave the meeting.**

**C. Public** **Comments**

**Flowing Wells School District welcomes public comment. As outlined in A.R.S. §38-431.02, no action will be taken on issues raised in Public Comments unless items are found on agenda below. Other than this, the response to public comments will be limited to directing staff to study the matter or scheduling the matter as a future agenda item.**

**D. Consent** **Agenda**

**These items of Board business that are addressed routinely at every meeting are presented as a Consent Agenda. The Board may elect to take action on all items collectively in one motion or may individually consider any item(s) as separate agenda subjects for action.**

**1. Approval of Agenda for this Meeting**

- a. Request approval for the adoption of the agenda for this meeting, March 26, 2024.

**2. Approval of Minutes of Governing Board Meetings**

- a. The following Governing Board meeting minutes are presented for Governing Board approval: March 12, 2024 (Open Session Minutes and Study Session Minutes).

**3. Approval of District Expense and Payroll Vouchers**

- a. Sign vouchers for upcoming check batches (to be reviewed at the next Board Meeting). None for this meeting.  
Expense and payroll vouchers are presented for Board approval: Expense vouchers #6862-6864 and Payroll vouchers #2518-2519.

**4. Approval of Requests for Use of District Facilities**

- a. District facilities use requests are submitted for approval.

**5. Approval of Requests for Open Enrollment**

- a. Requests for open enrollment students are submitted for approval.

**6. Approval of Requests for Student Trips**

- a. None for this meeting.

**7. Approval of Requests for Staff Travel**

- a. Staff travel requests are submitted for approval.

**8. Approval of Personnel Actions**

- a. Personnel Actions are submitted for approval.

**9. Approval of Asset Retirement and Disposals**

- a. Approval is requested for the retirement and disposal of assets no longer used by the district as of March 21, 2024.

**E. New Business**

**1. Recommend Approval to Table Financial Mathematics Textbook**

- a. District administration recommends approval to table the textbook and curriculum resource National Geographic/Cengage *Financial Algebra*, 2nd Edition to allow for public review and comment prior to a formal request to adopt the textbook for use in our high school Finance Math courses.

**2. Review of Revisions to Retention Policies**

- a. District administration presents revisions to retention policies, regulations, and exhibits for review and discussion. No action is to be taken during the current meeting. The proposed revisions seek to provide coherence between the District's policies and practices, with promotion/retention decisions anchored in a comprehensive evaluation of many variables and feedback from many stakeholders, including parents, teachers, and specialists. The attached drafts include strikethrough text to indicate deletions and underlined text to indicate additions.

**F. Business and Finance**

1. Recommend Acceptance of Fiscal Year 2023 Audit Reports and Compliance Questionnaire

- a. A.R.S. 15-914 requires school districts that have an adopted M&O budget limit in excess of \$2,000,000 annually to contract for an annual financial statement audit and the completion of the USFR compliance questionnaire. School districts that expend more than \$750,000 in federal revenues must also contract for a federal single audit. Section H of the statute now requires the Governing Board to publicly accept all audits and compliance questionnaires through a roll call vote. The FY2023 Annual Comprehensive Financial Report, USFR Compliance Questionnaire, Single Audit Reporting Package, and Governance Communication Letter are presented for review and recommended acceptance.

2. Recommend Approval to Distribute Instructional Improvement Funds

- a. District administration recommends approval of a May 2024 teacher compensation payment in the amount of \$300.00 per teacher from the Instructional Improvement Fund.

3. Recommend Award of the Flowing Wells High School West Gym Roof and HVAC Replacement Bid # 24-04-25 to Edge Construction

- a. District administration recommends award of the Flowing Wells High School West Gym Roof and HVAC Replacement to Edge Construction at a cost of \$3,540,000. This project is expected to be funded through a Building Renewal Grant from the School Facilities Division of the Arizona Department of Administration. Additional information is attached.

**G. Unfinished Business**

1. Recommend Approval of Revision to Policy GCCA Professional Staff Sick Leave

- a. District administration recommends approval to revise Policy GCCA Professional Staff Sick Leave, which was brought for discussion during the Governing Board Meeting on March 12, 2024. The attached memo summarizes the revision, and the accompanying policy draft includes underlined text to indicate additions. The revision would clarify that permanent substitutes are able to carry forward unused accrued sick leave and use accrued sick leave in a manner consistent with other professional staff members.

**H. Executive Session**

1. In accordance with A.R.S. §38-431.03.A.1, an Executive Session may be called for discussion or consideration of employment, assignment, appointment, promotion, demotion, dismissal, salaries, disciplining, termination or resignation of a public officer or district employees; concerning resignation of a District Officer.

**I. Adjourn**

If, during the course of the meeting, discussion of any item on the agenda should be held in a closed meeting, the board will conduct a closed meeting in accordance with the Texas Open Meetings Act, Texas Government Code, Chapter 551, Subchapters D and E or Texas Government Code section 418.183(f). Before any closed meeting is convened, the presiding officer will publicly identify the section or sections of the Act authorizing the closed meeting. All final votes, actions, or decisions will be taken in open meeting. [See TASB Policy BEC(LEGAL)]

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For the Board of Trustees

FLOWING WELLS SCHOOL DISTRICT  
Board Agenda Item

B-1

Agenda Item Number

March 26, 2024

Board Meeting Date

Item: Recognition of Building Blocks for Character Students

Submitted By: Dr. Kevin Stoltzfus

Date: March 21, 2024

Will Be Presented By: Dr. Kevin Stoltzfus

Superintendent Dr. Kevin Stoltzfus will recognize the March Building Blocks for Character Student from each school.

Estimated Cost \$ \_\_\_\_\_  See Additional Information Attached

Recommended Action:

Approve

Disapprove

Table

No Action Required

Division Head: \_\_\_\_\_ Superintendent:

*Kei Stoltzfus*

Board Action: M: \_\_\_\_\_ S: \_\_\_\_\_ A: \_\_\_\_\_ N: \_\_\_\_\_ C: \_\_\_\_\_



**Flowing Wells School District**

**BUILDING BLOCKS FOR CHARACTER STUDENTS**

**For the Month of March 2024**

<b>School</b>	<b>Student Name</b>	<b>Grade</b>	<b>Nominator</b>
<b>Emily Meschter Early Learning Center</b>	Adrian Castellanos	PreK	Kendall Day
<b>Centennial Elementary School</b>	Emily Evans	6	Jack Murphy
<b>Davis Elementary School</b>	Yamileth Gonzalez Figueroa	4	Lisa Lawson
<b>Douglas Elementary School</b>	Jaxton León	K	Ashley Honey
<b>Hendricks Elementary School</b>	Robert Gabriel Skiles	6	Eric Jungbluth
<b>Laguna Elementary School</b>	Alexis Garcia Alvarez	6	Sarah Surratt
<b>Richardson Elementary School</b>	Louis Hernandez	5	Kristen Cooke
<b>Flowing Wells Junior High School</b>	Naomi Garcia Alvarez	8	Rosie Meyer
<b>Flowing Wells High School</b>	Francine Amber	11	James Brunenkant
<b>Sentinel Peak High School</b>	Luis Camargo Martinez	12	Rebecca Hurst



**Flowing Wells School District**

**BUILDING BLOCKS FOR CHARACTER ADULTS**


**For the Month of 2024**

School: Centennial Elementary School

Support Staff Employee of the Year: Judy Lopez

Volunteer of the Year: Linda Lagen

Teacher of the Year: Tiffany Mendola



FLOWING WELLS SCHOOL DISTRICT  
Board Agenda Item

B-2

Agenda Item Number

March 26, 2024

Board Meeting Date

Item: Recognition of Support Staff Employee of the Year

Submitted By: Dr. Kevin Stoltzfus

Date: March 21, 2024

Will Be Presented By: Dr. Kevin Stoltzfus

Superintendent Dr. Kevin Stoltzfus will recognize the Centennial Elementary School Support Staff Employee of the Year, Judy Lopez.

Estimated Cost \$ \_\_\_\_\_  See Additional Information Attached

Recommended Action:

Approve

Disapprove

Table

No Action Required

Division Head: \_\_\_\_\_ Superintendent: Kevin Stoltzfus

Board Action: M: \_\_\_\_\_ S: \_\_\_\_\_ A: \_\_\_\_\_ N: \_\_\_\_\_ C: \_\_\_\_\_

**FLOWING WELLS SCHOOLS**  
**DISTRICT ADMINISTRATION CENTER**

**MEMORANDUM**

**TO:** Dr. Kevin Stoltzfus  
The Governing Board

**FROM:** Dr. Kimberley Parkinson

**RE:** **Centennial Elementary**  
**Support Staff Employee of the Year – Judy Lopez**

**DATE:** March 13, 2024

Centennial Elementary School is proud to honor Judy Lopez as our Support Staff Member of the Year! When discussing Judy Lopez with staff a common theme emerges: She is critical to the success of Centennial Elementary. One staffer stated, “Ms. Judy keeps us going. “That simple statement speaks volumes about what Ms. Judy brings to Centennial. Ms. Judy is like the lungs of our school. She breathes life and energy into our school. In a year that has been at times any combination or all of challenging, sad, trying, loving, and triumphant, Ms. Judy has maintained a steady course. Throughout everything, including a principal new to our family, Ms. Lopez has maintained the highest levels of professionalism, compassion, and dedication to the children of Centennial and the Flowing Wells community. Her quiet, composed demeanor helps keep the front office focused and calm, which helps create not only a safe place for students who are experiencing difficulties, but for families, community members, substitutes looking where to go, and staff members looking for assistance.

Although Ms. Judy would NEVER want recognition for her work, she is a wonderful example of a Coyote who is believing, learning, leading, and succeeding. We are lucky to have her as a coworker, a mentor, and as an example for all the Centennial families and community to follow. Thank you, Ms. Lopez, for being our lungs and our oxygen. We are so glad that you choose to be a Centennial Coyote!

FLOWING WELLS SCHOOL DISTRICT  
Board Agenda Item

B-3

Agenda Item Number

March 26, 2024

Board Meeting Date

Item: Recognition of Outstanding Volunteer of the Year

Submitted By: Dr. Kevin Stoltzfus

Date: March 21, 2024

Will Be Presented By: Dr. Kevin Stoltzfus

Superintendent Dr. Kevin Stoltzfus will recognize the Centennial Elementary School Volunteer of the Year, Linda Lagen.

Estimated Cost \$ \_\_\_\_\_  See Additional Information Attached

Recommended Action:

Approve

Disapprove

Table

No Action Required

Division Head: \_\_\_\_\_ Superintendent: Kevin Stoltzfus

Board Action: M: \_\_\_\_\_ S: \_\_\_\_\_ A: \_\_\_\_\_ N: \_\_\_\_\_ C: \_\_\_\_\_

**FLOWING WELLS SCHOOLS**  
**DISTRICT ADMINISTRATION CENTER**

**MEMORANDUM**

**TO:** Dr. Kevin Stoltzfus  
The Governing Board

**FROM:** Dr. Kimberley Parkinson

**RE:** **Centennial Elementary**  
**Outstanding Volunteer of the Year – Linda Lagen**

**DATE:** March 13, 2024

Centennial is proud to recognize Linda Lagen as our Volunteer of the Year! The best thing that can be said about Ms. Linda Lagen is she makes a difference. She makes a difference by being incredibly generous with her time, energy, and expertise to support young learners at Centennial. Her willingness to share her retirement years and her talent by volunteering weekly in her daughter's first grade class says a lot about who she is as a human being. Her daughter, Tiffany Mendola, is the current Centennial Teacher of the Year! Lucky for Centennial...awesome teaching and an unyielding commitment to youth success must run in the family!

Ms. Lagen has volunteered for over a hundred hours at Centennial. Her dedication is essential to the work that we do and her presence and smile are a calming factor that many kids (and adults) look forward to when she is on our campus.

Ms. Lagen, thank you so much for the immeasurably valuable work you have done for our school and community. We have not thanked you enough, so we hope this acknowledgement shows how much you are appreciated at Centennial! We are grateful for your time, energy, and talents. The students love you; the staff love you, and we thank you for being a part of our team.

Congratulations to Linda Lagen, the Centennial Volunteer of the Year!!!

FLOWING WELLS SCHOOL DISTRICT  
Board Agenda Item

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B-4	March 26, 2024
Agenda Item Number	Board Meeting Date

Item: Recognition of Teacher of the Year

Submitted By: Dr. Kevin Stoltzfus Date: March 21, 2024

Will Be Presented By: Dr. Kevin Stoltzfus

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Superintendent Dr. Kevin Stoltzfus will recognize the Centennial Elementary School Teacher of the Year, Tiffany Mendola.

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Estimated Cost \$ \_\_\_\_\_  See Additional Information Attached

Recommended Action:

Approve       Disapprove       Table       No Action Required

Division Head: \_\_\_\_\_ Superintendent: Kevin Stoltzfus

Board Action: M: \_\_\_\_\_ S: \_\_\_\_\_ A: \_\_\_\_\_ N: \_\_\_\_\_ C: \_\_\_\_\_

FLOWING WELLS SCHOOL DISTRICT  
Board Agenda Item

B-5  
Agenda Item Number

March 26, 2024  
Board Meeting Date

Item: Recognition of Community Partner: R.E. Darling Co., Inc.

Submitted By: Dr. Kevin Stoltzfus Date: March 21, 2024

Will Be Presented By: Dr. Kevin Stoltzfus

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Superintendent Dr. Kevin Stoltzfus will recognize representatives from R.E. Darling Co., Inc. for the company's support for our Flowing Wells students and community.

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Estimated Cost \$ \_\_\_\_\_  See Additional Information Attached

Recommended Action:

Approve       Disapprove       Table       No Action Required

Division Head: \_\_\_\_\_ Superintendent: Kevin Stoltzfus

Board Action: M: \_\_\_\_\_ S: \_\_\_\_\_ A: \_\_\_\_\_ N: \_\_\_\_\_ C: \_\_\_\_\_

FLOWING WELLS SCHOOL DISTRICT  
Board Agenda Item

<u>B-6</u> Agenda Item Number	<u>March 26, 2024</u> Board Meeting Date
Item: <u>Recognition of FWHS Assistant to the Principal, Effective July 1, 2024</u>	
Submitted By: <u>Dr. Kevin Stoltzfus</u>	Date: <u>March 21, 2024</u>
Will Be Presented By: <u>Dr. Kevin Stoltzfus</u>	

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Superintendent Dr. Kevin Stoltzfus will recognize Ariana Brown for her selection to serve as Assistant to the Principal at FWHS, effective July 1, 2024.

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Estimated Cost \$ \_\_\_\_\_  See Additional Information Attached

Recommended Action:

Approve       Disapprove       Table       No Action Required

Division Head: \_\_\_\_\_ Superintendent: Kevin Stoltzfus

Board Action: M: \_\_\_\_\_ S: \_\_\_\_\_ A: \_\_\_\_\_ N: \_\_\_\_\_ C: \_\_\_\_\_

FLOWING WELLS SCHOOL DISTRICT  
Board Agenda Item

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B-7 Agenda Item Number	March 26, 2024 Board Meeting Date
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Item: Update on District Events and Activities

Submitted By: Dr. Kevin Stoltzfus Date: March 21, 2024

Will Be Presented By: Dr. Kevin Stoltzfus

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Superintendent Dr. Kevin Stoltzfus will provide an update on Flowing Wells School District events and activities.

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Estimated Cost \$ \_\_\_\_\_  See Additional Information Attached

Recommended Action:

Approve       Disapprove       Table       No Action Required

Division Head: \_\_\_\_\_ Superintendent: Kevin Stoltzfus

Board Action: M: \_\_\_\_\_ S: \_\_\_\_\_ A: \_\_\_\_\_ N: \_\_\_\_\_ C: \_\_\_\_\_

FLOWING WELLS SCHOOL DISTRICT  
Board Agenda Item

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C	March 26, 2024
Agenda Item Number	Board Meeting Date
Item: <u>Public Comments</u>	
Submitted By: <u>Dr. Kevin Stoltzfus</u>	Date: <u>March 21, 2024</u>
Will Be Presented By: <u>Dr. Kevin Stoltzfus</u>	

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Estimated Cost \$ \_\_\_\_\_  See Additional Information Attached

Recommended Action:

Approve       Disapprove       Table       No Action Required

Division Head: \_\_\_\_\_ Superintendent: Kevin Stoltzfus

Board Action: M: \_\_\_\_\_ S: \_\_\_\_\_ A: \_\_\_\_\_ N: \_\_\_\_\_ C: \_\_\_\_\_



FLOWING WELLS SCHOOL DISTRICT  
Board Agenda Item

D-1  
Agenda Item Number

March 26, 2024  
Board Meeting Date

Item: Approval of Agenda for this Meeting

Submitted By: Dr. Kevin Stoltzfus Date: March 21, 2024

Will Be Presented By: Dr. Kevin Stoltzfus

Request approval for adoption of the agenda for this meeting, March 26, 2024

Estimated Cost \$ \_\_\_\_\_  See Additional Information Attached

Recommended Action:

Approve       Disapprove       Table       No Action Required

Division Head: \_\_\_\_\_ Superintendent: Kevin Stoltzfus

Board Action: M: \_\_\_\_\_ S: \_\_\_\_\_ A: \_\_\_\_\_ N: \_\_\_\_\_ C: \_\_\_\_\_

**Flowing Wells Schools  
Regular Agenda**

**6:00 PM  
Doors Open at 5:30 PM**

**March 26, 2024**

**District Administration Center  
1556 West Prince Road  
Tucson, Arizona 85705**

**A. Opening of Meeting**

1. Call to Order
2. Pledge of Allegiance

**B. Superintendent's Report**

1. Recognition of Building Blocks for Character Students
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**BREAK- The brief break provides an opportunity for families and friends to leave the meeting.**

**C. Public Comments**

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Agenda. The Board may elect to take action on all items collectively in one motion or may individually consider any item(s) as separate agenda subjects for action.

1. Approval of Agenda for this Meeting
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2. Approval of Minutes of Governing Board Meetings
  - a. The following Governing Board meeting minutes are presented for Governing Board approval: March 12, 2024 (Open Session Minutes and Study Session Minutes).
3. Approval of District Expense and Payroll Vouchers
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5. Approval of Requests for Open Enrollment
  - a. Requests for open enrollment students are submitted for approval.
6. Approval of Requests for Student Trips
  - a. None for this meeting.
7. Approval of Requests for Staff Travel
  - a. Staff travel requests are submitted for approval.
8. Approval of Personnel Actions
  - a. Personnel Actions are submitted for approval.
9. Approval of Asset Retirement and Disposals
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**E. New Business**

1. Recommend Approval to Table Financial Mathematics Textbook
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**I. Adjourn**

FLOWING WELLS SCHOOL DISTRICT  
Board Agenda Item

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D-2	March 26, 2024
Agenda Item Number	Board Meeting Date

Item: Approval of Minutes of Governing Board Meetings

Submitted By: Dr. Kevin Stoltzfus Date: March 21, 2024

Will Be Presented By: Dr. Kevin Stoltzfus

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The following Governing Board meeting minutes are presented for Governing Board approval: March 12, 2024 (Open Session Minutes and Study Session Minutes).

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Estimated Cost \$ \_\_\_\_\_  See Additional Information Attached

Recommended Action:

Approve       Disapprove       Table       No Action Required

Division Head: \_\_\_\_\_ Superintendent: Kevin Stoltzfus

Board Action: M: \_\_\_\_\_ S: \_\_\_\_\_ A: \_\_\_\_\_ N: \_\_\_\_\_ C: \_\_\_\_\_

# Flowing Wells Unified School District Governing Board Meeting Minutes

6:00 p.m.

March 12, 2024

**District Administration Center  
1556 West Prince Road  
Tucson, Arizona 85705**

## **Attendance**

Governing Board Members:  
Kristine Hammar, President  
Kevin Daily, Clerk  
Wendy Effing  
Brianna Hamilton  
Thomas Jacobs

Administrative Personnel:  
Dr. Kevin Stoltzfus, Superintendent  
Dr. Kimberley Parkinson, Associate Superintendent  
Dr. Audrey Reff, Assistant Superintendent  
Stacy Trueblood, Chief Financial Officer

4 additional staff members and guests were in attendance.

## **A. Opening of Meeting**

1. President Kristine Hammar called the meeting to order at 6:00 p.m.
2. The Pledge of Allegiance was observed.

## **B. Superintendent's Report**

### B-1. Update on District Events and Activities

Superintendent Dr. Kevin Stoltzfus provided an update on the following current district events and activities:

- Spring Break is this week,
- High School Athletics are taking place during the break,
- Pima County Superintendent/Governing Board Collaborative is March 18,
- Governing Board visitation at Hendricks is March 21.

## **C. Public Comments**

There were no public comments from the audience.

## **D. Consent Agenda**

The following items were reviewed and approved as recommended with one motion.  
*Motion by Daily; second by Hamilton; 5 ayes; motion carried.*

- E-1. Approval of Agenda for this Meeting  
Approved March 12, 2024 meeting agenda.

- E-2. Approval of Minutes of Governing Board Meeting  
Approved minutes of the Governing Board meeting: February 27, 2024 (Open Session Minutes and Executive Session Minutes).
- E-3. Approval of District Expense and Payroll Vouchers  
Approved expense vouchers #6858-6861 and payroll voucher #2517.
- E-4. Approval of Requests for Use of District Facilities  
Approved as recommended requests for District facilities use.
- E-5. Approval of Requests for Student Trips  
Approved as recommended the following student trip requests.

<b>Dates</b>	<b>School/Program</b>	<b>Event</b>	<b>Location</b>
May 9-10, 2024	Davis Elementary	Dragons to the Canyon	Grand Canyon and Page, AZ
June 5-8, 2024	FWHS/FFA	AZ FFA State Leadership Conference	Tucson, AZ
October 19-26, 2024	FWHS/AgFFA	National FFA Convention	Indianapolis, IN

- E-6. Approval of Request for Staff Travel  
Approved as recommended staff requests for travel.
- E-7. Approval of Personnel Actions  
Approved as recommended personnel actions.
- E-8. Acceptance of Gifts and Donations  
Accepted as recommended gifts and donations in the amount of \$4,590.92 for the period of February 1 – February 29, 2024
- E-9. Review of District Financial Statements  
Reviewed Student Activity Balance Sheets and Auxiliary operations Year-to-Date Budget as of February 29, 2024.
- E-10. Approval of Asset Retirement and Disposals  
Approved as recommended retirement and disposal of assets no longer used by the district as of March 7, 2024.

**E. New Business**

- F-1. Information and Discussion regarding Revision to Policy GCCA Professional Staff Sick Leave  
*Superintendent Dr. Kevin Stoltzfus provided a brief explanation of the proposed change to the sick leave policy for permanent substitutes to align with that of other certified professional staff members. The policy change will be brought for approval at a future meeting.  
No action taken.*

- F-2. Recommend Approval of Position Description for Preschool IEP Coordinator  
Approved as recommended to establish a new position for a Preschool Individualized Education Plan (IEP) Coordinator to begin in the 2024-2025 school year. Grant funding will be utilized to pay for the salary and benefits.  
*Motion by Daily; second by Effing; 5 ayes; motion carried.*  
*In response to questions from Member Jacobs, Superintendent Dr. Kevin Stoltzfus explained the district does have a need for a full-time IEP coordinator due to the increased enrollment and greater number of students with disabilities.*
- F-3. Recommend Approval of Flowing Wells Title I Parent Involvement Policy  
Approved as recommended to adopt the Flowing Wells Title I Parent Involvement Policy.  
*Motion by Daily; second by Effing; 5 ayes; motion carried.*
- F-4. Discussion of Transition to Community Eligibility Provision for Universal Free School Meal  
*Superintendent Dr. Kevin Stoltzfus provided a summary of the transition to the Community Eligibility Provision (CEP) of the National School Lunch Program (NSLP) and School Breakfast Program (SBP), which will provide universal access to free school meals. The application has been approved by ADE and will be good for four years. In response to a question from Member Daily, Dr. Stoltzfus explained that the district now qualifies for the program under new requirements that include eligibility for Medicaid, for which many of our families qualify.*  
*No action taken.*

**F. Adjourn**

Meeting was adjourned at 6:22 p.m.

*Motion by Effing; second by Daily; 5 ayes; motion carried.*

Signatures:

\_\_\_\_\_  
Kristine Hammar, President

\_\_\_\_\_  
Kevin Daily, Clerk

\_\_\_\_\_  
Wendy Effing

\_\_\_\_\_  
Brianna Hamilton

\_\_\_\_\_  
Thomas Jacobs

# Flowing Wells Unified School District Governing Board Study Session Minutes

6:20 p.m.

March 12, 2024

**District Administration Center  
1556 West Prince Road  
Tucson, Arizona 85705**

## **Attendance**

Governing Board Members:  
Kristine Hammar, President  
Kevin Daily, Clerk  
Wendy Effing  
Brianna Hamilton  
Thomas Jacobs

Administrative Personnel:  
Dr. Kevin Stoltzfus, Superintendent  
Dr. Kimberley Parkinson, Associate Superintendent  
Dr. Audrey Reff, Assistant Superintendent  
Stacy Trueblood, Chief Financial Officer

One additional guest was in attendance.

The purpose of this Governing Board Study Session was to review information related to potential bond projects.

### **A. Opening of Meeting**

President Kristine Hammar called the Study Session to order at 6:27 p.m.

### **B. Discussion of Potential Future Bond Projects**

Superintendent Dr. Kevin Stoltzfus presented information related to potential future bond projects in the areas of campus safety improvements, construction of replacement buildings for deteriorating "portable" buildings, and construction of new preschool classrooms. He also provided information on the timetable for the process of calling for a bond election. All members and administrative personnel participated in a discussion of the projects.

### **C. Adjourn**

Meeting was adjourned at 7:30 p.m.

*Motion by Effing; second by Daily; 5 ayes; motion carried.*

Signatures:

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Kristine Hammar, President

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Kevin Daily, Clerk

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Wendy Effing

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Brianna Hamilton

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Thomas Jacobs

FLOWING WELLS SCHOOL DISTRICT  
Board Agenda Item

D-3  
Agenda Item Number

March 26, 2024  
Board Meeting Date

Item: Approval of District Expense and Payroll Vouchers

Submitted By: Patricia Forgach Date: March 21, 2024

Will Be Presented By: Dr. Kevin Stoltzfus /Stacy Trueblood

Sign vouchers for upcoming check batches (to be reviewed at next Board Meeting).

District Vouchers FY 2024 . . . . . None for this meeting.

The following Expense and Payroll vouchers are presented for Board Approval.

Expense Voucher 6862 \$ 384,493.12  
Expense Voucher 6863 \$ 64,707.87  
Expense Voucher 6864 \$ 347,140.59

Payroll Voucher 2518 \$1,807,073.65  
Payroll Voucher 2519 \$1,665,839.05

Estimated Cost \$ \_\_\_\_\_  See Additional Information Attached

Recommended Action:

Approve       Disapprove       Table       No Action Required

Division Head: *Stacy Trueblood* Superintendent: *Kevin Stoltzfus*

Board Action: M: \_\_\_\_\_ S: \_\_\_\_\_ A: \_\_\_\_\_ N: \_\_\_\_\_ C: \_\_\_\_\_

3/13/2023

VOUCHER #6862

THREE HUNDRED EIGHTY FOUR THOUSAND FOUR HUNDRED NINETY THREE DOLLARS & 12/100

\$384,493.12

<u>0010</u>		<u>\$102,739.09</u>
FEDERAL AND STATE PROJECTS		
<u>1124</u>	<u>2024 TITLE I</u>	<u>\$376.04</u>
<u>1654</u>	<u>2024 21ST CENT LAGUAN YR 4</u>	<u>\$906.88</u>
<u>1664</u>	<u>2024 21ST CENTURY Y5 JH/DAVIS</u>	<u>\$2,093.75</u>
<u>1684</u>	<u>2024 21ST CENT Y2 DOUG</u>	<u>\$1,186.87</u>
<u>1914</u>	<u>2024 TITLE III</u>	<u>\$68.00</u>
<u>3460</u>	<u>ESSER III</u>	<u>\$5,165.24</u>
<u>3540</u>	<u>2022 ARP HOMLESS II</u>	<u>\$1,136.00</u>
<u>3740</u>	<u>E RATE</u>	<u>\$418.45</u>
<u>4724</u>	<u>2024 ARTS CONSUMABLES GRANT</u>	<u>\$2,643.42</u>
OTHER		
<u>5100</u>	<u>FOOD SERVICE</u>	<u>\$148.91</u>
<u>6100</u>	<u>UNRESTRICTED CAPITAL OUTLAY</u>	<u>\$7,759.44</u>
<u>6650</u>	<u>ENERGY &amp; WATER SAVINGS-EWS</u>	<u>\$129,999.50</u>
<u>6910</u>	<u>BUILDING RENEWAL GRANTS</u>	<u>\$128,868.59</u>
<u>9500</u>	<u>WAREHOUSE</u>	<u>\$982.94</u>

3/14/2023

VOUCHER #6863

SIXTY-FOUR THOUSAND SEVEN HUNDRED SEVEN DOLLARS & 87/100

\$64,707.87

0010		\$9,460.66
FEDERAL AND STATE PROJECTS		
1124	2024 TITLE I	\$170.00
1654	2024 21ST CENT LAGUNA YR 4	\$103.20
1664	2024 21ST CENTURY Y5 JH/DAVIS	\$1,425.40
3460	ESSER III	\$56.20
3540	2022 ARP HOMLESS II	\$1,997.75
3842	PIMA EARLY EDUCATION PROGRAM	\$725.87
4724	2024 ARTS CONSUMABLES GRANT	\$1,481.65
OTHER		
5100	FOOD SERVICE	\$39,450.87
5112	FS FRESH FRUITS/VEGETABLE P2	\$453.25
5300	GIFTS AND DONATIONS	\$1,217.57
5960	CTED	\$4,914.14
6100	UNRESTRICTED CAPITAL	\$3,251.31

3/19/2023

VOUCHER #6864

THREE HUNDRED FORTY SEVEN THOUSAND ONE HUNDRED FORTY DOLLARS & 59/100

\$347,140.59

<u>0010</u>		<u>\$104,229.32</u>
	<b>FEDERAL AND STATE PROJECTS</b>	
<u>1124</u>	<u>2024 TITLE I</u>	<u>\$204.54</u>
<u>3460</u>	<u>ESSER III</u>	<u>\$10,227.20</u>
<u>3740</u>	<u>E RATE</u>	<u>\$10,561.45</u>
	<b>OTHER</b>	
<u>5100</u>	<u>FOOD SERVICE</u>	<u>\$174,911.24</u>
<u>5300</u>	<u>GIFTS AND DONATIONS</u>	<u>\$21.72</u>
<u>5500</u>	<u>INSURANCE PROCEEDS</u>	<u>\$23,918.55</u>
<u>5960</u>	<u>CTED</u>	<u>\$2,438.01</u>
<u>6100</u>	<u>UNRESTRICTED CAPITAL OUTLAY</u>	<u>\$5,560.01</u>
<u>6910</u>	<u>BUILDING RENEWAL GRANTS</u>	<u>\$14,169.60</u>
<u>9500</u>	<u>WAREHOUSE</u>	<u>\$898.95</u>

3/6/2024

2518

One Million Eight Hundred Seven Thousand Seventy Three Dollars and Sixty Five Cents

1,807,073.65

2/18/2024

3/2/2024

00100	Regular Ed Programs	1,295,574.00
	301 FUNDS	
01100	301 Base Pay	129,126.52
01300	Prop 301 Menu	9,449.13
	FEDERAL AND STATE PROJECTS	
02000	Prop 202	9,558.95
05040	STEMAZING Teacher Leader Pro	107.95
07100	SEI Structured English ELD	2,347.85
11241	2024 Title I	77,482.90
16540	Regular Education	4,495.19
16640	21st Century Cont	4,067.69
16840	21st Century Cont	3,637.69
19140	TITLE III- Bilingual Education	1,464.15
22240	Special Education	45,000.89
22440	Special Education	697.09
26240	JTED	4,677.67
28240	Education for Homeless Children & Youth	2,524.93
29000	Medicaid Reimbursement	9,595.36
29100	Medicaid Special Education Admin	6,567.63
31000	JROTC Instruction	3,401.97
31240	Regular Education	6,292.60
33100	2022 Empower Child Care	20,210.32
34140	Special Education	6,662.10
34600	ESSER III	102,571.56
35040	Social Work Services	2,298.42
35540	Community Services	3,613.42
38420	Pima Early Education Program	13,245.15
45700	Results- Based Funding	4,567.20
46240	School Safety Program Expansion [2024]	5,411.73
46840	Early Literacy Grant [2024]	3,737.29
	OTHER	
51000	Food Service	2,083.41
52000	Community Services	4,613.14
53000	G&D PDG FY20	82.39
57000	Indirect Cost	13,265.86
59600	JTED	8,641.50

3/19/2024

2519

One Million Six Hundred Sixty Five Thousand Eight Hundred Thirty Nine Dollars and Five Cents

1,665,839.05

3/3/2024

3/16/2024

00100	Regular Ed Programs	1,215,093.45
	301 FUNDS	
01100	301 Base Pay	129,692.63
01300	Prop 301 Menu	9,449.15
	FEDERAL AND STATE PROJECTS	
02000	Prop 202	10,293.12
07100	SEI Structured English ELD	2,347.86
11241	2024 Title I	62,565.82
16540	Regular Education	1,385.20
16640	21st Century Cont	2,354.40
16840	21st Century Cont	1,629.86
19140	TITLE III- Bilingual Education	1,464.15
22240	Special Education	35,470.69
22440	Special Education	529.29
26240	JTED	4,397.01
28240	Education for Homeless Children & Youth	2,524.93
29000	Medicaid Reimbursement	9,595.36
29100	Medicaid Special Education Admin	5,138.85
31000	JROTC Instruction	3,401.97
31240	Regular Education	2,875.87
33100	2022 Empower Child Care	19,642.70
34140	Special Education	5,437.29
34600	ESSER III	86,305.52
35040	Social Work Services	1,275.66
35540	Community Services	2,982.32
38420	Pima Early Education Program	10,180.01
45700	Results- Based Funding	4,567.19
46240	School Safety Program Expansion [2024]	5,411.73
46840	Early Literacy Grant [2024]	2,194.36
	OTHER	
51000	Food Service	2,082.36
52000	Community Services	4,259.66
57000	Indirect Cost	13,246.67
59600	JTED	8,043.97

FLOWING WELLS SCHOOL DISTRICT  
Board Agenda Item

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D-4 March 26, 2024

Agenda Item Number Board Meeting Date

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Item: Approval of Requests for Use of District Facilities

Submitted By: Teressa Austin Date: March 21, 2024

Will Be Presented By: Dr. Kevin Stoltzfus/Stacy Trueblood

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Requests for use of district facilities are submitted for approval.

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Estimated Cost \$ \_\_\_\_\_  See Additional Information Attached

Recommended Action:

Approve       Disapprove       Table       No Action Required

Division Head: *Stacy Trueblood* Superintendent: *Kevin Stoltzfus*

Board Action: M: \_\_\_\_\_ S: \_\_\_\_\_ A: \_\_\_\_\_ N: \_\_\_\_\_ C: \_\_\_\_\_



FLOWING WELLS SCHOOL DISTRICT  
Board Agenda Item

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D-5 March 26, 2024

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Agenda Item Number Board Meeting Date

Item: Approval of Requests for Open Enrollment

Submitted By: Lydia Tellez Date: March 21, 2024

Will Be Presented By: Dr. Kevin Stoltzfus/Dr. Audrey Reff

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Requests for open enrollment students are submitted for approval.

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Estimated Cost \$ \_\_\_\_\_  See Additional Information Attached

Recommended Action:

Approve       Disapprove       Table       No Action Required

Division Head: *Arcuff* Superintendent: *Kevin Stoltzfus*

Board Action: M: \_\_\_\_\_ S: \_\_\_\_\_ A: \_\_\_\_\_ N: \_\_\_\_\_ C: \_\_\_\_\_

**FLOWING WELLS SCHOOL DISTRICT**  
**Requests for Admission as Non-Resident Students**

**March 26, 2024**

Recommend approval for the following requests:

- I. Wish to Attend Flowing Wells Schools
  - A. Accept Under Open Enrollment (Exchange)  
2 Students
  - B. Accept Under Open Enrollment with Conditions (Conditional)  
8 Students
  - C. Denial  
0 Students

FLOWING WELLS SCHOOL DISTRICT  
Board Agenda Item

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D-7	March 26, 2024
Agenda Item Number	Board Meeting Date

Item: Approval of Requests for Staff Travel

Submitted By: Teressa Austin Date: March 21, 2024

Will Be Presented By: Dr. Kevin Stoltzfus/Stacy Trueblood

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Staff travel requests are submitted for approval.

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Estimated Cost \$ \_\_\_\_\_  See Additional Information Attached

Recommended Action:

Approve       Disapprove       Table       No Action Required

Division Head: *Stacy Trueblood* Superintendent: *Kevin Stoltzfus*

Board Action: M: \_\_\_\_\_ S: \_\_\_\_\_ A: \_\_\_\_\_ N: \_\_\_\_\_ C: \_\_\_\_\_

**Flowing Wells School District  
Request To Travel**

**Recommend approval of the following travel requests:  
March 26, 2024**

<b>Name Last, First</b>	<b>School / Dept</b>	<b>Request for Travel / What</b>	<b>Travel to:</b>	<b>Dates</b>
Nistas, Joshua	FWHS/CTE Photo	TSA Institute	Glendale, AZ	3/9/2024
Hayes, Ashley	FWHS/Hosa	Hosa State Leadership	Tucson, AZ	04/03/2024 - 04/05/2024
Duran, Mayra	FWHS/Languge	Student UofA Field Trip	Tucson, AZ	4/12/2024
Donaldson, Angus	FWHS/CTE VOAG	Pima County Fair w/students and their animals	Tucson, AZ	04/22/2024 - 04/28/2024
Reynolds, Caitlin	FWHS/CTE VOAG	Pima County Fair w/students and their animals	Tucson, AZ	04/22/2024 - 04/28/2024
Donaldson, Angus	FWHS/CTE VOAG	NAAE Region 1 Conference	San Diego, CA	5/27/2024 - 6/1/2024
Reynolds, Caitlin	FWHS/CTE VOAG	NAAE Region 1 Conference	San Diego, CA	5/27/2024 - 6/1/2024
Donaldson, Angus	FWHS/CTE VOAG	AZ FFA State Leadership Conf	Tucson, AZ	06/05/2024 - 06/08/2024
Reynolds, Caitlin	FWHS/CTE VOAG	AZ FFA State Leadership Conf	Tucson, AZ	06/05/2024 - 06/08/2024
Daily, Kevin	Governing Board	Pima County School Board Superintendent Collaborative	Tucson, AZ	3/18/2024
Effing, Wendy	Governing Board	Pima County School Board Superintendent Collaborative	Tucson, AZ	3/18/2024
Hammar, Kristine	Governing Board	Pima County School Board Superintendent Collaborative	Tucson, AZ	3/18/2024
Stoltzfus, Kevin	Superintendent	Pima County School Board Superintendent Collaborative	Tucson, AZ	3/18/2024
Daily, Kevin	Governing Board	Pima County School Board Superintendent Collaborative	Tucson, AZ	4/17/2024
Effing, Wendy	Governing Board	Pima County School Board Superintendent Collaborative	Tucson, AZ	4/17/2024
Hamilton, Brianna	Governing Board	Pima County School Board Superintendent Collaborative	Tucson, AZ	4/17/2024
Hammar, Kristine	Governing Board	Pima County School Board Superintendent Collaborative	Tucson, AZ	4/17/2024
Stoltzfus, Kevin	Superintendent	Pima County School Board Superintendent Collaborative	Tucson, AZ	4/17/2024
Chappell, Stacy	District/Database	Power School Conference	Las Vegas NV	07/21/2024 - 07/25/2024
Brenton, Jesse	FWHS/CTE Auto	Skills State Competition w/students	Avondale, AZ	3/23/2024
Nistas, Joshua	FWHS/CTE Photo	Douglas Color Run w/students	Tucson, AZ	3/22/2024
Lovio, Jesus	Laguna	Hispanic Caucus Conference	Phoenix, AZ	04/19/2024 - 04/21/2024
Lovio, Jesus	Laguna	AZ Education Assoc Delegate Assembly Board of Directors	Phoenix, AZ	05/09/2024 - 05/11/2024

**Flowing Wells School District  
Request To Travel**

**Recommend approval of the following travel requests:  
March 26, 2024**

Nistas, Joshua	FWHS/CTE Photo	Downtowning Filming w/students	Downtown Tucson, AZ	3/25/2024 & 03/27/2024
Marcott, Holly	FWHS/CTE	Downtowning Filming w/students	Downtown Tucson, AZ	03/25/2024 & 03/27/2024
Marcott, Holly	FWHS/CTE	Women in STEM Annual Retreat w/students	SARSEF Campnus Tucson, AZ	4/5/2024
Verdiguel Gilet	FWHS/CTE	Women in STEM Annual Retreat w/students	SARSEF Campnus Tucson, AZ	4/5/2024
Reynolds, Caitlin	FWHS/CTE VOAG	Skate Country w/students	Tucson, AZ	4/10/2024
Nistas, Joshua	FWHS/CTE Photo	UofA School of Theatre & Film	Tucson, AZ	4/16/2024
Nistas, Joshua	FWHS/CTE Photo	Adobe Certification	Tucson, AZ	4/17/2024

FLOWING WELLS SCHOOL DISTRICT  
Board Agenda Item

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D-8	March 26, 2024
Agenda Item Number	Board Meeting Date

Item: Approval of District Personnel Actions

Submitted By: Stacie Stuart/Jessica Bedoy Date: March 21, 2024

Will Be Presented By: Dr. Kevin Stoltzfus/Dr. Kimberley Parkinson

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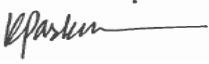

District Personnel Actions may include new hires, resignations, terminations, leaves of absence, substitutes, retirements, rehire of designated staff, contract extensions/adjustments, contract language for employment, additional duties, special activities compensation, addendums, performance/merit pay, stipends, termination pay, professional development workshops, athletic compensation, career and technical compensation are submitted for your approval.

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Estimated Cost \$ \_\_\_\_\_  See Additional Information Attached

Recommended Action:

Approve       Disapprove       Table       No Action Required

Division Head:  Superintendent: 

Board Action: M: \_\_\_\_\_ S: \_\_\_\_\_ A: \_\_\_\_\_ N: \_\_\_\_\_ C: \_\_\_\_\_

Flowing Wells School District  
Personnel Action Summary  
**Certified Staff**  
March 26, 2024

Name	Location	Action to Approve	Pay	FTE/ hrs	Contract Days	Effective Date	Additional Comments
Abeytia, Jule	Davis	Grant Funded Program Site Supervision	\$27.50/hr	NTE 20 hrs/wk	N/A	2023-2024	SKILLS Coordinator Substitute
Adams, Laura	Laguna	Transfer from Student Support Specialist at Centennial & Laguna to Student Support Specialist at Laguna	Contract Rate	N/A	N/A	2024-2025	One Year Only Contract
Aragon, Savannah	Laguna	Additional Hours - Kinder Roundup	\$25.00/hr	1.5 hrs	N/A	2/28/2024 - 2/29/2024	
Batsoev, Anastasia	Centennial	Addendum BE-2: Bilingual, ESL, or Spanish Endorsement	\$172.25 (P)	N/A	N/A	2023-2024	
Bejarano, Gabrielle	Douglas	Class Coverage	\$50.00/day	1 day	N/A	2/21/2024	
Bennett, Koni	Laguna	Facilitate Afterschool Project Ready	\$25.00/hr	1.5 hrs	N/A	2/28/2024 - 2/29/2024	
Boosamra-Ball, Mareena	HS	Additional Hours - Records Day to Input Grades	\$165.00/day	1 day	N/A	5/6/2024	
Campa, Elizabeth	Hendricks	Grant Funded Tutoring - Certified Instruction with Students	\$25.00/hr	NTE 20 hrs/wk	N/A	6/3/2024 - 6/27/2024	SKILLS Teacher
Carlson, Lydia	Hendricks	Grant Funded Tutoring - Certified Instruction with Students	\$25.00/hr	NTE 20 hrs/wk	N/A	6/3/2024 - 6/27/2024	SKILLS Teacher
Close, Ashley	Douglas	Class Coverage	\$50.00/day	1 day	N/A	2/21/2024	
Close, Ashley	Douglas	Achievement Tutoring	\$40.00/hr	NTE 24 hrs/group	N/A	3/4/2024 - 4/15/2024	
DeVries, Brandi	Laguna	Facilitate Afterschool Project Ready	\$25.00/hr	1.5 hrs	N/A	2/28/2024 - 2/29/2024	
Ellwood, Meagan	Centennial	Class Coverage	\$75.00/day	1 day	N/A	3/4/2024	
Embacher, Allison	HS	Transfer from Assistant to the Principal to Assistant Principal	\$10,000 compensation added to Base Rate	N/A	N/A	7/1/2024	
Finger, Daniel	ESS	Unpaid Paternity Leave	N/A	N/A	N/A	3/5/2024 - 3/8/2024 & 3/18/2024	
Fox, Liliana	JH	Resign - Special Education Intensive Resource Teacher	N/A	N/A	N/A	5/24/2024	
Goodnight, Rae	JH	Resign - Social Studies Teacher	N/A	N/A	N/A	5/24/2024	
Gutierrez, Kristi	Laguna	Additional Hours - Kinder Roundup	\$25.00/hr	1.5 hrs	N/A	2/28/2024 - 2/29/2024	
Hatch, Courtney	HS	New Hire - Fashion Design Teacher	\$11,679.00 (P)	1.0 FTE	47 days	3/20/2024	BOY
Hatch, Courtney	HS	Additional Compensation	\$3,910.00	N/A	N/A	2023-2024	Performance Pay Eligibility
Heinzel, Madison	Hendricks	Grant Funded Program Site Supervision	\$27.50/hr	NTE 20 hrs	N/A	6/2/2024	Prepare for Summer SKILLS Program
Heinzel, Madison	Hendricks	Grant Funded Program Site Supervision	\$27.50/hr	NTE 20 hrs/wk	N/A	6/3/2024 - 6/27/2024	Summer SKILLS Coordinator
Hurst, Melanie	Laguna	Additional Hours - Kinder Roundup	\$25.00/hr	1.5 hrs	N/A	2/28/2024 - 2/29/2024	
Jatczak, Samantha	Davis	Adjust SKILLS Hourly Rate to Certified	\$25.00/hr	N/A	N/A	9/5/2023	Incorrectly listed at \$17.00/hr classified rate
Jungbluth, Eric	Hendricks	Grant Funded Tutoring - Certified Instruction with Students	\$25.00/hr	NTE 20 hrs/wk	N/A	6/3/2024 - 6/27/2024	SKILLS Teacher
Logsdon, Rachel	HS	Amend Previous Softball PAR - Softball Assistant Varsity	\$3,700.00	N/A	N/A	2023-2024	
Loyd, Kimberly	HS	Additional Hours - Records Day to Input Grades	\$165.00/day	1 day	N/A	3/1/2024	
Loyd, Kimberly	HS	JTED Mentorship for New Fashion Design Teacher	Hrly Rate	NTE 136.5 hrs	N/A	4/10/2024 - 5/24/2024	
Randolph, Kayla	Hendricks	Grant Funded Tutoring - Certified Instruction with Students	\$25.00/hr	NTE 20 hrs/wk	N/A	6/3/2024 - 6/27/2024	SKILLS Teacher
Salazar, Isabela	Davis	Project READy Planning	\$20.00/hr	NTE 4 hrs	N/A	2/19/2024	
Salcido, Julie	Centennial	Class Coverage	\$75.00/day	1 day	N/A	3/4/2024	
Shepard, Crystal	Hendricks	Grant Funded Tutoring - Certified Instruction with Students	\$25.00/hr	NTE 20 hrs/wk	N/A	6/3/2024 - 6/27/2024	SKILLS Teacher
Studenski, Gessica	Laguna	Request Parenting Leave of Absence	N/A	N/A	N/A	2024-2025	
Tovar, Martha	Douglas	Class Coverage	\$50.00/day	1 day	N/A	2/21/2024	
Tovar, Martha	Douglas	Achievement Tutoring	\$40.00/hr	NTE 24 hrs/group	N/A	3/4/2024 - 4/15/2024	

Flowing Wells School District  
 Personnel Action Summary  
**Certified Staff**  
 March 26, 2024

Urdahl, Kenneth	Douglas	Elementary Coach - Boys Basketball	\$1,000.00	N/A	N/A	2023-2024	
Vindiola, Sophia	JH	Resign - Guidance Counselor	N/A	N/A	N/A	5/24/2024	

LEGEND:  
 Pay: Total compensation minus Performance Pay  
 The Additional Comments section detail additional compensation.  
 NTE: Not To Exceed  
 BOY: Balance of Year  
 FTE: Full Time Equivalent  
 YOE: Years of Experience (\$350.00 per year for certified/professional; \$0.20 per hour for classified)  
 (P): Prorated due to date of hire and/or less than 1.0 FTE  
 CEIP: College Credit by Exam Incentive Program

Flowing Wells School District  
Personnel Action Summary

Support Staff

March 26, 2024

Name	Location	Action to Approve	Pay	FTE/ hrs	Contract Days	Effective Date	Additional Comments
Angeles, Ana	Transportation	Additional Hours - Drive for Sports and Clean Buses	Hrly Rate	NTE 4 hrs/day	N/A	3/11/2024 - 3/15/2024	
Autenreith, Janice	Davis	Resign - Library Technician	N/A	N/A	N/A	6/6/2024	
Ayala, Valerie	Transportation	Additional Hours - Drive for Sports and Clean Buses	Hrly Rate	NTE 4 hrs/day	N/A	3/11/2024 - 3/15/2024	
Blair, Evan	HS	Class Coverage	\$12.50/hr added to Hrly Rate	1 hr	N/A	2/21/2024	
Bratka, Twila	Hendricks	Class Coverage	\$12.50/hr added to Hrly Rate	7 hrs	N/A	2/29/2024	
Bush, Kimberly	Centennial	Transfer from Instructional Assistant to English Language Learner (ELL) Instructional Assistant	\$15.44/hr	6.50 hrs/day	195	2024-2025	Differential Increase of \$0.53
Cordova, Daniela	HS	Coaching Stipend for State Playoffs - Wrestling Girls	\$247.75	N/A	N/A	3/7/2024	
Coulter, Kayla	Hendricks	Grant Funded Tutoring - Classified Instruction with Students	\$17.00/hr	NTE 25 hrs/wk	N/A	6/3/2024 - 6/27/2024	SKILLS Support Staff
Cruz Paiz, Lus	Douglas	Grant Funded Tutoring - Classified Instruction with Students	\$17.00/hr	NTE 3 hrs/day	N/A	2023-2024	SKILLS Support Staff
Cruz Paiz, Lus	Douglas	Transfer from Instructional Assistant to Reading Instructional Assistant	\$15.64/hr	6.0 hrs/day	195	2024-2025	Differential Increase of \$0.53
Diaz, Jaime D.	HS	Track Assistant Boys	\$3,579.00	N/A	N/A	2023-2024	
Diaz, Paula Marie	EMELC	Additional Hours - Community Schools Instructional Assistant Substitute	\$15.03/hr	NTE 8 hrs/wk	N/A	2023-2024	
Dorame, Mariana	HS	Class Coverage	\$12.50/hr added to Hrly Rate	10 hrs	N/A	3/4/2024 - 3/8/2024	
Downey, Kasey	Douglas	Class Coverage	\$12.50/hr added to Hrly Rate	6 hrs	N/A	2/21/2024	
Gallardo, Marcus	Transportation	New Hire - School Bus Monitor (Special Needs)	\$16.67/hr	6.0 hrs/day	193 (P)	3/25/2024	
Gallardo, Marcus	Transportation	Additional Compensation	\$90.00 (P)	N/A	N/A	2023-2024	SA-1: Shoe Allowance
Godwin, Tiffany	Hendricks	Grant Funded Tutoring - Classified Instruction with Students	\$17.00/hr	NTE 20 hrs/wk	N/A	6/3/2024 - 6/27/2024	SKILLS Support Staff
Gonzalez, Maria	HS	Resign - Administrative Assistant to Assistant Principal(s)	N/A	N/A	N/A	6/28/2024	
Harrison, Lilyan	Transportation	Additional Hours - Drive for Sports and Clean Buses	Hrly Rate	NTE 4 hrs/day	N/A	3/11/2024 - 3/15/2024	
Hernandez, Roberto	HS	Coaching Stipend for State Playoffs - Wrestling Boys	\$247.75	N/A	N/A	3/7/2024	
Imes, Deborah	Douglas	Transfer from Computer Lab Technician to Instructional Assistant	\$16.71/hr	6.50 hrs/day	195	2024-2025	Differential Decrease of \$1.78
Knight, Dorothy	Hendricks	Grant Funded Tutoring - Classified Instruction with Students	\$17.00/hr	NTE 20 hrs/wk	N/A	6/3/2024 - 6/27/2024	SKILLS Support Staff
Leistman, Christopher	Transportation	Additional Hours - Drive for Sports and Clean Buses	Hrly Rate	NTE 4 hrs/day	N/A	3/11/2024 - 3/15/2024	
Lugo Arauijo, Rocio	Laguna	1st Year Experience Step Increase	\$0.20/hr	N/A	N/A	2/5/2024	
Madrugá, James	HS	Tennis Head Varsity Boys	\$4,173.00	N/A	N/A	2023-2024	
Marcott, Holly	HS	Class Coverage	\$12.50/hr added to Hrly Rate	1 hr	N/A	3/6/2024	
McGury, Tina	Douglas	Grant Funded Tutoring - Classified Instruction with Students	\$17.00/hr	NTE 4.5 hrs/day	N/A	6/3/2024 - 6/27/2024	SKILLS Support Staff
Molina, Lillianne	HS	Volleyball Head JV Boys	\$3,634.00	N/A	N/A	2023-2024	
Moreno Montano, Leticia	Douglas	Resign as English Language Learner (ELL) Instructional Assistant	N/A	N/A	N/A	5/23/2024	
Nava, Ruben	Transportation	Additional Hours - Drive for Sports and Clean Buses	Hrly Rate	NTE 4 hrs/day	N/A	3/11/2024 - 3/15/2024	
Olmos, Mara	EMELC	New Hire - Special Education Teaching Assistant I	\$17.04/hr	8.0 hrs/day	195 (P)	3/18/2024	YOE granted: 8 years
Parsons, Charles	HS	New Hire - Softball Head Freshmen	\$3,634.00	N/A	N/A	2023-2024	
Ramirez, Brittany	Douglas	Transfer from Attendance Clerk to Administrative Assistant to Elementary Principal	\$18.28/hr	8.0 hrs/day	224	2024-2025	Differential Increase of \$0.86
Ramirez, Brittany	Douglas	Grant Funded Tutoring - Classified Instruction with Students	\$17.00/hr	NTE 4.5 hrs/day	N/A	6/3/2024 - 6/27/2024	SKILLS Support Staff
Ramirez, Tyrone	Transportation	Additional Hours - Drive for Sports and Clean Buses	Hrly Rate	NTE 4 hrs/day	N/A	3/11/2024 - 3/15/2024	

Flowing Wells School District  
 Personnel Action Summary

**Support Staff**

March 26, 2024

Rodriguez, Ramon	Laguna	20 Year Experience Step Increase	\$0.09/hr	N/A	N/A	2/5/2024	
Sanchez, Maria	Transportation	Additional Hours - Drive for Sports and Clean Buses	Hrly Rate	NTE 4 hrs/day	N/A	3/11/2024 - 3/15/2024	
Schnelle, Linda	Centennial	Class Coverage	\$12.50/hr added to Hrly Rate	6 hrs	N/A	3/5/2024	
Valles, Nadine	Laguna	Class Coverage	\$12.50/hr added to Hrly Rate	3.5 hrs	N/A	2/6/2024	
Valles, Nadine	Laguna	Transition to 30 hr/week Library Technician Position	Hrly Rate	6.0 hrs/day	215	2024-2025	
Villalobos, Alissa	Transportation	Additional Hours - Drive for Sports and Clean Buses	Hrly Rate	NTE 4 hrs/day	N/A	3/11/2024 - 3/15/2024	
Welborn, Alicia	Douglas	Transfer from Instructional Assistant to Computer Lab Technician	\$19.29/hr	6.50 hrs/day	198	2024-2025	Differential Increase of \$1.78
Xicotencatl, Uncas	Transportation	Additional Hours - Drive for Sports and Clean Buses	Hrly Rate	NTE 4 hrs/day	N/A	3/11/2024 - 3/15/2024	
Zepeda, Maria	Transportation	Additional Hours - Drive for Sports and Clean Buses	Hrly Rate	NTE 4 hrs/day	N/A	3/11/2024 - 3/15/2024	

LEGEND:

Pay: Total compensation minus Performance Pay

The Additional Comments section detail additional compensation.

NTE: Not To Exceed

BOY: Balance of Year

FTE: Full Time Equivalent

YOE: Years of Experience (\$350.00 per year for certified/professional; \$0.20 per hour for classified)

(P): Prorated due to date of hire and/or less than 1.0 FTE

CEIP: College Credit by Exam Incentive Program

Flowing Wells School District  
 Personnel Action Summary  
**Professional Development**  
 March 26, 2024

Name	Location	Action To Approve	Pay	FTE/Hours	EffectiveDate
Burch, Ethan	HS	Life Science Curriculum Day	Contract Day	7 hrs	4/2/2024
Trainor, Molly	HS	Life Science Curriculum Day	Contract Day	7 hrs	4/2/2024
Young, Cody	HS	Life Science Curriculum Day	Contract Day	7 hrs	4/2/2024
Breckenfeld, Nicolas	HS	Chemistry Curriculum Day	Contract Day	7 hrs	4/4/2024
Golden, William	HS	Chemistry Curriculum Day	Contract Day	7 hrs	4/4/2024
Hayes, Ashley-Marie	HS	Chemistry Curriculum Day	Contract Day	7 hrs	4/4/2024
Terpning, Cheryl	HS	Chemistry Curriculum Day	Contract Day	7 hrs	4/4/2024
Verdiguel Gillet, Anna	HS	Chemistry Curriculum Day	Contract Day	7 hrs	4/4/2024
Gleeson, David	HS	Physics Curriculum Day	Contract Day	7 hrs	4/24/2024
Hartung, Kristina	HS	Physics Curriculum Day	Contract Day	7 hrs	4/24/2024
Jackson, Michele	HS	Physics Curriculum Day	Contract Day	7 hrs	4/24/2024
Young, Cody	HS	Physics Curriculum Day	Contract Day	7 hrs	4/24/2024
Ambler-Lewis, Emma	Hendricks	Intensive Resource PLC	\$20.00/hr	1.5 hrs	4/25/2024
Ambuehl, Kiley	Hendricks	Intensive Resource PLC	\$20.00/hr	1.5 hrs	4/25/2024
Amezquita, Dania	Laguna	Intensive Resource PLC	\$20.00/hr	1.5 hrs	4/25/2024
Clark, Madison	HS	Intensive Resource PLC	\$20.00/hr	1.5 hrs	4/25/2024
Day, Kendall	EMELC	Intensive Resource PLC	\$20.00/hr	1.5 hrs	4/25/2024
Easter, Lillian	HS	Intensive Resource PLC	\$20.00/hr	1.5 hrs	4/25/2024
Fox, Lilitana	JH	Intensive Resource PLC	\$20.00/hr	1.5 hrs	4/25/2024
Grillo, Tori	HS	Intensive Resource PLC	\$20.00/hr	1.5 hrs	4/25/2024
Holman, Jerry	JH	Intensive Resource PLC	\$20.00/hr	1.5 hrs	4/25/2024
Lawton, Mimi	HS	Intensive Resource PLC	\$20.00/hr	1.5 hrs	4/25/2024
Moon, Celina	JH	Intensive Resource PLC	\$20.00/hr	1.5 hrs	4/25/2024
Oquendo, Jennifer	Laguna	Intensive Resource PLC	\$20.00/hr	1.5 hrs	4/25/2024
Sanchez, Ana	Laguna	Intensive Resource PLC	\$20.00/hr	1.5 hrs	4/25/2024
Valdez, Monica	Hendricks	Intensive Resource PLC	\$20.00/hr	1.5 hrs	4/25/2024
Voigt, Nicole	Laguna	Intensive Resource PLC	\$20.00/hr	1.5 hrs	4/25/2024
Batsford, Emily	Douglas	Strength Based Services PLC	Contract Day	2 hrs	4/26/2024
Condon, Morgen	Douglas	Strength Based Services PLC	Contract Day	2 hrs	4/26/2024
Dalton, Emily	Davis	Strength Based Services PLC	Contract Day	2 hrs	4/26/2024
Davey, Demitria	Hendricks	Strength Based Services PLC	Contract Day	2 hrs	4/26/2024
Easter, Lillian	HS	Strength Based Services PLC	Contract Day	2 hrs	4/26/2024
Gossett, Bradley	Laguna	Strength Based Services PLC	Contract Day	2 hrs	4/26/2024

Flowing Wells School District  
 Personnel Action Summary  
**Professional Development**  
 March 26, 2024

Hatfield, Tess	Centennial	Strength Based Services PLC	Contract Day	2 hrs	4/26/2024
Haynes, Talia	HS	Strength Based Services PLC	Contract Day	2 hrs	4/26/2024
Herman, Laura	Hendricks	Strength Based Services PLC	Contract Day	2 hrs	4/26/2024
Lovio, Jesus	Laguna	Strength Based Services PLC	Contract Day	2 hrs	4/26/2024
Lujan, Jacquelyn	Davis	Strength Based Services PLC	Contract Day	2 hrs	4/26/2024
McWilliam, Victoria	Hendricks	Strength Based Services PLC	Contract Day	2 hrs	4/26/2024
Saltrick, Danielle	HS	Strength Based Services PLC	Contract Day	2 hrs	4/26/2024
Toney, Emily	Davis	Strength Based Services PLC	Contract Day	2 hrs	4/26/2024
Wook, Kristin	Centennial	Strength Based Services PLC	Contract Day	2 hrs	4/26/2024

LEGEND:

Pay: Total compensation minus Performance Pay

The Additional Comments section detail additional compensation.

NTE: Not To Exceed

BOY: Balance of Year

FTE: Full Time Equivalent

YOE: Years of Experience (\$350.00 per year for certified/professional; \$0.20 per hour for classified)

(P): Prorated due to date of hire and/or less than 1.0 FTE

CEIP: College Credit by Exam Incentive Program

FLOWING WELLS SCHOOL DISTRICT  
Board Agenda Item

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D-9	March 26, 2024
Agenda Item Number	Board Meeting Date

Item: Approval of Asset Retirement and Disposals

Submitted By: Monique Mata Date: March 21, 2024

Will Be Presented By: Dr. Kevin Stoltzfus/Stacy Trueblood

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Approval is requested for the retirement and disposal of assets no longer used by the district as of March 21, 2024.

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Estimated Cost \$ \_\_\_\_\_  See Additional Information Attached

Recommended Action:

Approve       Disapprove       Table       No Action Required

Division Head: *Stacy Trueblood* Superintendent: *Kevin Stoltzfus*

Board Action: M: \_\_\_\_\_ S: \_\_\_\_\_ A: \_\_\_\_\_ N: \_\_\_\_\_ C: \_\_\_\_\_

**Board Agenda 03/26/24**

ASSET	DESCRIPTION	SERIAL/PARCEL	SITE	ACQUIRE	ACQ COST	CODE	PURCHASING ACCT 1	Auction Lot	Listing date
N/A	Roper Refrigerator		110A	8/1/2021		5		3487626	3/27/2024
N/A	Americana Refrigerator		140A	8/1/2021		5		3487626	3/27/2024
N/A	Hotspots		575A			5		3487605	3/27/2024
N/A	2TE flip phones (2)		575A			5		3487605	3/27/2024
N/A	Projectors Epson power lite X39		510A			5		3487605	3/27/2024
1000657	WEIGHT EQP/REFLEX CABLE CROSS OVER 13X8'		210A	7/1/2005	1,593.80	5		3488251	3/27/2024
N/A	2 TRUE Fitness Treadmills		210A			5		3488251	3/27/2024
N/A	3 Lemond Revmaster indoor bikes		210A			5		3488251	3/27/2024
N/A	3 Barbell bars		210A			5		3488251	3/27/2024
N/A	2 short barbell bars		210A			5		3488251	3/27/2024
N/A	2 Lat pulldown bars		210A			5		3488251	3/27/2024

Disposal	DESCRIPTION	Disposal	DESCRIPTION
S	AUCTION/OBSELETE	M	MISPLACED
A	ADMINSTRATIVE ADJUSTMENT	N	NOT COST EFFECTIVE, NEEDED, SR
B	PHYSICAL DAMAGE/BROKEN	O	OTHER
C	CASUALTY LOSS	P	PARTED OUT
D	<\$1000 SO DELETED	R	RETURNED MERCHANDISE
DM	DEMOLITION	S	SOLD/SALVAGED
E	EXCHANGED MERCHANDISE	T	TRADE IN
I	INSURANCE COMPENSATED	V	VANDALISM OR THEFT
J	TRANFER TO OTHER CTED	W	WARRANTY/REPLACEMENT
L	LOAN RECALLED	Y	RECYCLE / SCRAPPED

FLOWING WELLS SCHOOL DISTRICT  
Board Agenda Item

E-1  
Agenda Item Number

March 26, 2024  
Board Meeting Date

Item: Recommend Approval to Table Financial Mathematics Textbook

Submitted By: Dr. Kevin Stoltzfus/Dr. Audrey Reff Date: March 21, 2024

Will Be Presented By: Dr. Kevin Stoltzfus/Dr. Audrey Reff

District administration recommends approval to table the textbook and curriculum resource National Geographic/Cengage Financial Algebra, 2nd Edition to allow for public review and comment prior to a formal request to adopt the textbook for use in our high school Finance Math courses.

Estimated Cost \$ \_\_\_\_\_  See Additional Information Attached

Recommended Action:

Approve       Disapprove       Table       No Action Required

Division Head: *A. Reff* Superintendent: *Kevin Stoltzfus*

Board Action: M: \_\_\_\_\_ S: \_\_\_\_\_ A: \_\_\_\_\_ N: \_\_\_\_\_ C: \_\_\_\_\_

**FLOWING WELLS SCHOOL DISTRICT**  
**District Administration Center**

**MEMORANDUM**

**TO:** Governing Board Members  
Dr. Kevin Stoltzfus, Superintendent

**FROM:** Dr. Audrey Reff, Assistant Superintendent

**RE:** Financial Mathematics Textbook – Request to Table

**DATE:** March 26, 2024

The District administration recommends a sixty-day table of the National Geographic/Cengage Financial Algebra, 2<sup>nd</sup> Edition textbook by Robert Gerver and Richard Sgroi to allow for public review and comment prior to a formal request to adopt the textbook for use in high school Finance Math courses.

The Cengage textbook aligns with the 2018 Arizona Mathematics Standards and requirements and includes applications and continued development of algebra, geometry, pre-calculus, statistics and probability.

The second edition book continues with a systematic and explicit approach to the financial mathematics and has been updated to include the Cengage digital platform, Mind Tap, which allows for continued updates of content; enhanced accessibility for students; and integration with teacher’s Google Classroom application.

The topics of study for applied mathematics in finance contexts include discretionary spending; banking services; consumer credit; automobile ownership; home ownership; employment basics; income taxes; independent living; investments; the stock market; entrepreneurship and modeling a business; planning for retirement; and preparing a budget.

According to the adoption team, their top reasons for selecting the textbook were the systematic and explicit approach to topics and mathematical applications; exemplary routines for building vocabulary in the subject; opportunity to integrate digital content and assessments with Google Classroom; accessibility tools for differentiated student need; and ample practice opportunities.

The adoption committee was led by Demetria Murray, District Mathematics Specialist. Mr. Jason Brown, Flowing Wells High School Mathematics Teacher and Ms. Corynn Lodge, Flowing Wells High School Mathematics Teacher worked with Ms. Murray to evaluate the Cengage textbook along with a fully digital curriculum, Next Gen Personal Finance. Ultimately, the committee found the Cengage textbook to be superior. I coordinated the process and worked closely with Demetria Murray throughout.

The committee and I will be available to provide additional information and answer questions during the regularly scheduled Governing Board Meeting. Thank you for your consideration.

FLOWING WELLS SCHOOL DISTRICT  
Board Agenda Item

E-2  
Agenda Item Number

March 26, 2024  
Board Meeting Date

Item: Review of Revisions to Retention Policies

Submitted By: Dr. Kevin Stoltzfus/Dr. Audrey Reff Date: March 21, 2024

Will Be Presented By: Dr. Kevin Stoltzfus/Dr. Audrey Reff

District administration presents revisions to retention policies, regulations, and exhibits for review and discussion. No action is to be taken during the current meeting. The proposed revisions seek to provide coherence between the District's policies and practices, with promotion/retention decisions anchored in a comprehensive evaluation of many variables and feedback from many stakeholders, including parents, teachers, and specialists. The attached drafts include strikethrough text to indicate deletions and underlined text to indicate additions.

Estimated Cost \$ \_\_\_\_\_  See Additional Information Attached

Recommended Action:

Approve       Disapprove       Table       No Action Required

Division Head: *Audrey Reff* Superintendent: *Kevin Stoltzfus*

Board Action: M: \_\_\_\_\_ S: \_\_\_\_\_ A: \_\_\_\_\_ N: \_\_\_\_\_ C: \_\_\_\_\_

**FLOWING WELLS SCHOOL DISTRICT**  
**District Administration Center**

**MEMORANDUM**

**TO:** Governing Board Members  
**FROM:** Dr. Kevin Stoltzfus, Superintendent  
Dr. Audrey Reff, Assistant Superintendent  
**RE:** Review of Revisions to Retention Policies  
**DATE:** March 21, 2024

District administration presents revisions to retention policies, regulations, and exhibits for review and discussion. No action is to be taken during the current meeting.

The proposed revisions seek to provide coherence between the District's retention policies and practices, with promotion/retention decisions anchored in a comprehensive evaluation of many variables and feedback from multiple stakeholders, including parents, teachers, and specialists. The following details provide a summary of revisions; the full texts are attached as drafts, with strikethrough text to indicate deletions and underlined text to indicate additions.

- Policy IKE Promotion and Retention of Students: Revisions specify that promotion decisions are based on completion of a standards-based course of study along with test scores, grades, teacher-principal recommendations, parent/guardian feedback, and other pertinent data, rather than solely on achievement of the standards.
- Regulation IKE-RA Promotion and Retention of Students: Revisions clarify which staff members may be included in retention committee. Revisions also reference the specific District forms that shall be used to document the process and clarify procedures if there is disagreement between parents and the school regarding the retention/promotion decision. Additionally, revisions specify a list of criteria that shall be considered when making a retention recommendation.
- Policy IKE-RB Promotion and Retention of Students – Competency Requirements for Promotion of Students from Third Grade: The only revision changes the word “two” with “three” in the following sentence (specific to retention/promotion decisions for English Learners in third grade): “The Governing Board may promote from third (3<sup>rd</sup>) grade a pupil who does not demonstrate sufficient reading skills if the pupil: is an English learner or a limited proficient student as defined in section 15-751 and has had fewer than three (3) years of English language instruction.” This reflects a revision to state law that changed the threshold from fewer than two years to fewer than three years of English language instruction.
- IKE-E Promotion and Retention of Students – Conference Form and Action Form: The current exhibit includes only the “Pupil Promotion-Retention Action” form. This would be updated to include the “Promotion-Retention Conference Report” form. Both forms are used during the process currently, although only one form is included as an exhibit in our Policy Manual.
- Policy IKEB Acceleration: The only revision replaces the word “mental” with “cognitive” in the following sentence (specific to decisions about student acceleration): “The student’s academic achievement level and cognitive ability are important, but physical and social characteristics are also determining factors.”

**IKE ©  
PROMOTION AND RETENTION OF STUDENTS**

**(Promotion or Retention of Elementary Students; High School Course Pass or Fail)**

**Regular Education**

The District is dedicated to the continuous development of each student.

Year to year promotion of a student in grades one (1) through eight (8) will be based upon a standards-based ~~for each basic subject area as identified in the~~ course of study. ~~The District may conduct a ceremony to honor pupils who have been promoted from the eighth (8th) grade.~~

The ~~District standards~~ course of study that students must ~~achieve complete~~ accomplishment of the standards in reading, written communication, mathematics, science, and social studies adopted by the State Board of Education.

The promotion of a student from grade three (3) shall be conditioned on the satisfaction of the applicable competency requirements prescribed by A.R.S. 15-701 and depicted in Administrative Regulation IKE-RB.

In addition to completion of the standards based course of study ~~these standards~~, test scores, grades, teacher-principal recommendations, and other pertinent data will be used to determine promotion or retention in grade.

Retention of students is a process that is followed when the professional staff, in consultation with the parent, determines it to be in the best interests of the student. Though primary grades are suggested as the most appropriate time, retention may be considered at any grade level.

When circumstances indicate that retention is in the best interest of the student, the student will have individual consideration, and decisions will be made only after a careful study of facts relating to all phases of the student's growth and development. The student's academic achievement level and ~~mental~~ cognitive ability are important, but physical and social characteristics are also important factors. A decision should be based on sufficient data, collected over a period of time and motivated by a desire to place students in school programs where they will be the most successful.

The District may conduct a ceremony to honor pupils who have been promoted from the eighth (8th) grade.

The earning of credit for a high school course is based on the student's satisfactory completion of the course academic requirements as demonstrated by the student's course grade. Periodic grade reports shall inform the student and the student's parent(s)/guardian(s) of the student's progress in a course. The teacher should further

inform and confer with the student's parent(s)/guardian(s) whenever the student's lack of satisfactory progress in the course indicates a trend toward the student receiving a failing course grade. No course credit is granted for a failing grade.

A student's high school grade classification (i.e., freshman - ninth (9th); sophomore - tenth (10th); junior - eleventh (11th); or senior - twelfth (12th) is determined by his/her initial cohort placement. A student must achieve passing grades in the number of required and elective course credits prescribed by the Governing Board and the State Board of Education to be granted a high school diploma.

In addition to the above, such decisions, when applied to students enrolled in special education, shall be on a case-by-case basis, consistent with the individualized education program and in accordance with A.A.C. [R7-2-301](#) and [R7-2-401](#).

### **Special Education**

Students who do not meet regular promotion requirements must meet the course of study and promotion requirements for special education under the guidance of A.A.C. [R7-2-401](#). The programs for such students may include adaptations.

Any student unable to meet regular academic requirements for promotion must meet the requirements of an alternative curriculum derived from the regular curriculum, which will be developed by an individualized educational program (IEP) team on an individual basis. Students placed in special education will complete the course of study as prescribed in their individual promotion plans and implemented through their individual education programs. Course work will be presented at a level commensurate with the student's ability. The student's permanent file shall identify the courses completed through special education; however, the student will receive the standard certificate of promotion.

Adopted: March 22, 2016

#### LEGAL REF.:

A.R.S.

[15-203](#)

[15-341](#)

[15-342](#)

[15-521](#)

[15-701](#)

[15-701.01](#)

[15-715](#)

[15-802](#)

A.A.C.

[R7-2-301](#)

[R7-2-309](#)

[R7-2-401](#)

A.G.O.  
184 - 016

CROSS REF.:

[IHA](#) - Basic Instructional Program

[IKEB](#) - Acceleration

[IKF](#) - Graduation Requirements

## IKE-RA

### REGULATION

## PROMOTION AND RETENTION OF STUDENTS

### Procedure for Retention of Elementary School Students

The following procedure shall be followed in each case where retention may be considered:

A. A staffing will be held to review the data as it relates to the case. The staffing committee shall consist of at least the classroom teacher, and principal, ~~but may also include the~~ school psychologist, nurse, and others deemed appropriate. Each member of the committee will be responsible for providing information relating to the child from their perspective. Each member of the committee will formulate a recommendation which will be cited on the Promotion-Retention Conference Report form. The recommendation of each member will be signed by that member of the committee. All material considered by the staffing committee shall be made a part of the pupil's file.

B. If after due consideration of the criteria and the staffing, it is decided by the teacher that the specified child should be retained, the Pupil Promotion-Retention Action form shall be completed by the teacher. A conference shall be conducted with the parents, teacher, and principal to explain the decision of the teacher.

C. ~~If the parents disagree with the decision to retain the child, they will sign the Pupil Promotion-Retention Action form. This form will be forwarded to the Superintendent who in turn will place it on the Board agenda.~~ If the parents agree with the decision to retain the child, the Promotion-Retention Action form shall be signed and filed in the child's permanent folder.

D. ~~If the parents agree with the decision to retain the child, the Pupil Promotion-Retention Action form shall be filed in the child's permanent folder and maintained in that folder.~~ If the parents disagree with the decision to retain the child, they will indicate their dissent and consent to request an appeal to the Governing Board to overturn the teacher's action. The form will be forwarded to the Superintendent who in turn will place it on the Board agenda.

E. If a parent requests to have their child retained, a staffing shall be conducted following the previously specified guidelines. The committee shall formulate a recommendation and the teacher shall render a decision. If the decision is not to retain the child, a Pupil Promotion-Retention Action form shall be completed and the parents shall sign the form. The form is to be forwarded to the Superintendent. The Board shall review the case and will sustain or reverse the teacher's decision. ~~The recommendation of each member will be signed by that member of the committee.~~

Signed copies of the Promotion-Retention Conference Report form, Pupil Promotion-Retention Action form, and any other relevant information shall be maintained in the child's permanent folder.

### **Appeal of Teacher Decision to Promote, Retain, Pass or Fail a Pupil**

Pursuant to Arizona Revised Statutes, a parent or student of majority may appeal to the Board for reconsideration on any **placement** decision [to promote, retain, pass or fail a student](#). The [parent or](#) student [of majority](#) has the burden of proof to overturn the decision of a teacher to promote, retain, pass or fail the pupil. It must be demonstrated to the Board that the student has or has not mastered the State Board adopted standards required for the placement recommended by the teacher. If the Governing Board overturns the decision of the teacher, a written finding of mastery or non-mastery of the State Board adopted standards must be adopted by the Governing Board.

In kindergarten and grades one (1) through eight (8), the student shall be promoted if the student receives a teacher's recommendation for promotion.

The teacher will base this recommendation on the ~~four (4)~~ following criteria:

- A. ~~Achievement of class assignments, projects, and tests.~~ [Preschool attendance.](#)
- B. ~~Results on achievement.~~ [Current grade placement.](#)
- C. ~~Achievement of state standards.~~ [Age of student.](#)
- D. ~~Attendance.~~ [Physical size.](#)
- E. [Academic history](#)
- F. [English language acquisition.](#)
- G. [Sibling relationships.](#)
- H. [Student mobility.](#)
- I. [School attendance.](#)
- J. [Maturity.](#)
- K. [Parent involvement.](#)
- L. [Student's attitude about retention.](#)
- M. [Academic motivation.](#)
- N. [Social and emotional well-being.](#)
- O. [Behavior.](#)
- P. [History of learning disabilities.](#)
- Q. [Ability to focus and concentrate.](#)

- R. [Intellectual ability.](#)
- S. [Present level of academic achievement.](#)

### **Special Education**

Students enrolled in a special education program must meet the course of study and graduation requirements of pupils enrolled in special education under the guidance of Rule [R7-2-401](#) of the Arizona Administrative Code. Students placed in special education classes in kindergarten (K) through grade twelve (12) are eligible to receive the standard certificate of promotion from eighth grade or the standard high school diploma without meeting state competency requirements, but reference to special education placement shall be noted on the student's transcript or permanent file.

### **Review of Promotion/ Retention Decision**

A.R.S. [15-521](#)(A)(10) states that (every teacher shall) make the decision for promotion or retention of students. Parents do not have authority to overturn the decision of the teacher.

If a parent or legal guardian chooses not to accept a decision of the teacher as provided in A.R.S. [15-521](#)(A)(10), the parent or legal guardian may request in writing that the Governing Board review the teacher's decision.

## **IKE-RB**

### Regulation

#### **Promotion and Retention of Students**

##### **Competency Requirements for Promotion of Students from Third Grade**

The District shall identify each student who is at risk of reading below grade level in kindergarten and grades one (1), two (2), and three (3). The District shall provide an annual specific written notification to parents or guardians of students in kindergarten programs and first (1st), second (2nd) and third (3rd) grades that a student who obtains a score on the reading portion of the state-wide assessment that does not demonstrate sufficient reading skills as established by the Board will not be promoted from the third (3rd) grade.

If the student's school has determined that the student is substantially deficient in reading before the end of grade three (3), the District shall provide to the parent or guardian of that student a specific written notification of the reading deficiency within three (3) weeks after identifying the reading deficiency. That notification shall include the following information:

- A. A Description of the student's specific individual needs.
- B. A description of the current reading services provided to the student.
- C. A description of the available supplemental instructional services and supporting programs that are designed to remediate reading deficiencies. The District shall offer more than one (1) evidence-based intervention strategy and more than one (1) remedial strategy developed by the State Board of Education for pupils with reading deficiencies. The notification shall list the intervention and remedial strategies offered and shall instruct the parent or guardian to choose, in consultation with the student's teacher, the most appropriate strategies that will be implemented for the student.
- D. Parental/guardian strategies to assist the student to attain reading proficiency.
- E. The frequency with which the school district or charter school will provide timely updates and information to the parent on the pupil's progress toward reading proficiency.
- F. A statement that the pupil will not be promoted from the third grade if the pupil obtains a score on the reading portion of the state-wide assessment that demonstrates the pupil is reading far below the third-grade level does not demonstrate sufficient reading skills, unless the pupil is exempt from mandatory retention in grade three or the pupil qualifies for an exemption.

G. A description of the District policies on midyear promotion to a higher grade.

Competency requirements for the promotion of a student from the third (3rd) grade shall include the following:

A. The student shall not be promoted from the third (3rd) grade if the pupil obtains a score on the reading portion of the state-wide assessment required test that does not demonstrate sufficient reading skills as established by the Board, unless the student is exempt from mandated retention or the pupil qualifies for an exemption as determined by the Governing Board.

B. The Governing Board may promote from the third (3rd) grade a pupil who does not demonstrate sufficient reading skills if the pupil:

1. is an English learner or a limited proficient student as defined in section [15-751](#) and has had fewer than ~~two (2)~~ [three \(3\)](#) years of English language instruction.

2. is in the process of a special education referral or evaluation for placement in special education or a pupil who has been diagnosed as having a significant reading impairment, including dyslexia or is a child with a disability as defined in section [15-761](#) if the pupil's individualized education program team and the pupil's parent or guardian agree that promotion is appropriate based on the pupil's individualized education program. "Dyslexia" as defined in section [15-701](#) means a brain-based learning difference that impairs a person's ability to read and spell, that is independent of intelligence and that typically causes a person to read at levels lower than expected.

3. has demonstrated or subsequently demonstrates sufficient reading skills or adequate progress towards sufficient reading skills of the third-grade reading standards as evidenced through a collection of reading assessments approved by the State Board of Education, which includes an alternative standardized reading assessment approved by the State Board

4. receives intervention and remedial services during the summer or subsequent school year pursuant to those indicated below under "Intervention and Remedial Strategies Developed by the State Board of Education" and demonstrates sufficient progress based on guidelines issued pursuant to the description of the school district or charter school policies on midyear promotion to a higher grade.

C. The student has demonstrated reading proficiency on an alternate assessment approved by the State Board of Education (SBE).

A pupil may not be retained if data regarding the pupil's performance on the state-wide assessment is not available before the end of the current academic year. A pupil who is not retained due to the unavailability of test data must receive evidence-based

intervention and remedial strategies as in the section immediately below if the third-grade assessment data subsequently does not demonstrate sufficient reading skills.

***Intervention and Remedial Strategies Developed by the State Board of Education (SBE) for Students Who Are Not Promoted from the Third Grade***

The Governing Board shall offer more than one (1) of the intervention and remedial strategies developed by the SBE. The parent or guardian of a student not promoted from the third (3rd) grade and the student's teacher(s) and principal may choose the most appropriate intervention and remedial strategies that will be provided to that student. The intervention and remedial strategies developed by the SBE shall include:

A A requirement the student be assigned for evidence-based reading instruction by a different teacher who was designated in that teacher's most recent performance evaluation in one (1) of the top two (2) performance classifications pursuant to section [15-203](#).

B Summer school reading instruction.

C Intensive reading instruction in the next academic year that occurs before, during, or after the regular school day, or any combination of before, during and after the regular school day.

D Small group and teacher-led evidence-based reading instruction, which may include computer- based or online reading instruction.

E A requirement that a school district governing board or charter school governing body that promotes a pupil pursuant to the above provide annual reporting to the Department of Education on or before October 1 that includes information on the total number of pupils subject to the retention provisions of Policy IKE and this regulation, the total number of students promoted pursuant to Policy IKE and this regulation, the total number of pupils retained in grade three (3) and the interventions administered.

The intervention and remedial strategies developed by the SBE shall also:

A Provide for universal screening of pupils in preschool programs, kindergarten programs and grades one (1) through three (3) that is designed to identify students who have reading deficiencies in accordance with A.R.S. [15-704](#).

B Develop interventions and remedial strategies for pupils in kindergarten programs and grades one (1) through three (3) who are identified as having reading deficiencies pursuant to section [15-704](#).

**PUPIL PROMOTION-RETENTION ACTION**

(Elementary Grades – A.R.S. 15.521.10)

Name of Student \_\_\_\_\_ Girl  
Boy Grade \_\_\_\_\_

Birth Date \_\_\_\_\_ School \_\_\_\_\_ School Year \_\_\_\_\_

Teacher Decision:

Above-named pupil shall be  promoted to  retained in grade\_\_\_\_\_.  
I acknowledge and affirm that I am personally liable and solely responsible for this action which is done in good faith.

Teacher Signature \_\_\_\_\_ Date \_\_\_\_\_

Parent Agreement: I hereby agree with the decision to retain my child.

Parent Signature \_\_\_\_\_ Date \_\_\_\_\_

Parent Dissent:

We, the undersigned  parents  legal guardians of the above-named pupil, do hereby state our disagreement with the above teacher’s decision. We acknowledge and affirm that we do not have any legal authority to overturn the decision of the teacher, but we consent and agree to request appeal of the teacher’s decision to the Governing Board which may choose to overturn the teacher’s action.

We hereby understand and agree that we relieve, release, and hold harmless the above Flowing Wells School District teacher from any and all liability for consequences or litigation brought in connection with or resultant from this request. We acknowledge and agree that the Governing Board has the final responsibility in this matter and that signing this form does not change the teacher’s decision. We further acknowledge and understand that this release of the teacher shall not be construed to release the school district from any liability relating to the above-named pupil’s promotion or retention.

Date \_\_\_\_\_ Father/Guardian \_\_\_\_\_

Date \_\_\_\_\_ Mother/Guardian \_\_\_\_\_

Acknowledgement by Notary Public

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_\_

My commission expires \_\_\_\_\_  
\_\_\_\_\_  
Notary Public

Action by District:

Board agenda date \_\_\_\_\_

Action taken by Board:  sustained  reversed teacher decision

Final grade placement: \_\_\_\_\_ School: \_\_\_\_\_ Year: \_\_\_\_\_

\_\_\_\_\_  
Superintendent

Original copy: Superintendent

XC: School Principal

**IKE-E**

**EXHIBIT**

**FLOWING WELLS PUBLIC SCHOOLS**

1556 West Prince Road  
Tucson, Arizona 85705

**PROMOTION/RETENTION CONFERENCE REPORT**

Name of Student \_\_\_\_\_ Birth Date \_\_\_\_\_

Name of Parents/Legal Guardians \_\_\_\_\_

Address \_\_\_\_\_ Telephone \_\_\_\_\_

School \_\_\_\_\_ Grade \_\_\_\_\_

Classroom Teacher \_\_\_\_\_ Date of Conference \_\_\_\_\_

**CONFERENCE TEAM RECOMMENDATIONS**

Retention

Promotion

\_\_\_\_\_  
Signature of Principal Date

Retention

Promotion

\_\_\_\_\_  
Signature Title Date

Retention

Promotion

\_\_\_\_\_  
Signature Title Date

Retention

Promotion

\_\_\_\_\_  
Signature Title Date

Retention

Promotion

\_\_\_\_\_  
Signature Title Date

Retention

Promotion

\_\_\_\_\_  
Signature of Parent Date

**FINAL ACTION:**

Promotion

Retention

\_\_\_\_\_  
Signature of Classroom Teacher Date

Note: Teacher, by law shall make the decision for promotion or retention of students. Such decision may not be overturned except as provided in law (See A.R.S. 15-521.A.10 and A.R.S. 15-341.17. Also, see Flowing Wells Schools Policies and Procedures Code "IKE" – Promotion and Retention of Pupils).

**IKEB ©**  
**ACCELERATION**

When circumstances indicate that acceleration in grade placement is in the best interest of the student, close cooperation between the parents and all school personnel involved is imperative. Each student will have individual consideration, and decisions will be made only after a careful study of facts relating to the student's growth and development. The student's academic achievement level and **mental** [cognitive](#) ability are important, but physical and social characteristics are also determining factors. A decision should be based on sufficient data collected over a period of time and motivated by a desire to place the student in the school program where the greatest success will result.

The decision to accelerate a student rests with the Superintendent. Parental involvement in all steps of the process is vital. Parental consent to the acceleration of a student should be in writing.

If parents do not approve of a decision regarding the acceleration of the student, they may appeal the decision to the Superintendent. Further appeal, if necessary, may be made to the Board.

Adopted:

LEGAL REF:  
A.R.S.  
[15-701.01](#)

CROSS REF.:  
[IKE](#) - Promotion and Retention of Students

FLOWING WELLS SCHOOL DISTRICT  
Board Agenda Item

---

F-1	March 26, 2024
Agenda Item Number	Board Meeting Date

---

Item: Recommend Acceptance of Fiscal Year 2023 Audit Reports and Compliance Questionnaire

---

Submitted By: Dr. Kevin Stoltzfus Date: March 21, 2024

---

Will Be Presented By: Dr. Kevin Stoltzfus

---

A.R.S. 15-914 requires school districts that have an adopted M&O budget limit in excess of \$2,000,000 annually to contract for an annual financial statement audit and the completion of the USFR compliance questionnaire. School districts that expend more than \$750,000 in federal revenues must also contract for a federal single audit. Section H of the statute now requires the Governing Board to publicly accept all audits and compliance questionnaires through a roll call vote. The FY2023 Annual Comprehensive Financial Report, USFR Compliance Questionnaire, Single Audit Reporting Package, and Governance Communication Letter are presented for review and recommended acceptance.

---

Estimated Cost \$ \_\_\_\_\_  See Additional Information Attached

Recommended Action:

Approve       Disapprove       Table       No Action Required

Division Head: *[Signature]* Superintendent: *Kevin Stoltzfus*

Board Action: M: \_\_\_\_\_ S: \_\_\_\_\_ A: \_\_\_\_\_ N: \_\_\_\_\_ C: \_\_\_\_\_



# **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



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

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 blue ink, reading 'John W. Hutchison'. The signature is written in a cursive style with a horizontal line underneath it.

John W. Hutchison  
President

A handwritten signature in blue ink, reading 'Siobhán McMahon'. The signature is written in a cursive style with a horizontal line underneath it.

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**

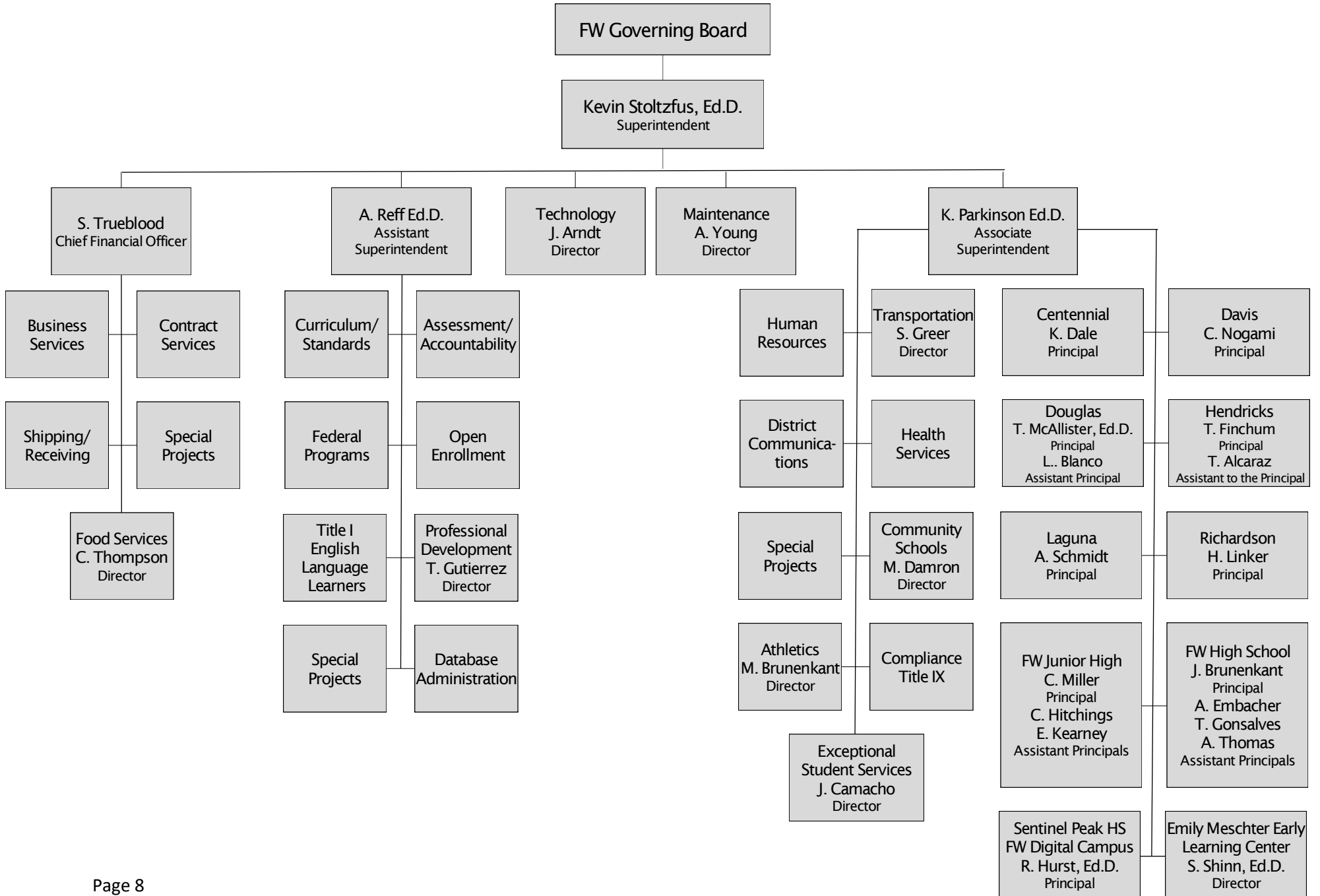
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

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**

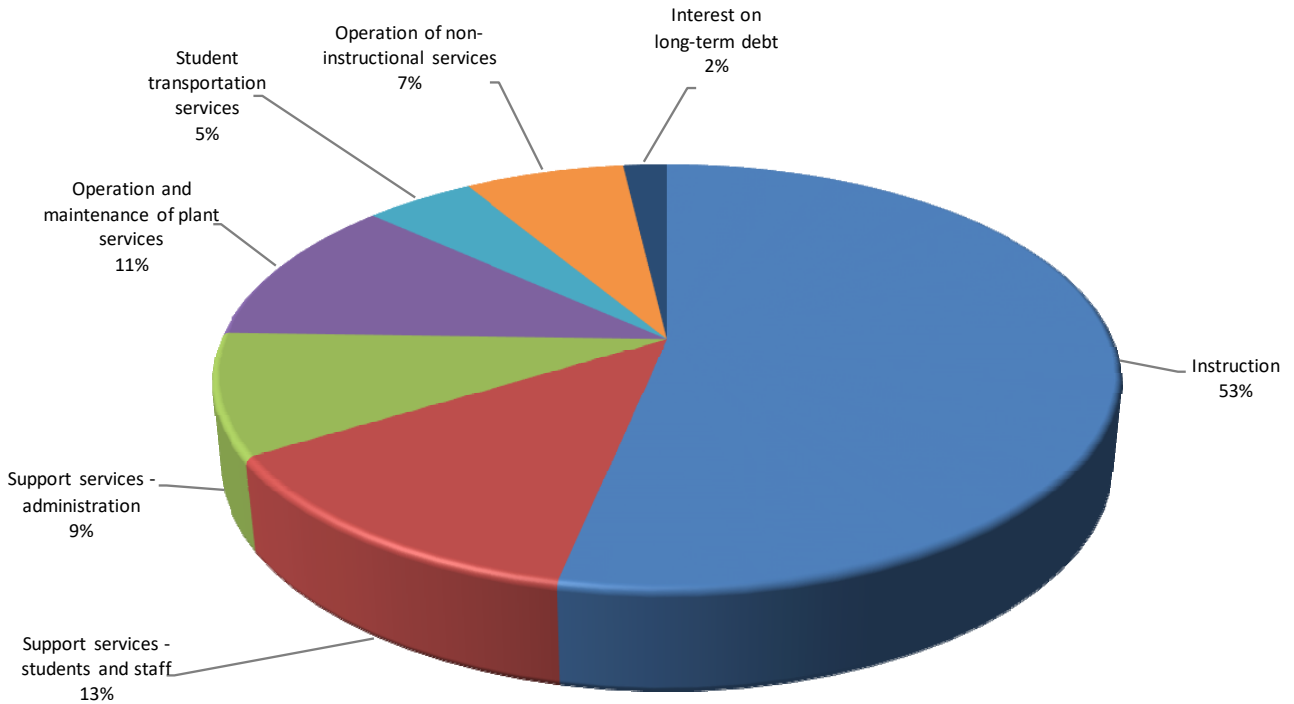
**Changes in net position.** The District's total revenues for the current fiscal year were \$71.7 million. The total cost of all programs and services was \$65.4 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2023 and June 30, 2022.

	Fiscal Year Ended June 30, 2023	Fiscal Year Ended June 30, 2022
<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>	<b>71,707,860</b>	<b>63,572,443</b>
<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>	<b>65,433,041</b>	<b>58,298,928</b>
<b>Changes in net position</b>	<b>6,274,819</b>	<b>5,273,515</b>
<b>Net position, beginning</b>	<b>20,824,142</b>	<b>15,550,627</b>
<b>Net position, ending</b>	<b>\$ 27,098,961</b>	<b>\$ 20,824,142</b>

**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)
<b>Total</b>	<u>\$ 65,433,041</u>	<u>\$ (43,853,233)</u>	<u>\$ 58,298,928</u>	<u>\$ (39,088,751)</u>

- 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**

Functions/Programs	Expenses	Program Revenue		Governmental Activities	Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions			Capital Grants and Contributions
<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**

	<b>General</b>	<b>Federal and State Grants</b>	<b>Other Special Revenue</b>	<b>Non-Major Governmental Funds</b>
<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	\$ 5,833,074	\$ 1,115,200

**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	\$ 182,561	\$ 10,987

**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	<u>219,627</u>	<u>21,916</u>	<u>2,715</u>	
<b>Total liabilities</b>	<u>219,627</u>	<u>21,916</u>	<u>132,808</u>	
<b>Deferred inflows of resources</b>				
Unavailable revenues - property taxes				141,675
<b>Total deferred inflows of resources</b>				<u>141,675</u>
<b>Fund balances</b>				
Nonspendable			166,174	
Restricted	<u>1,547,516</u>	<u>283,915</u>	<u>1,707,711</u>	<u>1,258,782</u>
<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>		<b>Total Non-Major</b>	
<b>Other Capital</b>		<b>Governmental</b>	
<b>Projects</b>		<b>Funds</b>	
\$ 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	
238,794		<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 Improvement</u>	<u>Food Service</u>	<u>Debt 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><u>\$ 27,098,961</u></u>	<u><u>\$ 20,824,142</u></u>	<u><u>\$ 15,550,627</u></u>	<u><u>\$ 12,955,909</u></u>	<u><u>\$ 7,501,375</u></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><u>\$ 2,999,437</u></u>	<u><u>\$ 824,568</u></u>	<u><u>\$ (979,937)</u></u>	<u><u>\$ (1,599,231)</u></u>	<u><u>\$ 40,879,170</u></u>

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

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

**Flowing Wells Unified School District No. 8**  
**Expenses, Program Revenues, and Net (Expense)/Revenue**  
**Last Ten Fiscal Years**  
**(Accrual basis of accounting)**

	<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)**

	Fiscal Year Ended June 30				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<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>	<u>50,128,052</u>	<u>44,362,266</u>	<u>40,575,717</u>	<u>41,733,641</u>	<u>39,116,692</u>
<b>Changes in Net Position</b>	<u>\$ 6,274,819</u>	<u>\$ 5,273,515</u>	<u>\$ 2,594,718</u>	<u>\$ 4,074,898</u>	<u>\$ 4,501,938</u>

(Continued)

**Flowing Wells Unified School District No. 8**  
**General Revenues and Total Changes in Net Position**  
**Last Ten Fiscal Years**  
**(Accrual basis of accounting)**

	<u>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>				
	<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>
General Fund:					
Nondisposable	\$ 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	<u>\$ 16,331,982</u>	<u>\$ 13,528,943</u>	<u>\$ 11,954,230</u>	<u>\$ 9,652,007</u>	<u>\$ 7,604,885</u>
All Other Governmental Funds:					
Nondisposable	\$ 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	<u>\$ 11,645,675</u>	<u>\$ 17,621,557</u>	<u>\$ 19,471,048</u>	<u>\$ 10,555,396</u>	<u>\$ 22,055,434</u>

**(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>				
	<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>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)
Total other financing sources (uses)	<u>68,443</u>	<u>95,970</u>	<u>10,202,772</u>	<u>172,373</u>	<u>148,326</u>
<b>Changes in fund balances</b>	<u>\$ (3,172,843)</u>	<u>\$ (502,464)</u>	<u>\$ 11,282,599</u>	<u>\$ (10,906,545)</u>	<u>\$ (2,131,091)</u>
	<u><b>2018</b></u>	<u><b>2017</b></u>	<u><b>2016</b></u>	<u><b>2015</b></u>	<u><b>2014</b></u>
<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)
Total other financing sources (uses)	<u>22,062,524</u>	<u>213,359</u>	<u>2,261,793</u>	<u>68,024</u>	<u></u>
<b>Changes in fund balances</b>	<u>\$ 15,620,807</u>	<u>\$ (417,880)</u>	<u>\$ 855,120</u>	<u>\$ (2,107,073)</u>	<u>\$ (1,968,622)</u>

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

**Flowing Wells Unified School District No. 8**  
**Net Limited Assessed Value and Full Cash Value of Taxable Property by Class**  
**Last Ten Fiscal Years**

<u>Class</u>	<u>Fiscal Year</u>				
	<u>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**

<u>Taxpayer</u>	<u>2023</u>		<u>2014</u>	
	<u>Net Limited Assessed Valuation</u>	<u>Percentage of District's Net Limited Assessed Valuation</u>	<u>Net Full Cash Assessed Valuation</u>	<u>Percentage of District's Net Full Cash Assessed Valuation</u>
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>\$ 25,480,303</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>\$ 52,060,948</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>\$ 52,060,948</u>	<u>\$ 48,730,121</u>	<u>\$ 40,492,735</u>	<u>\$ 46,435,424</u>	<u>\$ 40,945,638</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>\$ 34,426,598</u>	<u>\$ 44,613,188</u>	<u>\$ 41,169,257</u>	<u>\$ 39,106,707</u>	<u>\$ 37,903,335</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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**Flowing Wells Unified School District**  
**Uniform System of Financial Records Compliance Questionnaire**  
**For Fiscal Year Ended June 30, 2023**

## Instructions

Arizona Revised Statutes (A.R.S.) §15-271 requires the Arizona Auditor General to inform any school district failing to establish and maintain the requirements prescribed by the *Uniform System of Financial Records for Arizona School Districts* (USFR) that it has 90 days to correct the cited deficiencies. The USFR prescribes the minimum internal control policies and procedures to be used by Arizona school districts for accounting, financial reporting, budgeting, attendance reporting, and various other compliance requirements. To help the Arizona Auditor General determine whether a district has attained an acceptable degree of compliance with USFR requirements, the audit firm must complete this USFR Compliance Questionnaire (CQ).

A.R.S. §§15-213(F) and 15-914(G) require districts to have a systematic review of their purchasing practices and average daily membership (ADM), respectively, performed in conjunction with their annual or biennial financial audit to determine whether the district complied with the applicable State of Arizona procurement and student attendance laws and rules. Auditor completion of the Procurement and Student attendance reporting CQ sections constitutes the required systematic reviews.

Audit firms must gain an understanding of the district's internal controls and obtain and document sufficient, appropriate evidence annually to support each CQ response. These instructions, the CQ questions, and the required review procedures constitute the minimum audit standards for completing the CQ. Required review procedures are included in the "tooltip" next to applicable questions in the web-based auditor submission CQ. The Arizona Auditor General may reject CQs that are not prepared in compliance with the minimum audit standards.

- Audit documentation must describe the procedures performed, items reviewed, and the results of such procedures and reviews to support the auditor's CQ responses and related comments.
- Evidence may be obtained through test work, observation, examination, and client assertion. However, client assertion alone is not adequate evidence to support "Yes" responses on the CQ.
- The audit firm must determine the district reviewed documents and transactions and provided sufficient evidence of approval including manual or electronic signatures or initials and date of review.
- Audit firms must consider population size in determining the number of items to test (i.e., sample, scan, review, examine, or observe), and the items selected should be representative of the population. Therefore, testing 1 transaction, record, or item is not sufficient. The Credit cards and purchasing cards, Procurement, and Student attendance reporting CQ sections prescribe minimum sample sizes for specific questions. Population and samples sizes used for test work should be entered in the fields provided next to the applicable questions throughout the CQ.
- A "Yes" response indicates that the audit firm has determined that the district complied with the USFR for that question based on auditor obtained evidence. Several review procedures allow for auditors to determine whether the district implemented compensating controls when recommended USFR procedures could not be implemented due to limited staff size. When compensating controls are found, auditors should answer the question "Yes" and describe in the comments the compensating controls in place to meet the question's objective. However, the Arizona Auditor General makes the final determination of compliance with the USFR based on the evidence presented in the CQ, audit reports, audit documentation, and any other sources of information available.
- A "No" response indicates the district did not comply with the USFR for that question. Audit firms must explain the district's deficiency noted for all "No" responses in the comment box below the question. Deficiencies must be described in sufficient detail to enable the Arizona Auditor General to determine the nature and significance of the deficiency for: (a) assessing compliance with the USFR, (b) appropriately describing the deficiency in a report, and (c) testing compliance during a status review. The description should include the number of items tested and the number of exceptions noted, or dollar amount of the error, and any other relevant information that would provide context for the deficiency.  
Cash and revenues questions apply to all the district's cash and revenue, including food service, auxiliary operations, extracurricular activities fees tax credit, and student activities receipts and bank accounts. Comments for "No" responses to these questions should indicate the type of receipt or bank account to which the deficiency applies.
- An "N/A" response indicates the district did not have activity related to the USFR requirements for that question. The audit firm must explain all "N/A" responses in the comment box below the question, unless the reason for the N/A is obvious.

The questions in the CQ do not address all requirements of the USFR. If the audit firm is aware of noncompliance with a requirement of the USFR that is not addressed in the CQ, including the School District Procurement Rules and the Arizona Department of Education's (ADE) membership and attendance guidelines, the audit firm should include the compliance findings in its reports issued in accordance with Governmental Auditing Standards and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, as applicable.

The audit firm must make the resulting audit documentation supporting the audit firm's CQ responses and comments available on request for the Arizona Auditor General and the ADE's review. To facilitate this review, the audit firm should include in the audit documentation a copy of the CQ with references to the audit procedures performed for each question.

Once the audit firm has completed, reviewed, and signed the CQ, it must submit it electronically to the Arizona Auditor General by following the instructions at the end of the web-based auditor submission CQ. Audit firms should print the file to PDF to create the CQ document to distribute to the district. As required by A.R.S. §15- 914(D), the district must submit the completed CQ with the audit reporting package to the district’s county school superintendent’s office and ADE.

## Governing board/management procedures

**Objective: To determine whether the governing board and District management have established and implemented certain procedures as required by statute.**

1. The District held governing board meetings in accordance with [A.R.S. §§38-431 to 38-431.09](#), and prepared and retained written minutes and/or recordings.

2. The District annually provided guidance to all governing board members and employees on what constitutes a substantial interest and that the conflict-of-interest statutes apply to all District governing board members and employees as part of their employment. [A.R.S. §§38-502](#) and [38-509](#)

3. The District annually obtained conflict-of-interest (COI) forms that allowed governing board members and employees to make known and fully disclose a conflict of interest in any contract, sale, purchase, service, or decision, and prior to accepting the forms, management reviewed the information to ensure governing board members and employees properly completed the form and sufficiently disclosed the required information. [A.R.S. §§38-502](#) and [38-503](#)

4. The District maintained, for public inspection, a special file with all documents necessary to memorialize all governing board members and employees conflict-of-interest disclosures. [A.R.S. §38-509](#)

5. Employees or governing board members with reported conflicts, except as provided in [A.R.S. §15-323](#), refrained from voting upon or otherwise participating in any manner in that contract, sale, purchase, service, or decision of the school district. [A.R.S. §§38-502](#) and [38-503\(B\)](#).

Yes ▼

6. The District's management notified the Arizona Auditor General and appropriately resolved all allegations of theft, fraud, or misuse of District monies and assets in a timely manner.

Yes ▼

7. The governing board established written personnel and payroll policies and approved employee contracts, wage agreements, salary and wage schedules, and any other agreed-upon terms of employment.

Yes ▼

8. The governing board appointed a student activities treasurer and, if applicable, assistant student activities treasurers. [A.R.S. §15-1122](#)

Yes ▼

9. The governing board received monthly Student Activities Fund Reports of Cash Receipts, Disbursements, Transfers, and Cash Balances that were accurately prepared. [A.R.S. §15-1123](#)

Yes ▼

10. The governing board approved student clubs' and organizations' fund-raising events. [A.R.S. §15-1121](#) and AG Opinion I84-018

Yes ▼

Sample

5

11. The governing board obtained voter approval to construct buildings and purchase or lease school sites, unless otherwise exempted by [A.R.S. §15-342\(25\)](#).

N/A



No such expenditures.

## Budgeting

**Objective: To determine whether the District's budget preparation processes ensure that the District properly allocates the monies it receives, stays within those budgets, and accurately informs the public about the use of those monies.**

1. The budget included all funds as required by [A.R.S. §15-905](#) and followed the form's [Budget—Submission and Publication Instructions](#).

Yes



2. Total budgeted expenditures on the originally adopted budget for the Maintenance and Operation (M&O) and Unrestricted Capital Outlay Funds (UCO) were less than or equal to the budgeted amounts on the published proposed budget and within the general budget limit (GBL) and the unrestricted capital budget limit (UCBL). [A.R.S. §15-905\(E\)](#)

Yes



3. The District revised its budget on or before December 15, if ADE notified the District that its M&O or UCO Fund budgeted expenditures exceeded the GBL or UCBL. [A.R.S. §15-905\(E\)](#).

N/A



Revision not required.

4. The District completed its revised expenditure budget before May 15 and filed it electronically with the Superintendent of Public Instruction by May 18. [A.R.S. §15-905\(I\)](#).

Yes



5. The District reduced the budget by the prior year's overexpenditure (or a portion of the prior year's overexpenditure, as approved by the Superintendent of Public Instruction) or the District began the process to correct its prior year's data that impacts state-aid and/or budget capacity. [A.R.S. §§15-905\(M\)](#) and [15-915](#)

N/A

No prior year over-expenditure.

## Accounting records

**Objective: To determine whether the District accurately maintains accounting records to provide support for financial information.**

**Test work should indicate the procedures performed to document what processes and controls the District has in place to reduce the risk of undiscovered errors that would affect the reliability of information reported to the public and oversight agencies, such as tracing detailed source documents to the District's trial balance that agree to the financial statements.**

1. The District coded transactions in accordance with the [USFR Chart of Accounts](#).

Yes

2. The District sequentially numbered journal entries and retained supporting documentation and evidence that journal entries were signed, dated, and approved by someone other than the preparer.

Yes

Population

79

Sample

12

3. The District transferred monies only between funds listed in the USFR §III Chart of Accounts–Authorized Transfers.

Yes

Population

3

Sample

3

4. The District documented and dated a monthly review of financial transactions the county school superintendent (CSS) initiated (i.e., revenue postings or journal entries) for propriety and researched and resolved any differences.

Yes ▼

5. The District reconciled cash balances by fund monthly with the CSS or county treasurer's records, as applicable, and properly supported, documented, and dated the reconciliations.

Yes ▼

6. The District reconciled total revenues, expenditures, expenses, and cash balances (as applicable) by fund, program, function, and object code at least at fiscal year-end with the CSS, and the reconciliation was reviewed and properly supported.

Yes ▼

## Cash and revenue

**Objective: To determine whether the District maintained controls over cash transactions to safeguard monies, protect employees involved in handling monies from accusations of misuse, and reduce the risk of theft or loss. Test work for cash and revenue should document how the processes work, employees involved in those processes, and how the processes were verified.**

1. The District maintained only authorized bank accounts as listed in the USFR and did not have any inactive bank accounts.

Yes ▼

2. The District used an M&O Fund revolving bank account in accordance with [A.R.S. §15-1101](#).

Yes ▼

3. The District used miscellaneous receipts clearing bank account(s) in accordance with [A.R.S. §15-341\(A\)\(20\)](#).

Yes ▼

4. The District used a Food Service Fund clearing bank account(s) in accordance with [USFR page X-F-5](#) and [Arizona Attorney General Opinion I60-35](#)

Yes ▼

5. The District used a Food Service Fund revolving bank account in accordance with [A.R.S. §15-1154](#).

Yes ▼

6. The District used an Auxiliary Operations Fund bank account in accordance with [A.R.S. §15-1126](#).

Yes ▼

7. The Auxiliary Operations Fund bank or treasurer account deposits included all monies raised in connection with the activities of school bookstores and athletics. [A.R.S. §15-1125](#).

Yes ▼

Population

719

Sample

5

8. The extracurricular activities fees tax credit (tax credit) monies were included in the Auxiliary Operations Fund and/or separately accounted for in an Extracurricular Activities Fees Tax Credit Fund. [A.R.S. §15-341\(A\)\(19 and \(20\)\)](#).

Yes ▼

9. The District used the Auxiliary Operations Fund revolving bank account(s) in accordance with [A.R.S. §15-1126](#).

N/A



No account.

10. The District used the Student Activities Fund bank account(s) in accordance with [A.R.S. §15-1122](#).

Yes



11. The Student Activities Fund monies were deposited in a bank or treasurer account designated as the Student Activities Fund account.

Yes



12. The District used the Student Activities Fund revolving bank account in accordance with [A.R.S. §15-1124](#).

N/A



No account.

13. The District used the federal payroll tax withholdings bank account in accordance with [USFR page VI-H-6](#).

N/A



No account.

14. The District used the State income tax withholdings bank account in accordance with [A.R.S. §15-1222](#).

N/A



No account.

15. The District used the employee insurance programs withholdings bank account(s) in accordance with [A.R.S. §15-1223](#).

Yes



16. The District used the payroll direct deposits clearing bank account in accordance with [A.R.S. §15-1221](#).

N/A ▼

No account.

17. The District used the electronic payments clearing bank account in accordance with [A.R.S. §15-1221](#).

N/A ▼

No account.

18. The District used the grants and gifts to teachers bank account in accordance with [A.R.S. §15-1224](#).

N/A ▼

No account.

19. The District used the principals' supplies bank account(s) in accordance with [A.R.S. §15-354](#).

N/A ▼

No account.

20. The use of debit cards was prohibited as a payment method associated with any District bank account.

Yes ▼

21. The District paid bank charges from only the M&O Fund revolving bank account, Food Service Fund revolving bank account, Auxiliary Operations Fund bank account, and Auxiliary Operations Fund revolving bank account(s) or, if not, the bank charges were reimbursed from an appropriate District fund or bank account.

Yes ▼

22. The District separated responsibilities for cash-handling and recordkeeping among employees (i.e., receiving, depositing, and recording revenues), to safeguard monies.

Yes ▼

23. The District supported deposits with issued receipts, cash receipt summary reports, mail logs, etc., and reconciled sales to amounts collected with summary reports or ticket logs.

Yes ▼

Sample

20

24. The District's deposits were made in a timely manner and supported by deposit slips or other deposit transmittal documentation.

Yes ▼

Sample

20

25. The District's deposits with the county treasurer were reconciled.

Yes ▼

26. The District retained supporting documentation for disbursements from bank accounts.

Yes ▼

Sample

15

27. The District safeguarded unused checks.

Yes ▼

28. The District safeguarded signature stamps, signature plates, and electronic or digital signatures used for approving accounting transactions, checks, and other District documents to ensure that access was limited to only the employee whose signature they represented.

Yes ▼

29. An employee not involved with cash-handling or issuing checks reconciled all District bank accounts monthly, and an employee independent of the cash-handling process reviewed, signed, and dated the reconciliations.

Yes ▼

30. The District tracked and reconciled the number of meals sold to the total cash collected per day.

Yes ▼

## Supplies inventory

**Objective: To determine whether the District has controls in place to help physically safeguard and report inventories to prevent theft, overstocking, understocking, spoilage, and obsolescence.**

1. The District physically safeguarded supply inventories to prevent unauthorized use, theft, damage, and obsolescence and enable accurate financial reporting.

Yes ▼

## Property control

**Objective: To determine whether the District has effective controls to safeguard property from theft and misuse since significant resources are invested in acquiring and maintaining District property. Test work should be completed on a sample basis annually and documented to ensure that land, buildings, and equipment are properly valued, classified, and reported on the stewardship and capital assets lists.**

1. The District maintained a capital assets list that included all required information listed in the USFR for all land, land improvements, buildings, building improvements, and equipment with costs that exceed the District's adopted capitalization threshold.

Yes ▼

The capital asset listing was maintained in Munis.

2. The District had security controls in place to help prevent theft, loss, unauthorized use, or damage to District property.

Yes ▼

3. The District recorded additions including financed assets on the capital assets list and reconciled capitalized acquisitions to capital expenditures at least annually.

Yes ▼

4. The District's stewardship list for items costing at least \$1,000 but less than the District's capitalization threshold, including financed assets, included all required information.

Yes ▼

The stewardship listing was maintained in Munis.

5. The District's capital assets and stewardship items were identified as District property, properly tagged, and included on the corresponding list.

No ▼

For two of the ten items/assets selected from the stewardship and capital asset listings, the items/assets could not be located.

6. The District reconciled the current year's June 30 capital assets list to the previous year's June 30 list.

Yes ▼

7. The District performed a physical inventory of all equipment at least every 3 years and reconciled the inventory results to the stewardship and capital assets lists upon completion.

Yes ▼

Data Entry

Inventory completed and reconciled in May 2023

8. The governing board or authorized designee approved stewardship and capital asset items disposed of during the fiscal year, and the District removed the assets from the corresponding list and disposed of them in accordance with [A.A.C R7-2-1131](#).

Yes ▼

Data Entry

8/10/2022, 8/24/2022, 1/11/2023, 3/15/2023, 4/12/2023

## Expenditures

**Objective: To determine whether the District has effective controls for expenditures in place to ensure expenditures are for an allowable District purpose. Test work should document processes and controls that demonstrate expenditure transactions are properly approved, are for an amount within budget capacity or available cash, and protect employees from allegations of misuse.**

1. The District separated responsibilities for expenditure processing among employees (i.e., voucher preparation, recordkeeping, and authorization).

Yes ▼

2. The District monitored budget capacity in budget-controlled funds and cash balances in cash-controlled funds before approving purchase orders (PO) and authorizing expenditures, except as authorized in [A.R.S. §§15-207, 15-304, 15-907, and 15-916](#).

Yes ▼

3. The District's expenditures were made only for allowable District purposes, properly satisfied the specific purposes required for any restricted monies spent, and were adequately supported by documentation required by the USFR.

Yes ▼

Sample

80

4. The District's extracurricular activities fees tax credit monies were expended only for eligible activities that qualified under [A.R.S. §§43-1089.01](#) and [15-342\(24\)](#).

Yes ▼

Population

183

Sample

5

5. The District's Student Activities Fund disbursements and transfers of monies among student clubs were issued only when cash was available in the student club account and properly authorized by or on behalf of the student members of a particular club and documented in the club minutes.

Yes ▼

6. The District's expenditures made through written quotes or competitively awarded contracts, including cooperative contracts, agreed to quoted amounts or contract pricing and terms.

Yes ▼

7. The District prepared an Advice of Encumbrance for levy funds based on the list of liabilities for goods or services received but not paid for by June 30, including payroll, and filed it with the CSS by July 18. [A.R.S. §15-906](#) (Districts authorized by [A.R.S. §15-914.01](#) to participate in the accounting responsibility program should perform the duties as described in [A.R.S. §15-304](#).)

Yes ▼

8. The District properly prepared the Career Technical Education District (CTED) Supplanting worksheet and adequately supported that monies received from a CTED were used only for career and technical education and to supplement, rather than supplant, the District's base year career and technical education courses. [A.R.S. §15-393](#)

9. The District retained fully executed copies of each intergovernmental agreement (IGA) and payments for services were made or received, as applicable. [A.R.S. §11-952](#)

## Travel

**Objective: To determine whether the District implemented effective controls to ensure employees were traveling for District purposes and appropriately compensated.**

1. The District's travel expenditures (lodging, meals, and incidentals) and mileage reimbursements were for District purposes and reimbursed within the maximum reimbursement amounts established by the Director of the Arizona Department of Administration and in accordance with governing-board-prescribed policies and procedures. Amounts were reimbursed and reported as a taxable employee benefit if no overnight stay or no substantial sleep/rest occurred.

Population

Sample

## Credit cards and p-cards

**Objective: To determine whether the District has implemented effective controls over credit card and p-card purchases to help reduce the risk of misuse and unapproved or fraudulent transactions.**

1. The District used credit cards.

N/A

No credit cards.

Data Entry

0

2. The District used p-cards.

Yes

Data Entry

51

3. The District ensured different employees were responsible for issuing cards; requesting, authorizing, and executing purchases; and payment processing.

Yes

4. The District issued and tracked possession of all District credit cards and trained employees who make credit card purchases or process transactions on the District's policies and procedures.

Yes

5. The District recovered cards immediately from terminated employees.

Yes

6. The District's management periodically reviewed purchases for unauthorized vendors and purchases over approved limits and/or purchases that circumvent the procurement rules and District policies.

Yes

7. The District ensured someone other than a card user reconciled credit card and p-card supporting documentation and billing statements.

Yes ▼

8. The District's card purchases were only for authorized District purposes, within the dollar limits authorized for the employee, and supported by valid receipts or transaction logs that clearly identify the employee making the purchase.

Yes ▼

9. The District paid credit card and p-card statements before the due date to avoid finance charges and late fees.

Yes ▼

## Procurement

**Objective: To determine whether the District followed the A.A.C. (School District Procurement Rules) and USFR purchasing guidelines to promote fair and open competition among vendors that helps ensure the District is getting the best value for the public monies it spends.**

1. The District requested at least 3 written quotes for purchases costing at least \$10,000 but less than \$100,000 and followed the guidelines prescribed by the USFR.

Yes ▼

Population

33

Sample

10

2. The District properly procured expenditures that individually or cumulatively totaled over \$100,000.

Yes ▼

3. The District maintained a list of prospective bidders. A.A.C. R7-2-1023

Yes ▼

4. The District issued solicitations for invitation for bids (IFB) or request for proposals (RFP) during the fiscal year.

Yes ▼

5. The District published and, as applicable, provided other adequate notice of the issuance of solicitations. A.A.C. R7-2-1022, R7-2-1024(C), or R7-2-1042(C)

Yes ▼

Population

6

Sample

6

Data Entry

2 IFBs, 4 RFPs

6. The District issued solicitations at least 14 days before the time and date set for bid opening or the closing date and time for receipt of bids or proposals. A.A.C. R7-2-1024(A) or R7-2-1042(B)

Yes ▼

7. The District included all required content in the solicitation, as applicable. A.A.C. R7-2-1024(B) or R7-2-1042(A)

Yes ▼

8. The District recorded the time and date that sealed bids or proposals were received and stored bids or proposals unopened until the time and date set for opening. A.A.C. R7-2-1029 or R7-2-1045

Yes ▼

9. If the District awarded multiple contracts, it established and followed procedures for the use and award of multiple contracts. A.A.C. R7-2-1031(D) and R7-2-1050(C)

N/A ▼

No multiple awards.

10. The District evaluated bids/proposals and awarded contracts according to A.A.C. R7-2-1031, R7-2-1032, R7-2-1046(A)(1), or R7-2-1050 and retained documentation to support the award(s).

Yes ▼

11. If the District procured construction projects that used construction-manager-at-risk, design-build, job-order-contracting, or qualified select bidders lists to procure construction services, it complied with the requirements of A.A.C. R7-2-1100 through R7-2-1115.

Yes ▼

12. The District obtained signed procurement disclosure statements for all employees with job responsibilities related to procurement and for all procurement consultants, members of a procurement advisory group, or evaluation committee involved in each specific procurement process. A.A.C. R7-2-1008 and R7-2-1015

Yes ▼

13. The District prepared the applicable written determinations as required by the specific procurement rule(s). A.A.C. R7-2-1004.

Yes ▼

14. The District followed [A.R.S. §15-213](#), and A.A.C. R7-2-1093 for the use of multi-term contracts.

Yes ▼

15. The District followed A.A.C. R7-2-1117 through R7-2-1123 for contracts for specified professional services.

N/A ▼

No such contracts.

16. The District's procurement files included the required information, as applicable. A.A.C. R7-2-1001(97)

Yes ▼

17. The District provided training and guidance related to restrictions on soliciting, accepting, or agreeing to accept any personal gift or benefit with a value of \$300 or more. [A.R.S. §15-213\(N\)](#) and A.A.C. R7-2-1003

Yes ▼

18. The District used only school district purchasing cooperatives contracts from cooperatives it was a member of or used only lead district contracts that it was listed as a member of in the solicitation or ensured its additional purchases would not have materially increased the volume stated in the original solicitation. A.A.C. R7-2-1191 through R7-2-1195

Yes ▼

19. The District performed due diligence to support the use of each cooperative or lead district contract the District made purchases from during the audit period. A.A.C. R7-2-1191(D)

Population

Sample

Data Entry

20. The District prepared written determinations for any specified professional services, construction, construction services, or materials purchased through a school purchasing cooperative. A.A.C. R7-2-1004 and A.R.S. §15-213(B)

21. The District, when acting as a lead district in a procurement, followed the procurement procedures required for competitive sealed bidding or competitive sealed proposals, as applicable, and considered the total estimated volume of purchases for all public procurement units identified in the solicitation. A.A.C. R7-2-1011

Population

Sample

Data Entry

22. For all emergency procurements, the District retained a written statement documenting the basis for the emergency, the selection of the particular contractor, and why the price paid was reasonable, and this statement was signed by the individual authorized to initiate emergency procurements. A.A.C. R7-2-1055 and R7-2-1056

Sample

23. The District's governing board approved all sole-source procurements before any purchases were made, and the written determinations were retained in the procurement files. A.A.C. R7-2-1053 and R7-2-1086

Yes ▼

Sample

17

24. For any purchase of services from governing board members or goods or services from District employees, regardless of the expenditure amount, the District followed the School District Procurement Rules, except as authorized by [A.R.S. §15-323](#).

N/A ▼

No such purchases.

25. The District followed the School District Procurement Rules for purchases of any supplies, materials, and equipment from governing board members if the purchase exceeded \$100,000, or followed the guidelines for written quotes if below the threshold. [A.R.S. §38-503\(C\)](#)

N/A ▼

No such purchases.

26. For purchases the District made from General Services Administration (GSA) schedules 70-IT and 84-Law Enforcement, the governing board first authorized the contracts in writing. [A.R.S. §15-213\(K\)](#) and A.A.C. R7-2-1196(C)

N/A ▼

No such purchases.

## Classroom site fund

**Objective: To determine whether the District appropriately spent these State sales tax revenues for teacher pay and programs to support students, such as class size reduction, dropout prevention, and tutoring, as allowed by law.**

1. The District's Classroom Site Fund (CSF) expenditures did not exceed its Classroom Site Fund Budget Limit (CSFBL).

Yes ▼

2. The District adopted a performance-based compensation system for at least a portion of its CSF monies and ensured CSF expenditures were made only for allowable purposes listed in [A.R.S. §15-977](#). See [CSF FAQs](#).

Yes ▼

3. The District's CSF monies were used to supplement, rather than supplant, existing funding from all other sources (see CSF FAQ 3).

Yes ▼

## Payroll

**Objective: To determine whether the District has implemented effective controls to reduce the risks associated with payroll expenditures by documenting evidence of review, verification, and approval to ensure employees are appropriately compensated.**

1. The District's payroll-processing responsibilities (i.e., adding new employees, adjusting pay, payroll preparation, payroll authorization, and warrant distribution) were separated among employees.

Yes ▼

2. The District established a delayed payroll system for hourly employees that did not delay payments more than 7 business days during its normal 2-week payroll processing cycle and allowed adequate time for payroll adjustments to be made, if needed, between the end of the pay period and the payment date.

Yes ▼

3. The District required employees' contracts or personnel/payroll action forms to document the employees' election for prorated compensation.

Yes ▼

4. The District ensured any adjustments to pay for employees who received prorated wage payments during the year were based on each employee's official rate of pay.

N/A

No hourly employees receive prorated payments.

Population

0

Sample

0

5. The District ensured hourly employees were not paid for more than the actual hours worked to date.

Yes

Population

302

Sample

22

6. The District's individual personnel files included all appropriate supporting documentation, as listed on USFR pages VI-H-2 through 4.

Yes

7. The District ensured that valid fingerprint clearance cards were on file for all required personnel and a method to identify employees whose cards were going to expire was in place. [A.R.S. §§15-512, 15-342](#), and [41-1750\(G\)](#)

Yes

8. The District enrolled employees who met the ASRS membership criteria, withheld employee contributions, and in a timely manner remitted employee and District contributions in accordance with the ASRS Employer Manual.

Yes

9. The District accurately calculated and in a timely manner remitted the alternative contribution rate payments to ASRS for all applicable positions filled by ASRS retirees. [ASRS Alternate Contribution Rate](#)

Yes ▼

10. The District calculated the accrual and use of vacation, sick leave, and compensatory time for all employees in accordance with District accrual rates for specified years of service, maximum amounts to be accrued, and disposition of accrued time upon separation of employment following District policies.

Yes ▼

11. Attendance records were prepared for each pay period for each employee subject to the Fair Labor Standards Act (FLSA) and were approved by the employee and the employee's supervisor.

Yes ▼

12. The District's payroll reports were properly reviewed and approved before processing and distribution to employees.

Yes ▼

## Financial reporting

**Objective: To determine whether the District properly prepared its financial reports, including its Annual Financial Report (AFR), for the audit year to provide legislative and oversight bodies, investors and creditors, and the public a transparent view of the District's financial position and operational results.**

1. Budgeted expenditures reported on the AFR agreed with the District's most recently revised adopted expenditure budget.

Yes ▼

2. The District completed and submitted all parts of the AFR reporting package, including the school-level reporting AFR, using its accounting data in the files and reported additional information required in the forms, such as revenue and expenditure amounts that were not automatically pulled from its accounting and student count data, and maintained applicable supporting documentation. [A.R.S. §15-904\(F\)](#).

Yes ▼

3. The District followed the AFR—[A.R.S. §15-904](#), and followed the [Review, Submission, and Publication Instructions](#).

Yes ▼

4. The District properly prepared the Food Service page of the AFR and reported expenditures from the M&O Fund 001 and Capital Fund 610 that agreed with the District's accounting records.

Yes ▼

5. Detailed source documents were traceable to the District's trial balance that was used to prepare the financial statements.

Yes ▼

6. The District's website included its average teacher salary information required by [A.R.S. §15-903\(E\)](#) and a copy of or a link to the District's page from the most recent Arizona Auditor General District Spending Report

Yes ▼

7. The District submitted the School District Employee Report (SDER) to ADE, and it was accurate and timely. [A.R.S. §15-941](#) and [School Finance Reports](#)

Yes ▼

## Student attendance reporting

**Objective: To determine whether the District has implemented effective controls to report accurate student membership and attendance information to ADE to reduce the risk that the District received an inappropriate amount of State aid and/or local property taxes.**

1. The District's calendar ensured school was in session for the required days and offered students the required instructional hours per grade level, including Arizona Online Instruction (AOI) Programs as prescribed in [A.R.S. §§15-808\(J\)\(1\), 15-901\(A\)\(1\), 15-901.07](#), and [15-901.08](#)

Yes ▼

2. If the District had an early (pre-) kindergarten program, the District calculated and submitted membership information for early (pre-) kindergarten students' attendance records for this program only for students with disabilities. [A.R.S. §15-901\(A\)\(1\)\(a\)\(i\)](#) and [USFR Memorandum No. 175](#)

Yes ▼

Sample

3

3. The District appropriately tracked and reported student membership and absences. [A.R.S. §15-901](#)

No ▼

For three of 15 attendance records reviewed, absences were not reported correctly resulting in a net overstatement of absences of 1.0.

Population

4958

Sample

15

Data Entry

10 EJH, 5 HS

4. The District prorated high school students' membership if enrolled in less than 4 subjects.

Yes ▼

Sample

1

5. The District was a CTED or CTED member.

Yes ▼

6. The District had an AOI program. [A.R.S. §15-808](#)

Yes ▼

7. For students enrolled in a program provided by a CTED in a facility the District owned or operated (satellite programs), the District reported the actual enrollment for only the District classes the student was enrolled in at the District's school (excluding CTED program classes) under the District's CTDS number.

Yes ▼

Population

183

Sample

5

8. For students enrolled in a program the CTED provided in a facility the District owned or operated (satellite programs), the District calculated student absences in accordance with ADE's methods based on the number of District classes the student was enrolled in and attended at the District's school (excluding CTED satellite program classes).

No ▼

For two of five CTED attendance records reviewed, absences were not reported correctly resulting in a net understatement of absences of 0.50.

Sample

5

9. For CTED satellite programs, the CTED reported actual student enrollment data for only the CTED program classes the student was enrolled in at that member district's satellite location (excluding school district classes). [A.R.S. §15-393\(O\)](#)

N/A ▼

Not a CTED.

Sample

0

10. For CTEDs that meet for at least 150 minutes (not including any breaks) per class period on a CTED central campus, the CTED reported the membership as 0.75. [A.R.S. §15-393\(Q\)](#)

N/A

Not a CTED.

Sample

0

11. For students enrolled in both District and in CTED central program courses, the sum of the ADM was no more than 1.75 and the amount claimed by either entity was no more than 1.0. [A.R.S. §15-393\(Q\)](#)

Yes

Sample

5

12. The District maintained appropriate documentation and accurately reported students enrolled in CTED programs, including accurately submitting scheduled hours of instruction and community college credits. [A.R.S. §15-393](#)

N/A

Not a CTED.

Sample

0

13. The District maintained appropriate documentation and accurately reported students enrolled in its AOI program, including redetermining the actual full time equivalent (FTE) for each student enrolled in an AOI program following a student's withdrawal or after the end of the school year. [A.R.S. §15-808](#)

No

For one of five AOI attendance records reviewed, the hours reported on the District computer-generated log did not agree to the hours reported to ADE.

Sample

5

14. The District ensured the student's name in the student management system matched the name on the legal document on file. [A.R.S. §15-828\(D\)](#).

Yes ▼

Sample

10

15. The entry date in the computerized attendance system agreed to the entry form and was entered into the attendance system within 5 working days after the actual date of the student's enrollment. [A.R.S. §15-828](#).

Yes ▼

Population

820

Sample

10

16. The student membership begins on the first day of actual attendance or, for continuing/pre-enrolled students, the first day that classroom instruction was offered, provided that the students actually attend within the first 10 days of school. [ADE's External Guideline GE-17](#)

Yes ▼

17. The District obtained and maintained verifiable documentation of Arizona residency for enrolled students, including students in its AOI program. [A.R.S. §15-802\(B\)\(1\)](#) and [ADE's Updated Residency Guidelines](#)

Yes ▼

18. The District reported student withdrawal dates to ADE within 5 working days and maintained documentation that supported the date of data entry.

Yes



Population

572

Sample

10

19. The District prepared and retained the Official Notice of Pupil Withdrawal form for each withdrawal, and the forms were signed by a District administrator. [A.R.S. §15-827](#)

Yes



20. The District counted students withdrawn for having 10 consecutive unexcused absences in membership only through the last day of actual attendance or excused absence. [A.R.S. §15-901\(A\)\(1\)](#)

No



For one of 10 attendance records reviewed, the withdrawal date was not the last day of actual attendance or excused absence.

Population

77

Sample

10

21. The District uploaded membership and absence information to ADE that agreed to the District's computerized system records for the first 100 days of school. [A.R.S. §15-901](#)

Yes



22. The District excluded nonresident students from the District's student count and State aid calculations and charged tuition as applicable. [A.R.S. §15-823\(G\) and \(L\)](#)

N/A



No such students.

23. The District reported students who completed all high school requirements with the applicable graduation code and used the appropriate year-end status code for all other students.

Yes ▼

Sample

5

24. For students participating in distance learning, the District followed attendance procedures defined in a governing-board-adopted ITM.

N/A ▼

No such students.

## Information technology

**Objective: To determine whether the District adopted an information technology (IT) security framework that aligned with credible industry standards and implemented controls that provide reasonable assurance that its data is accurate and reliable and protected from unintended exposure and consequences. Test work should determine that the District adopted a framework and controls were operating to protect District and student data.**

1. The District maintained adequate separation of duties in its IT systems that prevented 1 employee from completing a transaction without additional review and approval procedures.

Yes ▼

2. The District reviewed and documented any system or software changes implemented.

Yes ▼

3. The District assessed security risks for its systems and data, implemented appropriate controls to address risks, and provided employees/contractors annual security awareness training.

Yes ▼

4. The District immediately and appropriately modified terminated or transferred employees', contractors', or vendors' access to all District systems.

Yes ▼

5. The District's computer network, system software and hardware was physically protected from unauthorized access, theft, and environmental hazards.

Yes ▼

6. The District scheduled and performed data backup-control procedures for all critical systems at least daily, or more frequently, to ensure uninterrupted operations and minimal loss of data.

Yes ▼

7. The District routinely completed software and application updates and operating system patches when they became available.

Yes ▼

8. The District had cloud computing, digital learning, and vendor contracts or data-sharing agreements in place with any 3rd parties accessing or hosting District data that addressed controls to support security and processing integrity, and backup procedures if applicable, before data was accessed/shared.

Yes ▼

9. The District ensured changes to data in business (i.e., employee information, pay rates) and IT (i.e., user roles, access rights) systems were approved by an authorized individual prior to processing changes.

Yes ▼

10. The District enforced data security policies related to passwords and user authentication that aligned with credible industry standards.

No



The District did not have repeated failed sign-on attempt lockouts for the operating system or the food service system.

11. The District's IT systems generated electronic audit trail reports or change logs with information about electronic transactions that the District reviewed or analyzed regularly to determine transactions' propriety.

Yes



12. The District monitored and reviewed IT system-generated incident or error reports to identify network security threats or other unusual activity and addressed noted issues.

Yes



13. The District had incident response and contingency planning documents in place to restore or resume system services in case of disruption or failure that were reviewed and tested at least annually.

Yes



## Transportation support

**Objective: To determine whether the District has implemented effective controls for its transportation program to ensure it properly reports its transportation miles and student riders to ADE, which helps to ensure the District receives the appropriate amount of State aid.**

1. The District accurately calculated and maintained documentation for miles and students reported on the Transportation Route Report submitted to ADE. [A.R.S. §15-922](#)

Yes



## Records management

**Objective: To determine whether the District has implemented effective controls to properly protect and maintain its records, including student and employee data, and that its records were disposed of securely and in accordance with established time frames.**

1. The District established and followed policies and procedures to properly protect, maintain, and dispose of personally identifiable information and confidential records, such as student and employee information and social security numbers. [www.azlibrary.gov/records](http://www.azlibrary.gov/records)

Yes ▼

## General long-term debt

**Objective: To determine whether the District is following the laws related to bonds to ensure voters are informed and the District complies with the bond covenants.**

1. The District calculated and issued any bonds in accordance with Arizona Revised Statutes and the Arizona Constitution. [A.R.S. §15-1021](#)

N/A ▼

No bonds issued during the year.

2. The District expended bond proceeds only for voter-authorized purposes and not for items with useful lives less than the average life of the bonds issued or 5 years. [A.R.S. §15-1021\(F\)](#)

Yes ▼

3. If the District had outstanding bonded indebtedness and a balance remained in the Bond Building Fund after the acquisition or construction of facilities for which the bonds were issued, the governing board transferred the remaining balance to the Debt Service Fund. Otherwise, if the District had no outstanding bonded indebtedness and a balance remained in the Bond Building Fund after the acquisition or construction of facilities for which the bonds were issued, the governing board used the remaining balance to reduce taxes. [A.R.S. §15-1024\(B\)](#)

N/A ▼

Bond Building Fund ending balance was zero.

4. The District credited interest or other money earned from investing bond proceeds to the Debt Service Fund unless the voters authorized the interest to be credited to the Bond Building Fund or federal laws or rules require the interest to be used for capital expenditures.

[A.R.S. §15-1024\(C\)](#)

N/A



Bond Building Fund ending balance was zero.

**All noted instances of any noncompliance with USFR requirements have been included in the CQ.**

**Preparer (AUDIT FIRM Representative)**

Christopher W. Heinfeld, CPA

**Title**

Partner

**Date**

03/18/2024



**Flowing Wells Unified School District No. 8**  
**Single Audit Report**  
Year Ended June 30, 2023

**Flowing Wells Unified School District No. 8**  
**Single Audit Report**  
**For the Year Ended June 30, 2023**

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**Independent Auditor’s Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of  
Financial Statements Performed in Accordance with  
Government Auditing Standards**

Governing Board  
Flowing Wells Unified School District No. 8

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Flowing Wells Unified School District No. 8, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Flowing Wells Unified School District No. 8’s basic financial statements, and have issued our report thereon dated February 26, 2024. Our report included an emphasis of matter paragraph as to comparability because of the implementation of Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Flowing Wells Unified School District No. 8’s internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Flowing Wells Unified School District No. 8’s internal control. Accordingly, we do not express an opinion on the effectiveness of Flowing Wells Unified School District No. 8’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item FS-2023-001 that we consider to be a material weakness.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Flowing Wells Unified School District No. 8's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Flowing Wells Unified School District No. 8's Response to Finding**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Flowing Wells Unified School District No. 8's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. Flowing Wells Unified School District No. 8's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Heinfeld Meech & Co. PC*

Heinfeld, Meech & Co., P.C.  
Tucson, Arizona  
February 26, 2024

**Independent Auditor’s Report on Compliance for Each Major Federal Program;  
Report on Internal Control Over Compliance; and  
Report on the Schedule of Expenditures of Federal Awards  
Required by the Uniform Guidance**

Governing Board  
Flowing Wells Unified School District No. 8

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Flowing Wells Unified School District No. 8’s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Flowing Wells Unified School District No. 8’s major federal programs for the year ended June 30, 2023. Flowing Wells Unified School District No. 8’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, Flowing Wells Unified School District No. 8 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance 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 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Flowing Wells Unified School District No. 8’s compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Flowing Wells Unified School District No. 8’s federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Flowing Wells Unified School District No. 8's compliance based on our audit.

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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate it would influence the judgment made by a reasonable user of the report on compliance about Flowing Wells Unified School District No. 8's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Flowing Wells Unified School District No. 8's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Flowing Wells Unified School District No. 8's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Flowing Wells Unified School District No. 8's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

#### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Flowing Wells Unified School District No. 8 as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Flowing Wells Unified School District No. 8's basic financial statements. We issued our report thereon dated February 26, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is 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. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Heinfeld Meech & Co. PC*

Heinfeld, Meech & Co., P.C.

Tucson, Arizona

February 26, 2024

**Flowing Wells Unified School District No. 8**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2023**

<u>Federal/Pass-Through/Agency</u>	<u>AL Number</u>	<u>Federal Award Number</u>	<u>Expenditures and Transfers</u>	<u>Total Expenditures and Transfers</u>
<b><u>U.S. Department of Agriculture</u></b>				
Passed through Arizona Department of Education:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	7AZ300AZ3	\$ 415,833	\$
National School Lunch Program	10.555	7AZ300AZ3	2,374,189	
National School Lunch Program	10.555	6AZ300400	173,697	
COVID-19 National School Lunch Program	10.555	7AZ300AZ3	18,800	
Summer Food Service Program for Children	10.559	7AZ300AZ3	684,851	
Fresh Fruit and Vegetable Program	10.582	7AZ310AZ1	47,300	
Total Child Nutrition Cluster				3,714,670
Child and Adult Care Food Program	10.558	7AZ300AZ3		39,123
COVID-19 Pandemic EBT Administrative Costs	10.649	7AZ300AZ3		1,044
<b>Total U.S. Department of Agriculture</b>				<b>3,754,837</b>
<b><u>U.S. Department of Defense</u></b>				
Direct Program:				
ROTC	12..U01	N/A		85,815
<b><u>U.S. Department of Treasury</u></b>				
Passed through Arizona Governor's Office:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	GR- ARPA-100Day-FWUSD-052022-92		428,298
<b><u>U.S. Department of Housing and Urban Development</u></b>				
Direct Program:				
CDBG-Entitlement Grants Cluster:				
Community Development Block Grants/ Entitlement Grants	14.218	N/A		37,000
<b><u>U.S. Department of Education</u></b>				
Passed through Arizona Department of Education:				
Title I Grants to Local Educational Agencies	84.010	S010A220003		2,066,387
Special Education Cluster:				
Special Education Grants to States	84.027	H027A220007	1,214,738	
COVID-19 Special Education Grants to States	84.027X	H027X210007	36,323	
Special Education Preschool Grants	84.173	H173A220003	17,475	
COVID-19 Special Education Preschool Grants	84.173X	H173X210003	10,465	
Total Special Education Cluster				1,279,001
Career and Technical Education -- Basic Grants to States	84.048A	V048A220003		162,871
Education for Homeless Children and Youth	84.196	S196A220003		24,897
Twenty-First Century Community Learning Centers	84.287	S287C220003		441,924
English Language Acquisition State Grants	84.365A	S365A220003		90,655
COVID-19 Education Stabilization Fund	84.425D	S425D210038	2,163,789	
COVID-19 Education Stabilization Fund	84.425U	S425U210038	3,819,228	
COVID-19 Education Stabilization Fund	84.425W	S425W210003	48,510	
Total ALN 84.425				6,031,527
<b>Total U.S. Department of Education</b>				<b>10,097,262</b>
<b><u>U.S. Department of Health and Human Services</u></b>				
Passed through Public Consulting Group, Inc.:				
Medicaid Cluster:				
Medical Assistance Program	93.778	N/A		308,449
<b>Total Expenditures of Federal Awards</b>				<b>\$ 14,711,661</b>

**Flowing Wells Unified School District No. 8**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2023**

**Significant Accounting Policies Used in Preparing the SEFA**

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of Flowing Wells Unified School District No. 8 under programs of the federal government for the year ended June 30, 2023. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Any negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

**10% De Minimis Indirect Cost Rate**

The auditee did not use the de minimis indirect cost rate.

**Assistance Listing Numbers**

The program titles and Assistance Listing numbers were obtained from the federal or pass-through grantor or through sam.gov. If the three-digit Assistance Listing extension is unknown, there is a U followed by a two-digit number in the Assistance Listing extension to identify one or more Federal award lines from that program. The first Federal program with an unknown three-digit extension is indicated with U01 for all award lines associated with that program, the second is U02, etc.

**Flowing Wells Unified School District No. 8  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2023**

**Summary of Auditor's Results:**

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Significant deficiency(ies) identified: No
- Material weakness(es) identified: Yes

Noncompliance material to financial statements noted: No

Federal Awards

Internal control over major programs:

- Significant deficiency(ies) identified: No
- Material weakness(es) identified: No

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with §200.516 of Uniform Guidance: No

Identification of major programs:

<u>Assistance Listing Numbers</u>	<u>Name of Federal Programs or Clusters</u>
10.553, 10.555, 10.559, 10.582	Child Nutrition Cluster
84.425	Education Stabilization Fund

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee: Yes

**Findings Related to Financial Statements Reported in Accordance with *Government Auditing Standards*: Yes**

**Findings and Questioned Costs Related to Federal Awards: No**

**Summary Schedule of Prior Audit Findings required to be reported: No**

**Flowing Wells Unified School District No. 8  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2023**

**Findings Related to Financial Statements Reported in Accordance with  
Government Auditing Standards**

**Finding Number:** FS-2023-001

**Repeat Finding:** No

**Type of Finding:** Material Weakness

**Description:** Cash Reconciliations with the County Treasurer

Criteria

Management is responsible for establishing and maintaining internal controls in accordance with an established framework, including reconciliation controls for cash on deposit with the County Treasurer. The purpose of the control is to ensure cash balances are accurately recorded in the general ledger. Differences identified during the reconciliation process must be investigated and promptly resolved. The reconciliation control activity has historically been the responsibility of and performed by the County School Superintendent's (CSS) office.

Condition

The preparation of the cash reconciliation between the District's cash balances and the County Treasurer's balances was not completed in a timely manner. After September 2022 monthly reconciliations were not prepared during the remainder of the fiscal year. The year end cash reconciliation for June 30, 2023 was not performed until January 2024.

Cause

Cash reconciliation controls at the CSS were designed and in place, however they did not operate effectively for the period. Due to staff performance issues at the CSS the monthly cash reconciliation with the County Treasurer were not performed in a timely manner. The District relied on the CSS to reconcile cash balances to the County Treasurer. As the District was unaware of the matter it did not perform its own cash reconciliations with the County Treasurer.

Effect

The District may not be able to effectively manage its finances and is at risk of material errors in the financial statements.

Context

The CSS did not reconcile its cash balances to the County Treasurer's balances on a monthly basis. In addition, review of the year end reconciliation performed by the CSS identified a number of reconciling items that remained unresolved.

The sample was not intended to be, and was not, a statistically valid sample.

**Flowing Wells Unified School District No. 8  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2023**

**Findings Related to Financial Statements Reported in Accordance with  
*Government Auditing Standards***

**Finding Number:** FS-2023-001

Recommendation

The District should work with the CSS to ensure that the cash reconciliations are being performed in a timely manner.

Views Of Responsible Officials

See Corrective Action Plan.



**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

To Whom It May Concern:

The accompanying Corrective Action Plan has been prepared as required by U.S. Office of Management and Budget Uniform Guidance. The names of the contact person responsible for corrective action, the planned corrective action, and the anticipated completion date for each finding included in the current year's Schedule of Findings and Questioned Costs have been provided.

Sincerely,

Stacy Trueblood  
Chief Financial Officer

**Flowing Wells Unified School District No. 8**  
**Corrective Action Plan**  
**Year Ended June 30, 2023**

**Findings Related to Financial Statements Reported in Accordance with  
*Government Auditing Standards***

Finding Number: FS-2023-001

Contact Person: Stacy Trueblood

Anticipated Completion Date: July 1, 2024

Planned Corrective Action: The District has cash reconciliation controls in place to reconcile its records to the CSS' records. This includes identifying and resolving any differences. In fiscal year 2023, the District completed the monthly reconciliation between the District's records and the CSS resolving all differences. The District will continue to perform monthly reconciliations to the CSS. In addition, the District will work with the CSS to ensure the cash reconciliation with the County Treasurer is completed in a timely manner.

The following was provided by the CSS regarding the corrective action. The Pima County School Superintendent's Office (Office) is working directly with a prior CFO of the Office and the current Pima County Treasurer to support our office to complete the cash reconciliations process for fiscal year 2023 by January/February 2024. The Office additionally worked with County IT personnel to create a new report from the legacy School Fund Accounting System (SFAS) to assist with accelerating these processes. Moving forward, the prior CFO of the CSS office and the current Pima County Treasurer will also support our Office to ensure we are fully reconciled for fiscal year 2023-2024, provide training and support the creation of documented processes and procedures for our staff to ensure these processes are completed on a timely, ongoing basis through the end of the current fiscal year. The Office is further working to implement a new Tyler ERP system starting July 1 for fiscal year 2025. This system will replace the Office's legacy School Fund Accounting System (SFAS) applications, which have been the primary software supporting the Office's financial operations since the early 1990s. This implementation will serve to greatly modernize our office's financial processes, to include the reconciliation process with the Treasurer's Office, as we move forward into future fiscal years.

March 21, 2024

To the Governing Board  
Flowing Wells Unified School District No. 8

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Flowing Wells Unified School District No. 8 (District) for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter provided to you during the planning phase of the audit. Professional standards also require that we communicate to you the following matters related to our audit.

#### **Qualitative Aspects of Accounting Practices**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Flowing Wells Unified School District No. 8 are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

As described in Note 1 of the financial statements, the District implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, for the year ended June 30, 2023. GASB Statement No. 96 increases the usefulness of the financial statements by requiring the recognition of certain assets and liabilities for SBITAs. The District's analysis of contracts and agreements 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

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimates affecting the financial statements were:

- Management's estimate of the useful lives of depreciable capital assets is based on the length of time management estimates those assets will provide some economic benefit in the future.
- The assumptions used in the actuarial valuations of the pension plan are based on historical trends and industry standards.

The financial statement disclosures are neutral, consistent, and clear.

### **Difficulties Encountered in Performing the Audit**

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### **Uncorrected Misstatements**

Professional standards require us to accumulate all known and likely misstatements identified during the audit and communicate them to the appropriate level of management. A misstatement is defined as a difference between the reported amount, classification, presentation, or disclosure of a financial statement item and the amount, classification, presentation, or disclosure that is required for the item to be presented fairly in accordance with the applicable financial reporting framework. During the course of the audit we did not identify any uncorrected misstatements which require communication.

In addition, as part of the professional services we provided to the District we assisted with the preparation of the financial statements, the notes to financial statements, and the SEFA and related notes as well as the Data Collection Form submission to the Federal Audit Clearinghouse. In providing these services we prepared adjusting journal entries necessary to convert the accounting records to the basis of accounting required by generally accepted accounting principles. Those adjusting journal entries have been provided to management who reviewed and approved those entries and accepted responsibility for them.

### **Disagreements with Management**

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### **Management Representations**

We have requested certain written representations from management, which are included in the management representation letter provided to us at the conclusion of the audit.

### **Management Consultations with Other Independent Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants regarding auditing and accounting matters.

### **Discussions with Management**

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management throughout the course of the year. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention as the District's auditors.

### **Compliance with Ethics Requirements Regarding Independence**

The engagement team, others in our firm, and as appropriate, our firm, have complied with all relevant ethical requirements regarding independence. Heinfeld, Meech & Co., P.C. continually assesses client relationships to comply with relevant ethical requirements, including independence, integrity, and objectivity, and policies and procedures related to the acceptance and continuance of client relationships and specific engagements. Our firm follows the "Independence Rule" of the AICPA Code of Professional Conduct and the rules of state boards of accountancy and applicable regulatory agencies. It is the policy of the firm that all employees be familiar with and adhere to the independence, integrity, and objectivity rules, regulations, interpretations, and rulings of the AICPA, U.S. Government Accountability Office (GAO), and applicable state boards of accountancy.

### **Responsibility for Fraud**

It is important for both management and the members of the governing body to recognize their role in preventing, deterring, and detecting fraud. One common misconception is that the auditors are responsible for detecting fraud. Auditors are required to plan and perform an audit to obtain reasonable assurance that the financial statements do not include material misstatements caused by fraud. Unfortunately most frauds which occur in an organization do not meet this threshold.

The attached document prepared by the Association of Certified Fraud Examiners (ACFE) is provided as a courtesy to test the effectiveness of the fraud prevention measures of your organization. Some of these steps may already be in place, others may not. Not even the most well-designed internal controls or procedures can prevent and detect all forms of fraud. However, an awareness of fraud related factors, as well as the active involvement by management and the members of the governing body in setting the proper "tone at the top", increases the likelihood that fraud will be prevented, deterred and detected.

### **Additional Reports Issued**

In addition to the auditor's report on the financial statements, we have also issued the Single Audit Report and Uniform System of Financial Records Compliance Questionnaire related to this audit.

### **Other Important Communications Related to the Audit**

Attached to this letter are a copy of the signed engagement letter provided to us at the initiation of the audit, and a copy of the management representation letter provided to us at the conclusion of the audit. If there are any questions on the purpose or content of these letters please contact the engagement partner identified in the attached engagement letter.

### **Restriction on Use**

This information is intended solely for the use of the members of the Governing Board and management of Flowing Wells Unified School District No. 8 and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

*Heinfeld Meech & Co. PC*

Heinfeld, Meech & Co., P.C.  
Tucson, Arizona

# Fraud Prevention Checklist

The most cost-effective way to limit fraud losses is to prevent fraud from occurring. This checklist is designed to help organizations test the effectiveness of their fraud prevention measures.

## 1. Is ongoing anti-fraud training provided to all employees of the organization?

- Do employees understand what constitutes fraud?
- Have the costs of fraud to the company and everyone in it — including lost profits, adverse publicity, job loss and decreased morale and productivity — been made clear to employees?
- Do employees know where to seek advice when faced with uncertain ethical decisions, and do they believe that they can speak freely?
- Has a policy of zero-tolerance for fraud been communicated to employees through words and actions?

## 2. Is an effective fraud reporting mechanism in place?

- Have employees been taught how to communicate concerns about known or potential wrongdoing?
- Is there an anonymous reporting channel available to employees, such as a third-party hotline?
- Do employees trust that they can report suspicious activity anonymously and/or confidentially and without fear of reprisal?
- Has it been made clear to employees that reports of suspicious activity will be promptly and thoroughly evaluated?
- Do reporting policies and mechanisms extend to vendors, customers and other outside parties?

## 3. To increase employees' perception of detection, are the following proactive measures taken and publicized to employees?

- Is possible fraudulent conduct aggressively sought out, rather than dealt with passively?
- Does the organization send the message that it actively seeks out fraudulent conduct through fraud assessment questioning by auditors?
- Are surprise fraud audits performed in addition to regularly scheduled audits?
- Is continuous auditing software used to detect fraud and, if so, has the use of such software been made known throughout the organization?

**4. Is the management climate/tone at the top one of honesty and integrity?**

- Are employees surveyed to determine the extent to which they believe management acts with honesty and integrity?
- Are performance goals realistic?
- Have fraud prevention goals been incorporated into the performance measures against which managers are evaluated and which are used to determine performance-related compensation?
- Has the organization established, implemented and tested a process for oversight of fraud risks by the board of directors or others charged with governance (e.g., the audit committee)?

**5. Are fraud risk assessments performed to proactively identify and mitigate the company's vulnerabilities to internal and external fraud?**

**6. Are strong anti-fraud controls in place and operating effectively, including the following?**

- Proper separation of duties
- Use of authorizations
- Physical safeguards
- Job rotations
- Mandatory vacations

**7. Does the internal audit department, if one exists, have adequate resources and authority to operate effectively and without undue influence from senior management?**

**8. Does the hiring policy include the following (where permitted by law)?**

- Past employment verification
- Criminal and civil background checks
- Credit checks
- Drug screening
- Education verification
- References check

**9. Are employee support programs in place to assist employees struggling with addictions, mental/ emotional health, family or financial problems?**

**10. Is an open-door policy in place that allows employees to speak freely about pressures, providing management the opportunity to alleviate such pressures before they become acute?**

**11. Are anonymous surveys conducted to assess employee morale?**

May 16, 2023

Governing Board and Management  
Flowing Wells Unified School District No. 8  
1556 W. Prince Rd.  
Tucson, AZ 85705-3024

We are pleased to confirm our understanding of the services we are to provide for Flowing Wells Unified School District No. 8 (District) for the year ended June 30, 2023. We encourage you to read this letter carefully as it includes important information regarding the services we will be providing to the District. If there are any questions on the content of the letter, or the services we will be providing, we would welcome the opportunity to meet with you to discuss this information further.

### **Audit Scope and Objectives**

We will audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, including the disclosures, which collectively comprise the basic financial statements of Flowing Wells Unified School District No. 8 as of and for the year ended June 30, 2023.

We have also been engaged to report on supplementary information that accompanies the District's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole:

1. Schedule of expenditures of federal awards
2. Combining and individual fund financial statements and schedules

Accounting standards generally accepted in the United States provide for certain required supplementary information (RSI) to supplement the District's basic financial statements. Such information, although not 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. As part of our engagement, we will apply certain limited procedures to the District's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding 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 will 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.

The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's discussion and analysis
2. Budgetary comparison schedules
3. GASB-required pension schedules

In connection with our audit of the basic financial statements, we will read the following 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 the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

1. Other information included with the audited financial statements such as the transmittal letter and statistical data

We will also perform procedures to complete the USFR Compliance Questionnaire. We will conduct the review in accordance with the minimum audit standards for completing the USFR Compliance Questionnaire as prescribed by the State of Arizona Office of the Auditor General.

The objectives of our audit 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 issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. 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 auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements. The objectives also include reporting on:

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with 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).

An important aspect to our expression of opinions on the financial statements is understanding the concept of materiality. Our determination of materiality is a matter of professional judgment and is affected by our perception of the financial information needs of users of the financial statements.

For purposes of determining materiality we may assume that reasonable users –

1. have a reasonable knowledge of business and economic activities and accounting and a willingness to study the information in the financial statements with reasonable diligence;
2. understand that financial statements are prepared, presented, and audited to levels of materiality;
3. recognize the uncertainties inherent in the measurement of amounts based on the use of estimates, judgment, and the consideration of future events; and
4. make reasonable judgements based on the information in the financial statements.

### **Auditor’s Responsibilities for the Audit of the Financial Statements and Single Audit**

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major programs in accordance with Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the District or to acts by management or employees acting on behalf of the District. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in the financial statements nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, 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 a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts. Our procedures will also include, as deemed necessary, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request, if deemed necessary, written representations from the District's attorneys as part of the engagement, and they may bill you for responding to this inquiry.

### **Audit Procedures – Internal Control**

We will obtain an understanding of the District and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. 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, misrepresentation, or the override of internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

### **Audit Procedures – Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the District has complied with federal statutes, regulations and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the District's major programs. For federal programs that are included in the *OMB Compliance Supplement*, our compliance and internal control procedures will relate to the compliance requirements that the *OMB Compliance Supplement* identifies being subject to audit. The purpose of these procedures will be to express an opinion on the District's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

## **Reporting**

We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the Governing Board of the District. Circumstances may arise in which our reports may differ from expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will state that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. The Uniform Guidance report on internal control over compliance will state that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

## **Nonaudit Services**

As part of the audit, we will assist with preparation of your financial statements, notes to the financial statements, and supplementary information, including the schedule of expenditures of federal awards. In addition, we will assist with the completion of the auditee section of the data collection form to be submitted to the Federal Audit Clearinghouse. You have expressed your intention to use these nonaudit services within the scope of your request for proposal for audit services. These nonaudit services do not constitute an audit and such services will not be conducted in accordance with *Government Auditing Standards*. Upon engagement of the audit we will utilize the general ledger, accounting records, District prepared schedules and other information provided by District personnel in order to prepare the necessary year-end adjusting journal entries and to prepare drafts of the financial statements, notes to the financial statements, and the supplementary information.

You are responsible for the information provided by the District and for assuming all management responsibilities related to the financial statements, notes to the financial statements, supplementary information, data collection form, and the nonaudit services we provide. You are also responsible for designing, implementing, and maintaining internal controls over the financial statements process. Prior to their issuance you will be required to acknowledge in the management representation letter that you have reviewed and approved the financial statements and acknowledge that you have accepted responsibility for them. Further, you are required to designate an individual with suitable skill, knowledge, or experience to oversee the nonaudit services we provide; evaluate the adequacy and results of these nonaudit services; and accept responsibility for the nonaudit services.

As the District's independent auditor, professional standards place specific requirements on our provision of certain nonaudit services. We are strictly prohibited from assuming management responsibilities or making management decisions; therefore, the nonaudit services we provide are limited to those indicated above. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities or making management decisions. Accordingly, to maintain our independence it is imperative that management understand its responsibilities and is capable of fulfilling these responsibilities. If there are any questions or concerns regarding management's responsibilities or ability to fulfill these responsibilities we request that you immediately contact us so that we may assess the circumstance and our continued independence with respect to providing audit services.

### **Responsibilities of Management for the Financial Statements and Single Audit**

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for (1) designing, implementing, establishing and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management is reliable and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with accounting principles generally accepted in the United States of America; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making schedule of expenditures of federal awards, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under Uniform Guidance; (3) additional information we may request for the purpose of the audit; and (4) and unrestricted access to persons within the District from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements; the schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and related matters.

Management's responsibilities also include adjusting the financial statements to correct material misstatements and confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

Management is responsible for the design and implementation of programs to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the District involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the District received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the District complies with applicable laws, regulations, contracts, agreements, and grants. You are also responsible taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review prior to issuance of our reports. Management is responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received, and COVID-19 related concepts, such as lost revenues, if applicable) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon or make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon.

Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

Management is responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with accounting principles generally accepted in the United States of America. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or to make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in a written representation letter that (1) you are responsible for presentation of supplementary information in accordance with accounting principles generally accepted in the United States of America; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or studies related to the objectives discussed in the *Audit Scope and Objectives* section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, management understands that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

## **Planned Scope and Timing of the Audit**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. Our tests will not include a detailed check of all transactions for the period.

We have identified the following significant risks of material misstatement as part of our audit planning:

1. Management override of controls
2. Improper revenue recognition
3. Improper capital assets and depreciation recognition

Our audit will include obtaining an understanding of the District and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the District or to acts by management or employees acting on behalf of the District. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

We expect to begin our audit in May 2023 and conclude audit procedures and date our report in December 2023.

Our audit of the financial statements does not relieve you of your responsibilities outlined in the *Responsibilities of Management for the Financial Statements* section of this letter.

## **Use of Third-Party Service Providers**

We maintain internal policies, procedures, and safeguards to protect the confidentiality of your information. We may, depending on the circumstances, use third-party service providers in providing our professional services. The following service providers may be utilized in the completion of our engagement:

- Capital Confirmation, Inc. – electronic bank and account balance confirmation service
- Citrix ShareFile – web-based application service to transfer files
- CCH Engagement Organizer – web-based application service to transfer files
- Harvest Investments, Ltd. – investment portfolio valuation service

You hereby consent and authorize us to use the above service providers, if deemed necessary, to complete the professional services outlined in this letter.

## **Engagement Administration, Fees, and Other**

Christopher Heinfeld is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

We will provide copies of our reports to the District; however, management is responsible for distribution of the reports and the financial statements.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the Federal Audit Clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period.

The audit documentation for this engagement is the property of Heinfeld, Meech & Co., P.C., and constitutes confidential information. However, we may be requested to make certain audit documentation available to a cognizant or oversight agency or its designee, a federal agency providing direct or indirect funding, the U.S. Government Accountability Office, or other authorized governmental agency for the purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Heinfeld, Meech & Co., P.C., personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven (7) years after the report release date, or for any additional period requested by a regulator, cognizant agency, oversight agency for audit, or pass-through entity. Upon expiration of the seven year period, or any additional period, we will commence the process of destroying the contents of our engagement files. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

In the event we are required to respond to a subpoena, court order or other legal process for the production of documents and/or testimony relative to information we obtained and/or prepared during the course of this engagement, you agree to compensate us at our hourly rates, for the time we expend in connection with such response, and to reimburse us for all of our out-of-pocket costs incurred in that regard.

Any disagreement, controversy, or claim ("dispute") that may arise from any aspect of our services, including this engagement or any prior engagement, will be submitted to mediation. The parties will engage in the mediation process in good faith once a written request to mediate has been given by any party. Any mediation initiated as a result of this engagement shall be administered by The American Arbitration Association, according to its mediation rules before resorting to litigation. The results of any such mediation shall be binding only upon agreement of each party to be bound. Each party will bear its own costs in the mediation. The fees and expenses of the mediator will be shared equally.

The nature of our services makes it difficult, with the passage of time, to gather and present evidence that fully and fairly establishes the facts underlying any dispute that may arise between us. The parties agree that, notwithstanding any statute or law of limitations that might otherwise apply to a dispute, including one arising out of this agreement or the services performed under this agreement, for breach of contract or fiduciary duty, tort, fraud, misrepresentation or any other cause of action or remedy, any action or legal proceeding by you against us must be commenced within twenty-four (24) months ("limitation period") after the date when we deliver our final audit report under this agreement to you, regardless of whether we do other services for you relating to the audit report, or you shall be forever barred from commencing a lawsuit or obtaining any legal or equitable relief or recovery. The limitation period applies and begins to run even if you have not suffered any damage or loss, or have not become aware of the existence or possible existence of a dispute.

Professional standards prohibit auditors from agreeing to indemnify attest clients for damages, losses or costs arising from lawsuits, claims or settlements that relate, directly or indirectly, to the client's acts. As such, professional standards will prevail for indemnification clauses included in audit contracts. In addition, we are unable to obtain waivers on our professional liability insurance policy for certain provisions, including indemnification provisions, provisions requiring the firm to name the District as an additional insured party, and a waiver of subrogation rights.

Professional standards require us to be independent with respect to you in the performance of these services. Any discussion that you have with our personnel regarding potential employment with you could impair our independence with respect to this engagement. Therefore, we request that you inform us prior to any such discussions so that we can implement appropriate safeguards to maintain our independence and objectivity. Further, any employment offers to any staff members working on this engagement without our prior knowledge may require substantial additional procedures to ensure our independence. You will be responsible for any additional costs incurred to perform these procedures.

Our fee for these services will be at the amount outlined in our proposal. We exercised care in estimating the fee and believe it accurately indicates the scope of the work. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

Our fees are based on anticipated cooperation from your personnel, timely receipt of information, and the assumption that unexpected circumstances will not be encountered during the audit, including factors beyond our control, such as new accounting pronouncements or legal requirements, additional consultation, and assistance in correcting errors in your financial records. We will plan the engagement based on the assumption that your personnel will prepare and provide us with the items listed in our request for audit information, including preparing requested schedules, retrieving supporting documents, and preparing confirmations. If, for whatever reason, your personnel are unavailable to provide the necessary assistance in a timely manner, it may substantially increase the work we have to do to complete the engagement within the established deadlines, resulting in an increase in fees over our original fee estimate. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Additional fees incurred will be billed at the following hourly rates: Partner - \$280; Manager - \$215; Senior - \$160; Staff - \$115.

If any term or provision of this agreement is determined to be invalid or unenforceable, such term or provision will be deemed stricken, and all other terms and provisions will remain in full force and effect.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2021 peer review report accompanies this letter.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. Please feel free to contact us at any time if you have any questions or concerns. If you have any questions regarding this letter, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

*Heinfeld Meech & Co. PC*

Heinfeld, Meech & Co., P.C.  
Tucson, Arizona

cc: Dr. Kevin Stoltzfus, Superintendent  
Stacy Trueblood, Chief Financial Officer

RESPONSE

Please indicate the name of the individual responsible for overseeing the nonaudit services of preparing the year-end adjusting journal entries and the preparation of the financial statements:

Stacy Trueblood

Name: \_\_\_\_\_

This letter correctly sets forth the understanding of Flowing Wells Unified School District No. 8.

Kevin Stoltzfus

Printed Name: \_\_\_\_\_

Superintendent

Title: \_\_\_\_\_

*Kevin Stoltzfus*

Signature: \_\_\_\_\_

05/16/2023

Date: \_\_\_\_\_

## Report on the Firm's System of Quality Control

August 31, 2021

To Heinfeld, Meech & Co., P.C. and the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Heinfeld, Meech & Co., P.C. (the firm) in effect for the year ended May 31, 2021. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

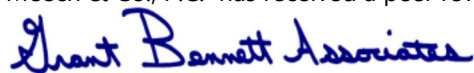
### Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act and an audit of an employee benefit plan.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Heinfeld, Meech & Co., P.C. in effect for the year ended May 31, 2021, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Heinfeld, Meech & Co., P.C. has received a peer review rating of *pass*.



GRANT BENNETT ASSOCIATES  
A PROFESSIONAL CORPORATION  
Certified Public Accountants





## REFERENCE NUMBER

A3CF96E2-2AC1-49AB-83D7-0C83D60C922D

## TRANSACTION DETAILS

## Reference Number

A3CF96E2-2AC1-49AB-83D7-0C83D60C922D

## Transaction Type

Signature Request

## Sent At

05/16/2023 09:17 MST

## Executed At

05/16/2023 09:36 MST

## Identity Method

email

## Distribution Method

email

## Signed Checksum

f34d4b74d4f620e58bc51a986213050d3bf4fa98847b26383f6df4ee57cf4

## Signer Sequencing

Disabled

## Document Passcode

Disabled

## DOCUMENT DETAILS

## Document Name

Engagement Ltr Fy23 Flowing Wells

## Filename

engagement\_ltr\_fy23\_flowling\_wells.pdf

## Pages

13 pages

## Content Type

application/pdf


## File Size

392 KB

## Original Checksum

9a88aa2725baf24010c81e8ed76d6168f1f63edc5cd75cd23144ae635ceb62d5

## SIGNERS

SIGNER	E-SIGNATURE	EVENTS
<b>Name</b> Dr. Kevin Stoltzfus	<b>Status</b> signed	<b>Viewed At</b> 05/16/2023 09:32 MST
<b>Email</b> kevin.stoltzfus@fwusd.org	<b>Multi-factor Digital Fingerprint Checksum</b> b681d223330596f869ac13924c238d4bc0a77bf4e2b20a4f59992aef170b539	<b>Identity Authenticated At</b> 05/16/2023 09:36 MST
<b>Components</b> 5	<b>IP Address</b> 68.107.182.234	<b>Signed At</b> 05/16/2023 09:36 MST
	<b>Device</b> Chrome via Windows	
	<b>Drawn Signature</b> 	
	<b>Signature Reference ID</b> 88B486BD	
	<b>Signature Biometric Count</b> 14	

## AUDITS

TIMESTAMP	AUDIT
05/16/2023 09:17 MST	Carri Corbett (carri.corbett@hm.cpa) created document 'engagement_ltr_fy23_flowling_wells.pdf' on Chrome via Windows from 69.242.238.232.
05/16/2023 09:17 MST	Dr. Kevin Stoltzfus (kevin.stoltzfus@fwusd.org) was emailed a link to sign.
05/16/2023 09:32 MST	Dr. Kevin Stoltzfus (kevin.stoltzfus@fwusd.org) viewed the document on Chrome via Windows from 68.107.182.234.
05/16/2023 09:36 MST	Dr. Kevin Stoltzfus (kevin.stoltzfus@fwusd.org) authenticated via email on Chrome via Windows from 68.107.182.234.
05/16/2023 09:36 MST	Dr. Kevin Stoltzfus (kevin.stoltzfus@fwusd.org) signed the document on Chrome via Windows from 68.107.182.234.



# 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

Heinfeld, Meech & Co., P.C.  
10120 N. Oracle Road  
Tucson, AZ 85704

This representation letter is provided in connection with your audit of the financial statements of Flowing Wells Unified School District No. 8, which comprise the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information as of June 30, 2023, and the respective changes in financial position for the period then ended, and the disclosures (collectively the “financial statements”), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date of our signature, the following representations made to you during your audit.

## **Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
2. The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
3. We acknowledge our responsibility 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.

4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.
6. Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
7. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements or in the schedule of findings and questioned costs.
8. The effects of all known actual or possible litigation, claims, and assessments have been evaluated, and if necessary, have been accounted for and disclosed in accordance with U.S. GAAP.
9. Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.

#### **Information Provided**

10. We have provided you with:
  - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
  - b. Additional information that you have requested from us for the purpose of the audit.
  - c. Unrestricted access to persons within the District from whom you determined it necessary to obtain audit evidence.
  - d. Minutes of the meetings of the Governing Board or summaries of actions of recent meetings for which minutes have not yet been prepared.
11. All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.
12. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

13. We have no knowledge of any fraud or suspected fraud that affects the District and involves:
  - Management,
  - Employees who have significant roles in internal control, or
  - Others where the fraud could have a material effect on the financial statements.
14. We have no knowledge of any allegations of fraud or suspected fraud affecting the District's financial statements communicated by employees, former employees, grantors, regulators, or others.
15. We have no knowledge of any instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.
16. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
17. We have disclosed to you the identity of the District's related parties and all the related party relationships and transactions, including any side agreements.

#### **Government-specific**

18. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
19. If applicable, we have taken timely and appropriate steps to remedy fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements that you have reported to us.
20. We have a process to track the status of audit findings and recommendations.
21. We have identified and communicated to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
22. We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
23. If applicable, we have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
24. The District has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, deferred outflows/inflows of resources, and fund balance or net position.
25. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.

26. We have identified and disclosed to you all instances of identified fraud and suspected fraud that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
27. We have identified and disclosed to you all instances of identified noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
28. We have identified and disclosed to you all instances of identified abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
29. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
30. We understand that in addition to your audit, you prepared the adjusting journal entries necessary to convert our accounting records to the basis of accounting required by generally accepted accounting principles. We acknowledge that we have reviewed and approved those entries and accepted responsibility for the adjusting journal entries.
31. In addition to your audit, you assisted with preparation of the financial statements, notes to the financial statements, the schedule of expenditures of federal awards, and the data collection form. We acknowledge our responsibility as it relates to those nonaudit services, including that
  - we assume all management responsibilities;
  - oversee the nonaudit services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience;
  - evaluate the adequacy and results of the nonaudit services performed;
  - and accept responsibility for the results of the nonaudit services.
32. We have reviewed, approved, and accepted responsibility for the financial statements, notes to the financial statements, the schedule of expenditures of federal awards, and the data collection form on which you have assisted with the preparation.
33. The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
34. The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

35. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
36. If applicable, the financial statements include all component units, appropriately present majority equity interest in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
37. The financial statements include all fiduciary activities required by U.S. GAAP.
38. The financial statements properly classify all funds and activities in accordance with U.S. GAAP.
39. All funds that meet the quantitative criteria for presentation as a major fund are identified and presented as such and all other funds that are presented as a major fund are particularly important to financial statement users.
40. Components of net position (net investment in capital assets; restricted; and unrestricted) and components of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
41. Investments are properly valued.
42. If applicable, provisions for uncollectible receivables have been properly identified and recorded.
43. All payroll information and the individual employment data have been properly submitted to the state retirement system, and the employer contributions have been properly submitted to the retirement system.
44. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
45. Revenues are appropriately classified in the statement of activities within program revenues and general revenues.
46. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
47. Special and extraordinary items, if any, are appropriately classified and reported.
48. Deposits and investment securities are properly classified as to risk and are properly disclosed.
49. Capital assets are properly capitalized, reported, and, if applicable, depreciated or amortized.
50. We have identified and disclosed to you all contracts, agreements, and transactions that result in subscription-based information technology arrangements (SBITAs) for financial reporting purposes. We have evaluated and determined SBITAs are not material, both individually and in the aggregate, to the financial statements.

51. We have appropriately disclosed the District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
52. We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
53. We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
54. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
55. With respect to the supplementary information presented, such as the combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards.
  - a. We acknowledge our responsibility for presenting the supplementary information in accordance with accounting principles generally accepted in the United States of America, and we believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
  - b. If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.
56. We acknowledge our responsibility for the other information included in the financial statements, such as the transmittal letter and statistical data. We believe the other information, including its form and content, is fairly presented and is materially consistent with the basic financial statements.

57. With respect to federal award programs:

- a. We are responsible for understanding and complying with and have complied with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), including requirements relating to preparation of the schedule of expenditures of federal awards (SEFA).
- b. We acknowledge our responsibility for preparing and presenting the schedule of expenditures of federal awards and related disclosures in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.
- c. If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.
- d. We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and have included in the SEFA, expenditures made during the audit period for all awards provided by federal agencies in the form of federal awards, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
- e. We are responsible for understanding and complying with, and have complied with, the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.
- f. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.
- g. We have made available to you all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.
- h. We have received no requests from a federal agency to audit one or more specific programs as a major program.

- i. We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Compliance Supplement*, relating to federal awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the direct and material compliance requirements of federal awards, if any.
- j. We have disclosed any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- k. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- l. Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR Part 200, Subpart E).
- m. We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- n. We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- o. We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- p. There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
- q. No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the period covered by the auditor's report.
- r. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
- s. The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.

- t. If applicable, we have monitored subrecipients to determine that they have expended subawards in compliance with federal statutes, regulations, and the terms and conditions of the subaward and have met the other pass-through entity requirements of the Uniform Guidance.
- u. If applicable, we have issued management decisions for audit findings that relate to federal awards made to subrecipients and such management decisions have been issued within six months of acceptance of the audit report by the Federal Audit Clearinghouse. Additionally, we have followed-up ensuring that the subrecipient has taken timely and appropriate action on all deficiencies detected through audits, on-site reviews, and other means that pertain to the federal award provided to the subrecipient.
- v. If applicable, we have considered the results of subrecipient audits and have made any necessary adjustments to our books and records.
- w. We have charged costs to federal awards in accordance with applicable cost principles.
- x. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- y. We are responsible for and have ensured the reporting package does not contain protected personally identifiable information
- z. We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.
- aa. We are responsible for taking corrective action on each audit finding of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.
- bb. If applicable, we have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations.

We have reviewed the drafts of the financial statements and related notes and believe the amounts are properly presented based on the books and records of our District. We hereby take responsibility for the financial statements and authorize Heinfeld, Meech & Co., P.C. to issue the reports in final form and to distribute to those parties as outlined in the contract.

We understand that at the conclusion of the audit Heinfeld, Meech & Co, P.C. will submit to the Governing Board a communication to those charged with governance that will include a copy of this representation letter and a copy of the engagement letter.

*Kevin Stoltzfus*

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Dr. Kevin Stoltzfus, Superintendent  
Flowing Wells Unified School District No. 8

02/26/2024

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Date

*Stacy Trueblood*

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Stacy Trueblood, Chief Financial Officer  
Flowing Wells Unified School District No. 8

02/26/2024

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Date

**SIGNATURE CERTIFICATE**



**REFERENCE NUMBER**

9883C7A0-895B-451C-9BC9-CFD8A304FFF3

**TRANSACTION DETAILS**

**Reference Number**

9883C7A0-895B-451C-9BC9-CFD8A304FFF3

**Transaction Type**

Signature Request

**Sent At**

02/26/2024 12:59 EST

**Executed At**

02/26/2024 13:59 EST

**Identity Method**

email

**Distribution Method**

email

**Signed Checksum**

4223c83aa30c6efa5d1ffd5b5ebc24b912a82a1616f8c5ce7076f1f069498819

**Signer Sequencing**

Disabled

**Document Passcode**

Disabled

**DOCUMENT DETAILS**

**Document Name**

General Representation Letter FY23 FW

**Filename**

General\_Representation\_Letter\_FY23\_FW.pdf

**Pages**

10 pages

**Content Type**

application/pdf


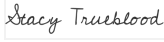
**File Size**

268 KB

**Original Checksum**

7b3ad7afb3382573710226f75f274d5610f758301aee4b516981ff5fafa9662c

**SIGNERS**

SIGNER	E-SIGNATURE	EVENTS
<p><b>Name</b> Kevin Stoltzfus</p> <p><b>Email</b> kevin.stoltzfus@fwusd.org</p> <p><b>Components</b> 2</p>	<p><b>Status</b> signed</p> <p><b>Multi-factor Digital Fingerprint Checksum</b> 35b65721dfd105726e9a3ad29a44f639c79ee1a2b1994d580d8e6fca9427d9cf</p> <p><b>IP Address</b> 68.107.182.234</p> <p><b>Device</b> Chrome via Windows</p> <p><b>Drawn Signature</b> </p> <p><b>Signature Reference ID</b> F533D36C</p> <p><b>Signature Biometric Count</b> 14</p>	<p><b>Viewed At</b> 02/26/2024 13:57 EST</p> <p><b>Identity Authenticated At</b> 02/26/2024 13:59 EST</p> <p><b>Signed At</b> 02/26/2024 13:59 EST</p>
<p><b>Name</b> Stacy Trueblood</p> <p><b>Email</b> stacy.trueblood@fwusd.org</p> <p><b>Components</b> 2</p>	<p><b>Status</b> signed</p> <p><b>Multi-factor Digital Fingerprint Checksum</b> 491047cc30a4be25c9b3e438879077172148a45662f02fe3892cdb7bc976e0ae</p> <p><b>IP Address</b> 68.107.182.234</p> <p><b>Device</b> Chrome via Windows</p> <p><b>Typed Signature</b> </p> <p><b>Signature Reference ID</b> 1B0B530F</p>	<p><b>Viewed At</b> 02/26/2024 13:00 EST</p> <p><b>Identity Authenticated At</b> 02/26/2024 13:24 EST</p> <p><b>Signed At</b> 02/26/2024 13:24 EST</p>

**AUDITS**

TIMESTAMP	AUDIT
02/26/2024 12:59 EST	Lexi Diaz (lexi.diaz@hm.cpa) created document 'General_Representation_Letter_FY23_FW.pdf' on Chrome via Windows from 70.174.210.49.
02/26/2024 12:59 EST	Kevin Stoltzfus (kevin.stoltzfus@fwusd.org) was emailed a link to sign.
02/26/2024 12:59 EST	Stacy Trueblood (stacy.trueblood@fwusd.org) was emailed a link to sign.
02/26/2024 13:00 EST	Stacy Trueblood (stacy.trueblood@fwusd.org) viewed the document on Chrome via Windows from 68.107.182.234.

<b>TIMESTAMP</b>	<b>AUDIT</b>
02/26/2024 13:24 EST	Stacy Trueblood (stacy.trueblood@fwusd.org) authenticated via email on Chrome via Windows from 68.107.182.234.
02/26/2024 13:24 EST	Stacy Trueblood (stacy.trueblood@fwusd.org) signed the document on Chrome via Windows from 68.107.182.234.
02/26/2024 13:57 EST	Kevin Stoltzfus (kevin.stoltzfus@fwusd.org) viewed the document on Chrome via Windows from 68.107.182.234.
02/26/2024 13:59 EST	Kevin Stoltzfus (kevin.stoltzfus@fwusd.org) authenticated via email on Chrome via Windows from 68.107.182.234.
02/26/2024 13:59 EST	Kevin Stoltzfus (kevin.stoltzfus@fwusd.org) signed the document on Chrome via Windows from 68.107.182.234.

March 19, 2024

Dear Members of the Governing Board:

I am writing to summarize the issue out of the Pima County School Superintendent's Office that led to a finding for your district on your recent Single Audit Report for the last fiscal year.

School districts are required to establish and maintain regular reconciliation controls to the County School Superintendent's Office regarding cash on deposit with the County Treasurer. This process ensures that cash balances are accurately recorded in the district's general ledger and establishes a procedure to investigate and resolve any discrepancies.

Your district did maintain its procedures for this reconciliation process and did complete its monthly cash reconciliations to the County School Superintendent's Office.

However, the monthly cash reconciliation process between the County School Superintendent's Office and the County Treasurer's balances was not completed on an ongoing basis throughout the prior fiscal year. These reconciliation data are a key component of both County and school district annual audit processes. As a result of the delay in completing the reconciliations, district audits were not completed by December 31, 2023. Unfortunately, this issue negatively impacted Pima County school districts who rely on the County School Superintendent's Office to reconcile with the County Treasurer, thus leading to the finding on the 2023 Single Audit Report.

The County School Superintendent's Office takes responsibility for this finding and has been working diligently to resolve these issues going forward. I assure you our leadership, my team, and I are taking the necessary steps operationally to ensure that this issue will not occur in future years. Please reach out to me should you have any questions, moving forward.

Thank you for your continued commitment to our community!



Dustin Williams  
Pima County Schools Superintendent

FLOWING WELLS SCHOOL DISTRICT  
Board Agenda Item

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F-2	March 26, 2024
Agenda Item Number	Board Meeting Date

Item: Recommend Approval to Distribute Instructional Improvement Funds

Submitted By: Stacy Trueblood Date: March 21, 2024

Will Be Presented By: Dr. Kevin Stoltzfus/Stacy Trueblood

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District administration recommends approval of a May 2024 teacher compensation payment in the amount of \$300.00 per teacher from the Instructional Improvement Fund.

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Estimated Cost \$ \_\_\_\_\_  See Additional Information Attached

Recommended Action:

Approve       Disapprove       Table       No Action Required

Division Head: *Stacy Trueblood* Superintendent: *Kevin Stoltzfus*

Board Action: M: \_\_\_\_\_ S: \_\_\_\_\_ A: \_\_\_\_\_ N: \_\_\_\_\_ C: \_\_\_\_\_

**FLOWING WELLS SCHOOLS**  
District Administration Center

MEMORANDUM

**TO:** Governing Board Members  
Dr. Kevin Stoltzfus

**FROM:** Stacy Trueblood

**DATE:** March 19, 2024

**SUBJECT:** Additional Teacher Compensation from Instructional Improvement Fund

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In November 2002 Arizona voters passed Proposition 202 Indian Gaming Preservation and Self Reliance Act. A portion of the gaming revenues related to this proposition are deposited in the “Instructional Improvement Fund” for use by school districts for classroom size reduction, teacher salary increases, dropout prevention and instructional improvement programs. The District utilizes the maximum allowable amount of the funds for teacher compensation. The funds are distributed each December and May. Based upon the available funds, the May 2024 amount is calculated to be \$300 per certified teacher.

FLOWING WELLS SCHOOL DISTRICT  
Board Agenda Item

F-3  
Agenda Item Number

March 26, 2024  
Board Meeting Date

Item: Recommend Award of the Flowing Wells High School West Gym Roof and HVAC Replacement Bid # 24-04-25 to Edge Construction

Submitted By: Dr. Kevin Stoltzfus/Stacy Trueblood Date: March 22, 2024

Will Be Presented By: Dr. Kevin Stoltzfus/Stacy Trueblood

District administration recommends award of the Flowing Wells High School West Gym Roof and HVAC Replacement to Edge Construction at a cost of \$3,540,000. This project is expected to be funded through a Building Renewal Grant from the School Facilities Division of the Arizona Department of Administration. Additional information is attached.

Estimated Cost \$ \_\_\_\_\_  See Additional Information Attached

Recommended Action:

Approve       Disapprove       Table       No Action Required

Division Head: *Stacy Trueblood* Superintendent: *Kevin Stoltzfus*

Board Action: M: \_\_\_\_\_ S: \_\_\_\_\_ A: \_\_\_\_\_ N: \_\_\_\_\_ C: \_\_\_\_\_

**FLOWING WELLS SCHOOLS**  
District Administration Center

**MEMORANDUM**

To: Governing Board  
Dr. Kevin Stoltzfus

From: Stacy Trueblood

Date: March 22, 2024

Re: BID 24-04-25 FWHS West Gym Roof and HVAC Replacement

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On March 5, 2024 the district issued an Invitation for Bid, BID 24-04-25, for the replacement of the west gym roof and installation of HVAC at Flowing Wells High School. Over 300 vendors were notified of the solicitation on AZ Purchasing's website. In addition, the district placed an ad in the newspaper. A pre-bid conference was held on March 12, 2024 to provide prospective vendors the opportunity to ask questions and view the project site. Seventeen vendors attended the pre-bid conference.

Bids were due on March 21, 2024. The District received six proposals. Please see the attached letter from Breckenridge Group Architects which lists the proposals. The letter indicates that the lowest bidder was determined to be non-responsive. The next lowest bid from Edge Construction meets all project specifications and is deemed to be responsive. The recommendation is to award the project to Edge Construction. This project is expected to be funded through a Building Renewal Grant from the School Facilities Division (SFD). A Notice to Proceed will be issued upon confirmation of funding from the SFD. The project is anticipated to be completed during the summer of 2024.

District administration recommends award of BID 24-04-25 FWHS West Gym Roof and HVAC Replacement to Edge Construction at a cost of \$3,540,000.



**Breckenridge**  
 g r o u p  
 a r c h i t e c t s  
 p l a n n e r s

March 22, 2024

**Tony Young**  
**Director of Maintenance**  
**Flowing Wells Unified School District**  
**1556 W. Prince Road**  
**Tucson, AZ 85705**

Re: **Flowing Wells High School – West Gym Roof and HVAC Replacement**  
 Bid Award Recommendation

Dear Mr. Young,

On March 21, 2024 at 02:00 PM, bids were received for the FWHS West Gym roof and HVAC replacement project. Bids were received from the following contractors and listed below are the results.

- |                                |                          |
|--------------------------------|--------------------------|
| 1. Jim Brown and Son's Roofing | Net Bid: \$ 2,888,130.00 |
| 2. EDGE Construction           | Net Bid: \$ 3,540,000.00 |
| 3. LOR Construction            | Net Bid: \$ 4,093,290.00 |
| 4. Chasse Building Team        | Net Bid: \$ 3,695,373.00 |
| 5. Econosmart LLC              | Net Bid: \$ 3,775,951.00 |
| 6. MJI Company                 | Net Bid: \$ 4,207,982.00 |

Six (6) bidders submitted bid packages on time, and were present for the mandatory pre-bid walk-through. It is our recommendation that Edge Construction, LLC be awarded this contract as the lowest qualified responsive bidder. Jim Brown and Son's Roofing bid is nonresponsive for failing to meet the following per design specification requirements of Section 075216: did not provide the intent to have weekly inspections and reports by the manufacturer, did not provide the required third-party independent testing data, did not provide product performance data, the product submitted does not meet design specifications.

Please let me know if you have any questions or need additional information.

Sincerely,

Edgardo Parra  
 Project Manager

FLOWING WELLS SCHOOL DISTRICT  
Board Agenda Item

G-1  
Agenda Item Number

March 26, 2024  
Board Meeting Date

Item: Recommend Approval of Revision to Policy GCCA Professional Staff Sick Leave

Submitted By: Dr. Kevin Stoltzfus/  
Dr. Kimberley Parkinson Date: March 21, 2024

Will Be Presented By: Dr. Kevin Stoltzfus/Dr. Kimberley Parkinson

District administration recommends approval to revise Policy GCCA Professional Staff Sick Leave, which was brought for discussion during the Governing Board Meeting on March 12, 2024. The attached memo summarizes the revision, and the accompanying policy draft includes underlined text to indicate additions. The revision would clarify that permanent substitutes are able to carry forward unused accrued sick leave and use accrued sick leave in a manner consistent with other professional staff members.

Estimated Cost \$ \_\_\_\_\_  See Additional Information Attached

Recommended Action:

Approve       Disapprove       Table       No Action Required

Division Head: \_\_\_\_\_ Superintendent: Kevin Stoltzfus

Board Action: M: \_\_\_\_\_ S: \_\_\_\_\_ A: \_\_\_\_\_ N: \_\_\_\_\_ C: \_\_\_\_\_

**FLOWING WELLS SCHOOL DISTRICT**  
**Memorandum**

TO: Governing Board Members  
Dr. Kevin Stoltzfus, Superintendent

FROM: Dr. Kim Parkinson, Associate Superintendent

RE: Recommended Change for Policy GCCA

DATE: March 20, 2024

District Administration is seeking Governing Board approval of the attached revision to policy GCCA Professional Staff Sick Leave. The attached draft policy includes underlined text to indicate additions. This policy was brought for review and discussion during the March 12, 2024, Governing Board Meeting.

The following revisions seek to distinguish rules outlined in policy GCCA for regular substitute teachers from those for permanent substitute teachers, who work at a school in our district every day.

Per A.R.S. 23-372, Flowing Wells employees in the position of Permanent Substitute accrue leave at the rate of one hour accrued for each 30 hours worked. The current policy GCCA contains language for substitute teachers that limits the number of hours substitute teachers may accrue or use in a given school year to 40 hours.

Because permanent substitutes work every day, District administration recommends the sick leave policy for permanent substitutes align with that of other certified professional staff members.

The attached revisions would allow permanent substitutes to carry forward all unused accrued paid sick time to the following fiscal year, and use all of their accrued leave according to the previously established guidelines for professional staff members as described in policy GCCA.

## **GCCA PROFESSIONAL STAFF SICK LEAVE**

All professional staff employees shall accrue and may use paid sick leave as set forth in this policy. Accrued paid sick leave may be used when, as the result of personal or family illness, injury or other reason as set forth in this policy below, an employee reasonably needs to be absent from work.

### **Accrual and Carry Over of Paid Sick Leave**

Professional staff employees, including regular and substitute teachers, accrue paid sick leave as follows:

#### Twelve (12)-month employees

Professional staff employees who work on a year around basis—i.e., twelve (12)-month employees-- shall receive four (4) paid sick leave days on the first day of each fiscal year and shall accrue an additional eight (8) paid sick leave days on a proportional basis over the remainder of the fiscal year, for a total of twelve (12) paid sick leave days per fiscal year.

#### Ten (10)-month employees (other than substitute teachers)

Professional staff employees (other than substitute teachers) who work on a ten (10) month per fiscal year basis, including teachers other than substitute teachers, shall receive four (4) paid sick leave days on the first day of their employment each fiscal year and shall accrue an additional six (6) paid sick leave days on a proportional basis over the remaining ten (10) months of their employment for that fiscal year, for a total of ten (10) paid sick leave days per fiscal year.

#### Permanent substitute teachers

Permanent substitute teachers accrue paid sick leave at the rate of one (1) hour of paid sick leave for every thirty (30) hours worked. A permanent substitute's accrued paid sick leave that is not used prior to the end of the fiscal year shall be carried forward to the following fiscal year.

#### Substitute teachers

Substitute teachers accrue paid sick leave at the rate of one (1) hour of paid sick leave for every thirty (30) hours worked, up to a maximum accrual of forty (40) hours per fiscal year, inclusive of any paid sick leave hours carried forward from the prior fiscal year. Substitute teachers may neither accrue nor use more than forty (40) hours of paid sick leave in any fiscal year (these limitations do not apply to permanent substitutes).

For a professional staff employee (other than a substitute teacher), the number of paid sick leave hours that are included in a "day" of accrued paid sick leave is determined by dividing that employee's regularly scheduled weekly work hours by five (5). For example, for an employee who typically works eight (8) hours per day, five (5) days a week, a "day" of accrued paid sick leave equates to eight (8) hours of paid sick leave for that employee (eight [8] times five [5] divided by five [5] equals eight [8]). For an employee who normally works four (4) hours per day, four (4) days a week, a "day" of accrued paid sick leave equates to three and two tenths (3.2) hours of paid sick leave for that employee (four [4] times four [4] divided by five [5] equals three and two-tenths [3.2.]). This paragraph does not apply to substitute teachers because substitute teachers accrue and use paid sick leave on an hourly rather than daily basis.

For accrual purposes, an "exempt" professional staff employee other than a substitute teacher will be assumed to work forty (40) hours each work week unless that employee's normal work week is less than forty (40) hours, in which case accrual of paid sick time shall be based on the hours in that

employee's normal work week. Substitute teachers accrue (and use) paid sick leave time on an hourly basis, with accrual of paid sick leave based upon the time clocked in the District time management software. An employee's accrued paid sick leave that is not used prior to the end of the fiscal year shall be carried forward to the following fiscal year.

### **Use of Paid Sick Leave**

Paid sick time may be used, and shall be apportioned, in quarter hour increments, up to an employees' regularly scheduled daily hours.

A Permanent substitute or other substitute teacher who uses paid sick leave on a day when he or she was scheduled or asked to work shall be paid for either (8) hours, or the number of paid sick leave hours the substitute teacher has available, whichever is less.

Accrued paid sick leave may be used for any of the following reasons:

- A. An employee's mental or physical illness, injury or health condition; an employee's need for medical diagnosis, care, or treatment of a mental or physical illness, injury or health condition; an employee's need for preventive medical care;
- B. Care of a family member with a mental or physical illness, injury or health condition; care of a family member who needs medical diagnosis, care, or treatment of a mental or physical illness, injury or health condition; care of a family member who needs preventive medical care;
- C. Reasons related to child care, domestic violence, sexual violence, abuse or stalking, and legal services as described in A.R.S. §23-373.

In addition to the above and subject to the restrictions and limitations on the use of personal leave set out in Policy GCCB, an employee may use a portion of his or her paid sick leave as personal leave, as follows:

- A. Prior to having completed ten (10) years of employment in the District, up to four (4) paid sick leave days per fiscal year may be used as personal leave.
- B. After having completed ten (10) years of employment in the District, up to five (5) paid sick leave days per fiscal year may be used as personal leave.

Personal leave days used are deducted from the employee's accrued paid sick leave, except that after having completed fifteen (15) years of employment in the District, the employee's first day of personal leave in any given fiscal year will not be deducted from the employee's accrued paid sick leave.

### **Notice, Scheduling and Documentation of Use of Paid Sick Leave**

Whenever reasonably possible, an employee shall give the District advance notice of the need to use paid sick leave and shall include in such notice the expected duration of the absence.

When the need to use paid sick leave is foreseeable, the employee shall make reasonable good faith efforts to:

- A. Provide to the District as much advance notice of the need to use leave as is reasonably possible; and
- B. Schedule the use of such leave in a manner that does not unduly disrupt District operations.

If an employee uses three (3) or more consecutive work days of paid sick leave, the District may require the employee to provide reasonable documentation that the paid sick leave has been used for an authorized purpose, as set out above. Documentation signed by a health care professional indicating that the employee's use of paid sick leave is necessary shall be considered reasonable documentation for purposes of this section.

### **Definition of Family Member**

For the purpose of this policy and as defined in A.R.S. §23-371, "family member" means:

- A. Regardless of age, a biological, adopted or foster child, stepchild or legal ward, a child of a domestic partner, a child to whom the employee stands *in loco parentis*, or an individual to whom the employee stood *in loco parentis* when the individual was a minor;
- B. A biological, foster, stepparent or adoptive parent or legal guardian of an employee or an employee's spouse or domestic partner or a person who stood *in loco parentis* when the employee or employee's spouse or domestic partner was a minor child;
- C. A person to whom the employee is legally married under the laws of any state, or a domestic partner of an employee as registered under the laws of any state or political subdivision;
- D. A grandparent, grandchild or sibling (whether of a biological, foster, adoptive or step relationship) of the employee or the employee's spouse or domestic partner; or
- E. Any other individual related by blood or affinity whose close association with the employee is the equivalent of a family relationship.

### **Miscellaneous Provisions**

If an employee exhausts all paid and Family and Medical Leave Act (FMLA) leave that the employee has available, the employee must request an unpaid leave of absence pursuant to District policy.

If an employee is medically able to return, but does not wish to return, to her duties following childbirth, an extended leave of absence must be requested, consistent with existing District policy.

When there is a separation from employment and the employee is rehired by the District within nine (9) months thereafter, previously accrued but unused paid leave shall be reinstated.

The District shall not retaliate against an employee for the employee's proper use of paid sick leave as set out in this policy.

An employee is not required to be compensated for accrued but unused paid sick leave upon the employee's termination, resignation, retirement or other separation from employment unless such compensation is expressly provided for in a separate Governing Board policy and the employee qualifies for such payment.

FLOWING WELLS SCHOOL DISTRICT  
Board Agenda Item

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H-1	March 26, 2024
Agenda Item Number	Board Meeting Date

Item: Executive Session

Submitted By: Dr. Kevin Stoltzfus Date: March 21, 2024

Will Be Presented By: Dr. Kevin Stoltzfus

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In accordance with A.R.S. §38-431.03.A.1, an Executive Session may be called for discussion or consideration of employment, assignment, appointment, promotion, demotion, dismissal, salaries, disciplining, termination or resignation of a public officer or district employees; concerning resignation of a District Officer.

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Estimated Cost \$ \_\_\_\_\_  See Additional Information Attached

Recommended Action, if needed:

Approve       Disapprove       Table       No Action Required

Division Head: \_\_\_\_\_ Superintendent: Kevin Stoltzfus

Board Action: M: \_\_\_\_\_ S: \_\_\_\_\_ A: \_\_\_\_\_ N: \_\_\_\_\_ C: \_\_\_\_\_