Eloy Elementary School District No. 11
Single Audit Reporting Package
Year Ended June 30, 2025

Eloy Elementary School District No. 11

Single Audit Reporting Package
Year Ended June 30, 2025

Eloy Elementary School District No. 11

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Eloy Elementary School District No. 11
Financial Statements
Year Ended June 30, 2025

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Independent Auditor's Report

Governing Board
Eloy Elementary School District No. 11

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 Eloy Elementary School District No. 11 (District), as of and for the year ended June 30, 2025, 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 Eloy Elementary School District No. 11, as of June 30, 2025, 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 Eloy Elementary School District No. 11 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 to the financial statements, the District implemented the provisions of GASB Statement No. 101, *Compensated Absences*, for the year ended June 30, 2025. 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, including omissions, 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 Supplementary Information, as listed in the table of contents, is presented for purposes of additional analysis 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. 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 Supplementary Information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2026, on our consideration of Eloy Elementary School District No. 11'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 Eloy Elementary School District No. 11'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 Eloy Elementary School District No. 11's internal control over financial reporting and compliance.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Tucson, Arizona
March 23, 2026

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

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As management of the Eloy Elementary School District No. 11 (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, 2025. The management's discussion and analysis is presented as required supplementary information to supplement the basic financial statements.

Financial Highlights

- The District's total net position of governmental activities increased $466,630 which represents a 21 percent increase from the prior fiscal year.

- General revenues accounted for $7.3 million in revenue, or 73 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for $2.7 million or 27 percent of total current fiscal year revenues.

- The District had approximately $9.5 million in expenses related to governmental activities, a decrease of 18 percent from the prior fiscal year due to a reduction in staff as a result of a decrease in the student count.

- Among major funds, the General Fund had $6.5 million in current fiscal year revenues, which primarily consisted of state aid and property taxes, and $6.3 million in expenditures. The General Fund's fund balance increased from $2.5 million at the prior fiscal year end, to $2.8 million at the end of the current fiscal year.

- The Federal and State Grants Fund had $1.9 million in current year revenues and $1.3 million in expenditures. The Federal and State Grants Fund's fund balance increased from a deficit of $486,714 to $23,244 due to the receipt of outstanding COVID grant reimbursements from the prior year.

- The Classroom Site Fund had $658,353 in current fiscal year revenues and $380,996 in current fiscal year expenditures. The Classroom Site Fund's fund balance increased by $277,539.

- The Food Service Fund had $848,796 in current fiscal year revenues and $941,324 in current fiscal year expenditures. The Food Service Fund's fund balance decreased by $92,528.

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.

Overview of Financial Statements

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.

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.

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, Classroom Site, and Food Service Funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation.

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 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 $2.7 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.

Government-Wide Financial Analysis

The following table presents a summary of the District's net position for the fiscal years ended June 30, 2025 and June 30, 2024.

	As of June 30, 2025	As of June 30, 2024
Current and other assets	$ 4,792,116	$ 3,970,979
Capital assets, net	5,003,634	5,435,708
Total assets	9,795,750	9,406,687
Deferred outflows	940,508	974,815
Current liabilities	328,764	178,506
Long-term liabilities	6,988,432	7,427,011
Total liabilities	7,317,196	7,605,517
Deferred inflows	744,711	340,676
Net position:		
Net investment in capital assets	4,350,367	4,656,593
Restricted	1,658,751	1,338,099
Unrestricted	(3,334,767)	(3,559,383)
Total net position	$ 2,674,351	$ 2,435,309

At the end of the current fiscal year the District reported positive balances in two categories of net position. Unrestricted net position, which is normally used to meet the District's mission reported a deficit of $3.3 million. The deficit is due to the District recording the proportionate share of the state pension plan's unfunded liability. 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 decrease of $504,719 in pension liabilities.
- The addition of $665,770 in accumulated depreciation through current year depreciation expense.
- The addition of $233,696 in capital assets through improvements to land and buildings and the purchase of vehicles.

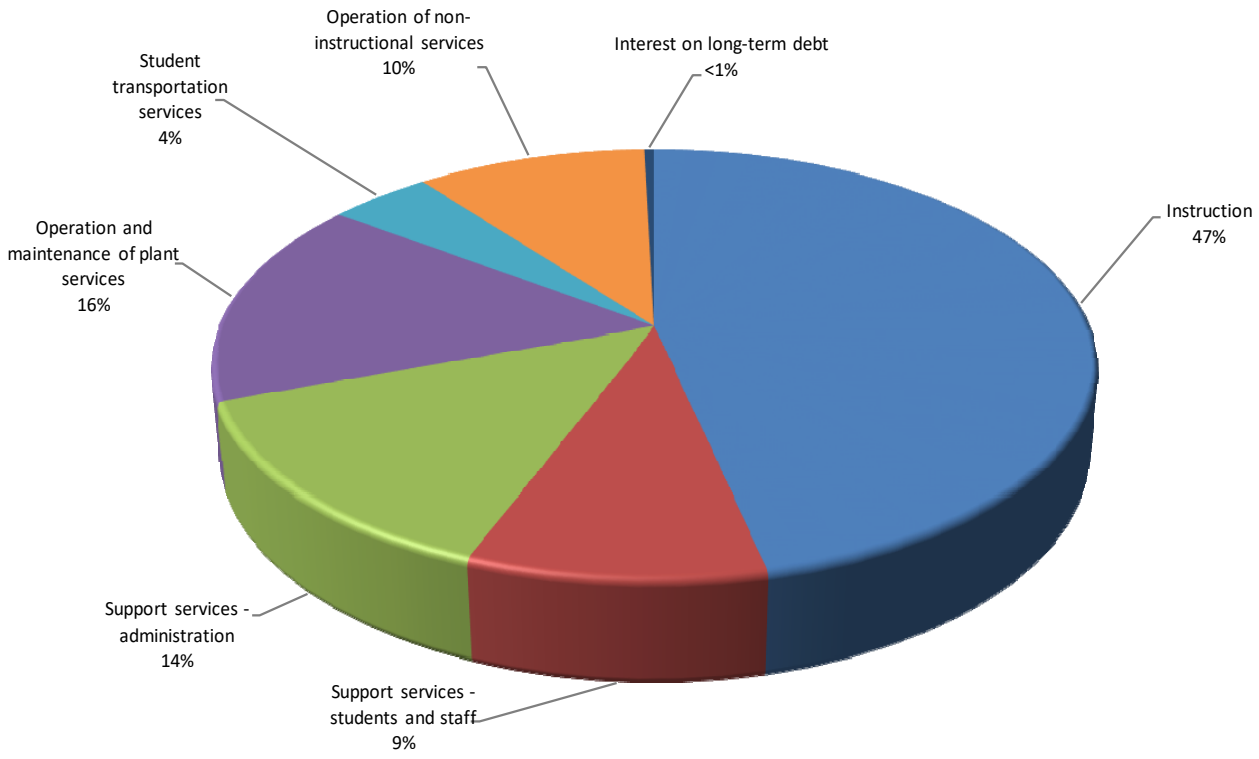
Government-Wide Financial Analysis

Changes in net position. The District's total revenues for the current fiscal year were $10.0 million. The total cost of all programs and services was $9.5 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2025 and June 30, 2024.

	Fiscal Year Ended June 30, 2025	Fiscal Year Ended June 30, 2024
Revenues:		
Program revenues:		
Charges for services	$ 198,946	$ 303,046
Operating grants and contributions	2,357,617	3,807,338
Capital grants and contributions	102,647	165,604
General revenues:		
Property taxes	1,515,622	1,474,631
Investment income	34,102	33,793
Unrestricted state aid	5,701,511	5,534,378
Unrestricted federal aid	60,943	67,360
Total revenues	9,971,388	11,386,150
Expenses:		
Instruction	4,419,999	5,622,609
Support services - students and staff	887,869	1,251,875
Support services - administration	1,303,312	1,620,705
Operation and maintenance of plant services	1,483,657	1,413,687
Student transportation services	422,522	583,782
Operation of non-instructional services	949,543	999,423
Interest on long-term debt	37,856	43,739
Total expenses	9,504,758	11,535,820
Changes in net position	466,630	(149,670)
Net position, beginning as restated	2,207,721	2,584,979
Net position, ending	$ 2,674,351	$ 2,435,309

Government-Wide Financial Analysis

Expenses - Fiscal Year 2025



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

- Operating grants and contributions decreased $1.5 million primarily due to a decrease in COVID related grants.

- Instruction expense decreased $1.2 million primarily due to a decrease in salaries and related benefits as a result of a decrease in enrollment and in COVID grant funding used to pay stipends in the prior year.

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, 2025		Year Ended June 30, 2024	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
Instruction	$ 4,419,999	$ (3,344,630)	$ 5,622,609	$ (2,768,165)
Support services - students and staff	887,869	(436,447)	1,251,875	(933,378)
Support services - administration	1,303,312	(1,159,269)	1,620,705	(1,581,199)
Operation and maintenance of plant services	1,483,657	(1,370,445)	1,413,687	(1,306,495)
Student transportation services	422,522	(395,807)	583,782	(583,061)
Operation of non-instructional services	949,543	(101,094)	999,423	(43,795)
Interest on long-term debt	37,856	(37,856)	43,739	(43,739)
Total	$ 9,504,758	$ (6,845,548)	$ 11,535,820	$ (7,259,832)

- The cost of all governmental activities this year was $9.5 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of $2.7 million.
- Net cost of governmental activities of $6.8 million was financed by general revenues, which are made up of primarily property taxes of $1.5 million and state aid of $5.7 million.

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 $4.0 million, an increase of $1.0 million due primarily to the receipt of outstanding COVID grant reimbursements from prior year.

Financial Analysis of The District's Funds

The General Fund comprises 71 percent of the total fund balance. The General Fund is the principal operating fund of the District. The fund balance increased $259,211 in the General Fund to $2.8 million as of fiscal year end. General Fund revenues increased $129,451 and expenditures decreased $141,841.

The Federal and State Grants Fund's fund balance increased from a deficit balance of $486,714 to a balance of $23,244 at fiscal year end. Federal and State Grants Fund expenditures decreased $1.4 million and revenues decreased $1.5 million primarily due to federal COVID-19 grant monies no longer received by the District.

The Classroom Site Fund revenues increased $629 and expenditures decreased $63,665.

The Food Service Fund revenues decreased $107,509 and expenditures decreased $53,547.

Budgetary Highlights

Over the course of the year, the District revised the General Fund annual expenditure budget for changes in student enrollment. The difference between the original budget and the final amended budget was an $867,396 increase, or 15 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 $785,324 was a result of budgeting the maximum budget limit to maximize budget carryforward to provide capacity for future years.

Capital Assets and Debt Administration

Capital Assets. At year end, the District had invested $17.3 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 $233,696 from the prior fiscal year. Total depreciation expense for the current fiscal year was $665,770.

Capital Assets and Debt Administration

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2025 and June 30, 2024.

	As of June 30, 2025	As of June 30, 2024
Capital assets - non-depreciable	$ 172,911	$ 172,911
Capital assets - depreciable, net	4,830,723	5,262,797
Total	$ 5,003,634	$ 5,435,708

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

Debt Administration. At year end, the District had $653,267 in long-term debt outstanding, $133,267 due within one year. Long-term debt decreased by $125,848.

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 15 percent of the total net full cash assessed valuation) and the statutory debt limit on Class B bonds (the greater of 10 percent of the net full cash assessed valuation or $1,500 per student). The current total debt limitation for the District is $7.1 million and the Class B debt limit is $4.7 million, which are more than the District's total outstanding general obligation and Class B debt, respectively.

Additional information on the District's long-term debt can be found in Notes 7 through 9.

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 2025-26 budget. Among them:

- Fiscal year 2024-25 budget balance carry forward (estimated $405,800).
- District student population (estimated 628).

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

Budgeted expenditures in the General Fund decreased nine percent to $6.2 million in fiscal year 2025-26. Decreased payroll and employee benefit costs is the primary reason for the decrease. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2025-26 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 and Finance Department, Eloy Elementary School District No. 11, 1011 North Sunshine Blvd., Eloy, Arizona 85131.

Basic Financial Statements

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Government-Wide Financial Statements

Eloy Elementary School District No. 11
Statement of Net Position
June 30, 2025

	Governmental Activities
Assets	
Current assets:	
Cash and investments	$ 3,808,144
Deposits	72,975
Property taxes receivable	80,506
Accounts receivable	45,000
Due from governmental entities	586,337
Total current assets	4,592,962
Noncurrent assets:	
Net other postemployment benefit plan assets	199,154
Capital assets not being depreciated	172,911
Capital assets, net accumulated depreciation	4,830,723
Total noncurrent assets	5,202,788
Total assets	9,795,750
Deferred outflows of resources	
Pension plan items	925,688
Other postemployment benefit plan items	14,820
Total deferred outflows of resources	940,508
Liabilities	
Current liabilities:	
Accounts payable	63,532
Accrued payroll and employee benefits	265,232
Compensated absences payable	212,939
Financed purchases payable	43,267
Bonds payable	90,000
Total current liabilities	674,970
Noncurrent liabilities:	
Non-current portion of long-term obligations	6,642,226
Total noncurrent liabilities	6,642,226
Total liabilities	7,317,196
Deferred inflows of resources	
Pension plan items	675,629
Other postemployment benefit plan items	69,082
Total deferred inflows of resources	744,711
Net position	
Net investment in capital assets	4,350,367
Restricted for:	
Instruction	1,206,020
Food service	73,005
Non-instructional purposes	164,928
Debt service	15,644
Other postemployment benefit plan assets	199,154
Unrestricted	(3,334,767)
Total net position	$ 2,674,351

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

Eloy Elementary School District No. 11
Statement of Activities
For the Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Program Revenue: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental activities					
Instruction	$ 4,419,999	$ 140,163	$ 927,732	$ 7,474	$ (3,344,630)
Support services - students and staff	887,869		451,422		(436,447)
Support services - administration	1,303,312	46,083	97,960		(1,159,269)
Operation and maintenance of plant services	1,483,657		18,385	94,827	(1,370,445)
Student transportation services	422,522	9,419	17,296		(395,807)
Operation of non-instructional services	949,543	3,281	844,822	346	(101,094)
Interest on long-term debt	37,856				(37,856)
Total governmental activities	$ 9,504,758	$ 198,946	$ 2,357,617	$ 102,647	(6,845,548)
General revenues					
Property taxes					1,515,622
Investment income					34,102
Unrestricted state aid					5,701,511
Unrestricted federal aid					60,943
Total general revenues					7,312,178
Changes in net position					466,630
Net position, beginning of year, previously reported					2,435,309
Adjustments to beginning net position					(227,588)
Net position, beginning of year, as restated					2,207,721
Net position, end of year					$ 2,674,351

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

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Fund Financial Statements

Eloy Elementary School District No. 11
Balance Sheet
Governmental Funds
June 30, 2025

	General	Federal and State Grants	Classroom Site	Food Service
Assets				
Cash and investments	$ 2,704,728	$ 24,764	$ 752,917	$
Deposits				72,975
Property taxes receivable	74,210			
Accounts receivable				
Due from governmental entities	187,233	278,021		95,521
Due from other funds	139,241			
Total assets	$ 3,105,412	$ 302,785	$ 752,917	$ 168,496
Liabilities				
Accounts payable	$ 48,716	$ 8,090	$	$ 6,726
Due to other funds				71,553
Accrued payroll and employee benefits	191,970	39,899	8,998	17,212
Total liabilities	240,686	47,989	8,998	95,491
Deferred inflows of resources				
Unavailable revenues - property taxes	57,448			
Unavailable revenues - intergovernmental		231,552		
Total deferred inflows of resources	57,448	231,552		
Fund balances				
Restricted		23,244	743,919	73,005
Unassigned	2,807,278			
Total fund balances	2,807,278	23,244	743,919	73,005
Total liabilities, deferred inflows of resources and fund balances	$ 3,105,412	$ 302,785	$ 752,917	$ 168,496

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

Non-Major Governmental Funds	Total Governmental Funds
$ 325,735	$ 3,808,144
	72,975
6,296	80,506
45,000	45,000
25,562	586,337
	139,241
$ 402,593	$ 4,732,203
$	$ 63,532
67,688	139,241
7,153	265,232
74,841	468,005
4,841	62,289
	231,552
4,841	293,841
390,599	1,230,767
(67,688)	2,739,590
322,911	3,970,357
$ 402,593	$ 4,732,203

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Eloy Elementary School District No. 11
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2025

Total fund balances - governmental funds		**$ 3,970,357**
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	$ 17,308,892	
Less accumulated depreciation	(12,305,258)	
		5,003,634
Some receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds.		
Property taxes	62,289	
Intergovernmental	231,552	
		293,841
Deferred outflows and inflows of resources related to pensions/OPEB are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions/OPEB	940,508	
Deferred inflows of resources related to pensions/OPEB	(744,711)	
		195,797
The net OPEB asset is not a current financial resource and, therefore, is not reported in the funds.		199,154
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Compensated absences payable	(304,198)	
Financed purchases payable	(43,267)	
Bonds payable	(610,000)	
Net pension liability	(6,030,967)	
		(6,988,432)
Net position of governmental activities		**$ 2,674,351**

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

Eloy Elementary School District No. 11
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

	General	Federal and State Grants	Classroom Site	Food Service
Revenues				
Other local	$ 37,235	$	$ 17,196	$ 3,628
Property taxes	1,370,850			
State aid and grants	5,006,545	142,799	641,339	
Federal aid, grants and reimbursements	60,943	1,762,060		845,168
Total revenues	6,475,573	1,904,859	658,535	848,796
Expenditures				
Current:				
Instruction	2,773,688	814,845	380,234	
Support services - students and staff	488,355	399,916	762	
Support services - administration	1,139,290	86,783		11,963
Operation and maintenance of plant services	1,300,658	18,205		18,544
Student transportation services	319,743	15,323		
Operation of non-instructional services	26,354			910,471
Capital outlay	186,576	7,474		346
Debt service:				
Principal retirement	40,848			
Interest and fiscal charges	4,980			
Total expenditures	6,280,492	1,342,546	380,996	941,324
Excess (deficiency) of revenues over expenditures	195,081	562,313	277,539	(92,528)
Other financing sources (uses)				
Transfers in	52,355			
Transfers out		(52,355)		
Proceeds from sale of capital assets	11,775			
Total other financing sources (uses)	64,130	(52,355)		
Changes in fund balances	259,211	509,958	277,539	(92,528)
Fund balances, beginning of year, previously reported	2,548,067	(486,714)	466,380	
Adjustments to beginning fund balances				165,533
Fund balances, beginning of year, as restated	2,548,067	(486,714)	466,380	165,533
Fund balances, end of year	$ 2,807,278	$ 23,244	$ 743,919	$ 73,005

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

Non-Major Governmental Funds	Total Governmental Funds
$ 171,154	$ 229,213
120,449	1,491,299
148,454	5,939,137
	2,668,171
440,057	10,327,820
126,557	4,095,324
	889,033
24,048	1,262,084
3,100	1,340,507
4,915	339,981
	936,825
87,539	281,935
85,000	125,848
32,876	37,856
364,035	9,309,393
76,022	1,018,427
	52,355
	(52,355)
	11,775
	11,775
76,022	1,030,202
412,422	2,940,155
(165,533)	
246,889	2,940,155
$ 322,911	$ 3,970,357

Eloy Elementary School District No. 11
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, 2025

Changes in fund balances - total governmental funds		**$ 1,030,202**
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	$ 233,696	
Less current year depreciation	(665,770)	
		(432,074)
Some revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	24,323	
Intergovernmental	(392,530)	
		(368,207)
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	40,848	
Bond principal retirement	85,000	
		125,848
Governmental funds report pension/OPEB contributions as expenditures. However, they are reported as deferred outflows of resources in the Statement of Net Position. The change in the net pension/OPEB liability, adjusted for deferred items, is reported as pension expense in the Statement of Activities.		
Current year pension/OPEB contributions	511,698	
Pension/OPEB expense	(436,437)	
		75,261
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.		
Compensated absences	35,600	
		35,600
Changes in net position in governmental activities		**$ 466,630**

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

Note 1 – Summary of Significant Accounting Policies

The financial statements of the Eloy Elementary School District No. 11 (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, 2025, the District implemented the provisions of GASB Statement No. 101, *Compensated Absences*. This Statement updates the recognition and measurement guidance for compensated absences. Liabilities are recognized for leave that has not been used, as well as leave that has been used but not yet paid in cash or settled through noncash means. Beginning balances of compensated absences reported in the governmental activities have been restated accordingly.

The more significant of the District's accounting policies are described below.

A. Reporting Entity

The Governing Board is organized under Section 15-321 of the Arizona Revised Statutes (A.R.S.). Management of the District is independent of other state or local governments. The County Treasurer collects taxes for the District, but exercises no control over its expenditures/expenses.

The membership of the Governing Board consists of five members elected by the public. Under existing statutes, the Governing Board's duties and powers include, but are not limited to, the acquisition, maintenance and disposition of school property; the development and adoption of a school program; and the establishment, organization and operation of schools.

The Board also has broad financial responsibilities, including the approval of the annual budget, and the establishment of a system of accounting and budgetary controls.

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

Note 1 – Summary of Significant Accounting Policies

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) present financial information about the District as a whole. The reported information includes all of the nonfiduciary activities of the District. For the most part, the effect of internal activity has been removed from these statements. These statements are to distinguish between the governmental and business-type activities of the District. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District does not have any business-type activities or fiduciary activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, unrestricted federal, state aid, and other items not included among program revenues are reported instead as general revenues.

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

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

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

Note 1 – Summary of Significant Accounting Policies

Property taxes, federal, state aid, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Food services and miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash. Grants and similar awards are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. Unearned revenues arise when resources are received by the District before it has legal claim to them, as when grant monies are received prior to meeting all eligibility requirements imposed by the provider.

Delinquent property taxes and other receivables that will not be collected within the available period have been reported as unavailable revenues on the governmental fund financial statements.

The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

The District reports the following major governmental funds:

General Fund – The General Fund is the District's primary operating fund. It accounts for all resources used to finance District maintenance and operation except those required to be accounted for in other funds. The General Fund includes the District's Maintenance and Operation Fund and the Unrestricted Capital Outlay Fund, as well as other funds that 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.

Classroom Site Fund – The Classroom Site Fund accounts for the financial activity for the portion of state sales tax collections and permanent state school funding earnings.

Food Service – The Food Service Fund accounts 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.

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.

Note 1 – Summary of Significant Accounting Policies

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

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

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

E. Investment Income

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

F. Receivables and Payables

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

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

Note 1 – Summary of Significant Accounting Policies

G. Property Tax Calendar

The County Treasurer is responsible for collecting property taxes for all governmental entities within the county. The county levies real and personal real property taxes on or before the third Monday in August, that become due and payable in two equal installments. The first installment is due on the first day of October and becomes delinquent after the first business day of November. The second installment is due on the first day of March of the next year and becomes delinquent after the first business day of May.

Pursuant to A.R.S., a lien against assessed real and personal property attaches on the first day of January preceding assessment and levy; however according to case law, an enforceable legal claim to the asset does not arise.

H. 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.

I. Capital Assets

Capital assets, which include land and improvements; buildings and improvements; vehicles, furniture, and equipment, are reported in the government-wide financial statements.

Capital assets are defined by the District as assets with an initial, individual cost in excess of $5,000 and an estimated useful life of more than one year. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Capital assets are depreciated using the straight-line method over the 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. Amortization of right-to-use assets is included with depreciation expense. The estimated useful lives and amortization periods are as follows:

Land improvements	10-20 years
Buildings and improvements	7-50 years
Vehicles, furniture and equipment	5-30 years

Note 1 – Summary of Significant Accounting Policies

J. 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.

K. Compensated Absences

The District's employee vacation and sick leave policies generally provide for granting vacation and sick leave with pay in varying amounts. Only benefits considered more likely than not to be used or paid are recognized in the financial statements. The liability for vacation and sick leave is reported in 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.

L. Pensions and Other Postemployment Benefits

For purposes of measuring the net pension and other postemployment benefit (OPEB) assets and liabilities, related deferred outflows of resources and deferred inflows of resources, and pension expense, information about the pension and OPEB plans' fiduciary net position and additions to/deductions from the plans' 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.

M. 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.

Note 1 – Summary of Significant Accounting Policies

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.

N. 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.

O. 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.

P. 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.

Note 2 – Fund Balance Classifications

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. The District does not have a formal policy or procedures for the utilization of committed fund balance, accordingly, no committed fund balance amounts are reported.

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 a management official delegated that authority by the formal Governing Board action. The District does not have a formal policy or procedures for the utilization of assigned fund balance, accordingly, no assigned fund balance amounts are reported.

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.

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.

Note 2 – Fund Balance Classifications

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

	General	Federal and State Grants	Classroom Site	Food Service	Non-Major Governmental Funds
Fund Balances:					
Restricted:					
Debt service	$	$	$	$	$ 10,803
Voter approved initiatives			743,919		83,351
Federal and state projects		23,244			
Food service				73,005	
Civic center					164,928
Student activities					55,451
Other purposes					76,066
Unassigned	2,807,278				(67,688)
Total fund balances	$ 2,807,278	$ 23,244	$ 743,919	$ 73,005	$ 322,911

Note 3 – Stewardship, Compliance and Accountability

Individual Deficit Fund Balance – At year end, the Other Capital Projects Fund, a non-major governmental fund, reported a deficit of $67,688 in fund balance. The deficit arose because of operations during the year. Additional revenues received in fiscal year 2025-26 are expected to eliminate the deficit.

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

Note 4 – Cash and Investments

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure the District's deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the District's deposits was $55,451 and the bank balance was $82,239.

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

Note 4 – Cash and Investments

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	1.72 years	$ 3,752,693

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.

Custodial Credit Risk – Investments. The District's investment in the County Treasurer's investment pool 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 5 – Receivables

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

	General	Federal and State Grants	Food Service	Non-Major Governmental Funds
Due from other governmental entities:				
Due from federal government	$ 14,654	$ 269,708	$ 95,521	$
Due from state government	172,579	8,313		25,562
Net due from governmental entities	$ 187,233	$ 278,021	$ 95,521	$ 25,562

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	$ 89,120	$	$	$ 89,120
Construction in progress	83,791			83,791
Total capital assets, not being depreciated	172,911			172,911
Capital assets, being depreciated:				
Land improvements	2,131,105	78,465		2,209,570
Buildings and improvements	11,864,302	17,425		11,881,727
Vehicles, furniture and equipment	2,906,878	137,806		3,044,684
Total capital assets being depreciated	16,902,285	233,696		17,135,981
Less accumulated depreciation for:				
Land improvements	(1,679,943)	(54,891)		(1,734,834)
Buildings and improvements	(7,947,358)	(450,343)		(8,397,701)
Vehicles, furniture and equipment	(2,012,187)	(160,536)		(2,172,723)
Total accumulated depreciation	(11,639,488)	(665,770)		(12,305,258)
Total capital assets being depreciated, net	5,262,797	(432,074)		4,830,723
Governmental activities capital assets, net	$ 5,435,708	$ (432,074)	$	$ 5,003,634

Depreciation expense was charged to governmental functions as follows:

Instruction	$ 387,916
Support services – students and staff	3,238
Support services – administration	44,715
Operation and maintenance of plant services	133,583
Student transportation services	78,771
Operation of non-instructional services	17,547
Total depreciation expense – governmental activities	$ 665,770

Construction Commitments – At year end, the District had contractual commitments related to roofing and other design projects. At year end the District had spent $83,791 on the projects and had estimated remaining contractual commitments of $228,061. These projects are being funded with School Facilities Board (SFB) revenues.

Note 7 – Financed Purchases Payable

The District has acquired a bus under the provisions of a contract classified as a financed purchase payable. Revenues from the General Fund are used to pay the debt obligations.

As of June 30, 2025, the governmental activities net present value principal was $43,267, due in fiscal year 2026, and the interest due for this future minimum lease payment was $2,561.

Note 8 – General Obligation Bonds Payable

Bonds payable at year end consisted of the following outstanding general obligation bonds. The bonds are noncallable with interest payable semiannually. Property taxes from the Debt Service Fund are used to pay bonded debt.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2025	Due Within One Year
Governmental activities:					
School Improvement Bonds, Project of 2011 Series 2012	$ 1,490,000	4.00-4.75%	7/1/25-30	$ 610,000	$ 90,000

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

	Governmental Activities	
Year ending June 30:	Principal	Interest
2026	$ 90,000	$ 28,262
2027	95,000	24,212
2028	100,000	19,938
2029	105,000	15,438
2030	105,000	10,450
2031	115,000	5,453
Total	$ 610,000	$ 103,753

Note 9 – Changes in Long-Term Liabilities

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

	Beginning Balance	Reductions	Ending Balance	Due Within One Year
Governmental activities:				
Bonds payable:				
General obligation bonds	$ 695,000	$ 85,000	$ 610,000	$ 90,000
Financed purchases payable	84,115	40,848	43,267	43,267
Net pension liability	6,535,686	504,719	6,030,967	
Compensated absences payable	339,798	35,600	304,198	212,939
Total long-term liabilities	$ 7,654,599	$ 666,167	$ 6,988,432	$ 346,206

Note 10 – Interfund Receivables, Payables, and Transfers

At year end, interfund balances were as follows:

Due to/from other funds – At year end, the Food Service Fund and the Other Capital Projects Fund, a non-major governmental fund, had negative cash balances of $71,553, and $67,688, respectively, in the Treasurer's pooled cash accounts. Negative cash on deposit with the County Treasurer was reduced by interfund borrowing with the General Fund. All interfund balances are expected to be paid within one year.

Interfund transfers – Transfers of $52,355 between funds were used to move federal grant funds restricted for indirect costs.

Note 11 – Contingent Liabilities

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

Note 12 – Restatements of Beginning Balances

Change in Accounting Principle – As described in Note 1, the District implemented the provisions of GASB Statement No. 101, which resulted in a change in net position of the governmental activities.

Change within the Financial Reporting Entity –The Food Service Fund previously met the definition of a non-major fund, however, in the current year the fund meets the definition of a major fund and has been reclassified accordingly.

Note 12 – Restatements of Beginning Balances

The effect of the matters noted above resulted in adjustments to and restatements of beginning fund balance as follows:

	June 30, 2024, As Previously Reported	Change within the Financial Reporting Entity	Change in Accounting Principle	June 30, 2024, As Restated
Government-Wide				
Governmental activities	$ 2,435,309	$	$ (227,588)	$ 2,207,721
Governmental Funds				
Major Funds:				
General Fund	2,548,067			2,548,067
Federal and State Grants	(486,714)			(486,714)
Classroom Site	466,380			466,380
Food Service		165,533		165,533
Non-Major Governmental Funds	412,422	(165,533)		246,889
Total Governmental Funds	$ 2,940,155	$	$	$ 2,940,155

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's employees have health and accident insurance coverage with the Arizona School Board Association Insurance Trust (ASBAIT). ASBAIT 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 a monthly premium to ASBAIT for employees' health and accident insurance coverage. The agreement provides that ASBAIT will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of specified amounts.

Note 13 – Risk Management

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 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 employee dental, vision and life insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 14 – Pensions and Other Postemployment Benefits

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.

Aggregate Amounts. At June 30, 2025, the District reported the following aggregate amounts related to pensions and OPEB for all plans to which it contributes:

	Pension	OPEB	Total
Net assets	$	$ (199,154)	$ (199,154)
Net liability	6,030,967		6,030,967
Deferred outflows of resources	925,688	14,820	940,508
Deferred inflows of resources	675,629	69,082	744,711
Expense	464,299	(27,862)	436,437
Contributions	508,742	2,956	511,698

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

Note 14 – Pensions and Other Postemployment Benefits

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 12.27 percent (12.12 percent for retirement and 0.15 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 12.27 percent (12.05 percent for retirement, 0.07 percent for health insurance premium benefit, and 0.15 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, 2025 were $508,742.

Note 14 – Pensions and Other Postemployment Benefits

Employers are also required to pay an Alternate Contribution Rate (ACR), for retired members who return to work in positions that would typically be filled by an employee who contributes to ASRS. The District was required by statute to contribute at the actuarially determined rate of 10.19 percent (10.14 for retirement and 0.05 percent for long-term disability). ACR contributions are included in employer contributions presented above.

The District's pension 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, 2024. 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, 2023, to the measurement date of June 30, 2024. 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, 2024.

At June 30, 2024, the District reported the following amounts for its proportionate share of the pension plan net liability. In addition, at June 30, 2024, the District's percentage proportion for the plan and the related change from its proportion measured as of June 30, 2023 was:

Net Liability	District % Proportion	Increase (Decrease)
$ 6,030,967	0.038	(0.003)

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, 2025 was $464,299.

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	$ 336,643	$
Net difference between projected and actual earnings on pension investments		385,143
Changes in proportion and differences between contributions and proportionate share of	80,303	290,486
Contributions subsequent to the measurement date	508,742	
Total	$ 925,688	$ 675,629

Note 14 – Pensions and Other Postemployment Benefits

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, 2026. 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:	
2026	$ (247,935)
2027	157,422
2028	(97,492)
2029	(70,678)

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

Actuarial valuation date	June 30, 2023
Actuarial roll forward date	June 30, 2024
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

The actuarial assumptions used in the June 30, 2023, 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.

Note 14 – Pensions and Other Postemployment Benefits

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
Public equity	44%	4.48%
Credit	23%	4.40
Interest rate sensitive bonds	6%	(0.45)
Private equity	10%	6.11
Real estate	17%	6.05
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.

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	$ 9,234,644	$ 6,030,967	$ 3,360,982

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued ASRS financial report. The report is available on the ASRS website at www.azasrs.gov.

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Required Supplementary Information

Eloy Elementary School District No. 11
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General
For the Year Ended June 30, 2025

	Budget		Non-GAAP	Variance with
	Original	Final	Actual	Final Budget
Revenues				
Property taxes	$	$	$ 1,370,643	$ 1,370,643
State aid and grants			4,619,922	4,619,922
Total revenues			5,990,565	5,990,565
Expenditures				
Current:				
Instruction	2,815,386	3,723,478	2,772,771	950,707
Support services - students and staff	539,794	539,794	487,155	52,639
Support services - administration	1,004,505	963,809	1,103,704	(139,895)
Operation and maintenance of plant services	1,044,390	1,044,390	1,300,658	(256,268)
Student transportation services	501,942	501,942	319,743	182,199
Operation of non-instructional services	22,296	22,296	26,354	(4,058)
Total expenditures	5,928,313	6,795,709	6,010,385	785,324
Changes in fund balances	(5,928,313)	(6,795,709)	(19,820)	6,775,889
Fund balances, beginning of year			1,116,661	1,116,661
Fund balances, end of year	$ (5,928,313)	$ (6,795,709)	$ 1,096,841	$ 7,892,550

See accompanying notes to this schedule.

Eloy Elementary School District No. 11
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Federal and State Grants
For the Year Ended June 30, 2025

	Budget Original and Final	Actual	Variance with Final Budget
Revenues			
State aid and grants	$	$ 142,799	$ 142,799
Federal aid, grants and reimbursements		1,762,060	1,762,060
Total revenues		1,904,859	1,904,859
Expenditures			
Current:			
Instruction	824,714	814,845	9,869
Support services - students and staff	404,760	399,916	4,844
Support services - administration	87,834	86,783	1,051
Operation and maintenance of plant services	18,426	18,205	221
Student transportation services	15,509	15,323	186
Capital outlay	7,565	7,474	91
Total expenditures	1,358,807	1,342,546	16,261
Excess (deficiency) of revenues over expenditures	(1,358,807)	562,313	1,921,120
Other financing sources (uses)			
Transfers out		(52,355)	(52,355)
Total other financing sources (uses)		(52,355)	(52,355)
Changes in fund balances	(1,358,807)	509,958	1,868,765
Fund balances, beginning of year		(486,714)	(486,714)
Fund balances, end of year	$ (1,358,807)	$ 23,244	$ 1,382,051

See accompanying notes to this schedule.

Eloy Elementary School District No. 11
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Classroom Site
For the Year Ended June 30, 2025

	Budget			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Other local	$	$	$ 17,196	$ 17,196
State aid and grants			641,339	641,339
Total revenues			658,535	658,535
Expenditures				
Current:				
Instruction	859,273	835,332	380,234	455,098
Support services - students and staff			762	(762)
Operation of non-instructional services	175,188	175,188		175,188
Total expenditures	1,034,461	1,010,520	380,996	629,524
Changes in fund balances	(1,034,461)	(1,010,520)	277,539	1,288,059
Fund balances, beginning of year			466,380	466,380
Fund balances, end of year	$ (1,034,461)	$ (1,010,520)	$ 743,919	$ 1,754,439

See accompanying notes to this schedule.

Eloy Elementary School District No. 11
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Food Service
For the Year Ended June 30, 2025

	Budget		
	Original and Final	Actual	Variance with Final Budget
Revenues			
Other local	$	$ 3,628	$ 3,628
Federal aid, grants and reimbursements		845,168	845,168
Total revenues		848,796	848,796
Expenditures			
Current:			
Support services - administration	11,120	11,963	(843)
Operation and maintenance of plant services	17,237	18,544	(1,307)
Operation of non-instructional services	846,321	910,471	(64,150)
Capital outlay	322	346	(24)
Total expenditures	875,000	941,324	(66,324)
Changes in fund balances	(875,000)	(92,528)	782,472
Fund balances, beginning of year		165,533	165,533
Fund balances, end of year	$ (875,000)	$ 73,005	$ 948,005

See accompanying notes to this schedule.

Eloy Elementary School District No. 11
Schedule of the Proportionate Share of the Net Pension Liability
Arizona State Retirement System
Last Ten Fiscal Years

	2025	2024	2023	2022
Measurement date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
District's proportion of the net pension (assets) liability	0.04%	0.04%	0.04%	0.04%
District's proportionate share of the net pension (assets) liability	$ 6,030,967	$ 6,535,686	$ 6,302,009	$ 5,125,741
District's covered payroll	$ 5,257,972	$ 5,283,196	$ 4,575,812	$ 4,348,961
District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	114.70%	123.71%	137.72%	117.86%
Plan fiduciary net position as a percentage of the total pension liability	76.93%	75.47%	74.26%	78.58%

Schedule of Pension Contributions
Arizona State Retirement System
Last Ten Fiscal Years

	2025	2024	2023	2022
Actuarially determined contribution	$ 508,742	$ 632,534	$ 629,757	$ 549,555
Contributions in relation to the actuarially determined contribution	508,742	632,534	629,757	549,555
Contribution deficiency (excess)	$	$	$	$
District's covered payroll	$ 4,221,925	$ 5,257,972	$ 5,283,196	$ 4,575,812
Contributions as a percentage of covered payroll	12.05%	12.03%	11.92%	12.01%

See accompanying notes to this schedule.

2021	2020	2019	2018	2017	2016
June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
0.04%	0.04%	0.04%	0.04%	0.05%	0.05%
$ 6,097,202	$ 5,510,526	$ 5,624,616	$ 6,606,651	$ 7,450,688	$ 7,927,388
$ 3,766,017	$ 3,967,487	$ 3,983,358	$ 4,521,735	$ 4,300,240	$ 3,917,695
161.90%	138.89%	141.20%	146.11%	173.26%	202.35%
69.33%	73.24%	73.40%	69.92%	67.06%	68.35%

2021	2020	2019	2018	2017	2016
$ 506,654	$ 431,209	$ 443,565	$ 434,186	$ 487,443	$ 466,576
506,654	431,209	443,565	434,186	487,443	466,576
$	$	$	$	$	$
$ 4,348,961	$ 3,766,017	$ 3,967,487	$ 3,983,358	$ 4,521,735	$ 4,300,240
11.65%	11.45%	11.18%	10.90%	10.78%	10.85%

Note 1 – Budgetary Basis of Accounting

The District's budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America, except for the following item.

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

Additionally, the General Fund includes the Maintenance and Operations Fund and other funds that do not meet the criteria for separate reporting in the financial statements. Arizona Revised Statutes requires the Maintenance and Operations Fund budget, and therefore these other funds must be subtracted to present only the activity of the Maintenance and Operations Fund.

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

	Total Expenditures	Fund Balances End of Year
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	$ 6,280,492	$ 2,807,278
Other funds presented in the General Fund	(326,687)	(1,383,513)
Employee insurance account	56,580	(326,924)
Schedule of Revenue, Expenditures and Changes in Fund Balances – Budget and Actual - General Fund	$ 6,010,385	$ 1,096,841

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, 2023, 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.

Supplementary Information

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Governmental Funds

Eloy Elementary School District No. 11
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Instructional Improvement
For the Year Ended June 30, 2025

	Budget Original and Final	Actual	Variance with Final Budget
Revenues			
Other local	$	$ 1,962	$ 1,962
State aid and grants		53,627	53,627
Total revenues		55,589	55,589
Expenditures			
Current:			
Instruction		37,520	(37,520)
Total expenditures		37,520	(37,520)
Changes in fund balances		18,069	18,069
Fund balances, beginning of year		65,282	65,282
Fund balances, end of year	$	$ 83,351	$ 83,351

Eloy Elementary School District No. 11
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Other Special Revenue
For the Year Ended June 30, 2025

	Budget			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Other local	$	$	$ 167,665	$ 167,665
Total revenues			167,665	167,665
Expenditures				
Current:				
Instruction	83,297	70,063	89,037	(18,974)
Support services - administration	22,498	18,923	24,048	(5,125)
Operation and maintenance of plant services	2,900	2,439	3,100	(661)
Student transportation services	4,598	3,868	4,915	(1,047)
Total expenditures	113,293	95,293	121,100	(25,807)
Changes in fund balances	(113,293)	(95,293)	46,565	141,858
Fund balances, beginning of year			249,880	249,880
Fund balances, end of year	$ (113,293)	$ (95,293)	$ 296,445	$ 391,738

Eloy Elementary School District No. 11
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Debt Service
For the Year Ended June 30, 2025

	Budget Original and Final	Actual	Variance with Final Budget
Revenues			
Other local	$	$ 1,527	$ 1,527
Property taxes		120,449	120,449
Total revenues		121,976	121,976
Expenditures			
Debt service:			
Principal retirement	85,000	85,000	
Interest and fiscal charges	35,281	32,876	2,405
Total expenditures	120,281	117,876	2,405
Changes in fund balances	(120,281)	4,100	124,381
Fund balances, beginning of year		6,703	6,703
Fund balances, end of year	$ (120,281)	$ 10,803	$ 131,084

Eloy Elementary School District No. 11
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Other Capital Projects
For the Year Ended June 30, 2025

	Budget Original and Final	Actual	Variance with Final Budget
Revenues			
State aid and grants	$	$ 94,827	$ 94,827
Total revenues		94,827	94,827
Expenditures			
Capital outlay		87,539	(87,539)
Total expenditures		87,539	(87,539)
Changes in fund balances		7,288	7,288
Fund balances, beginning of year		(74,976)	(74,976)
Fund balances, end of year	$	$ (67,688)	$ (67,688)

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Single Audit Section

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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
Eloy Elementary School District No. 11

We have audited, in accordance with the 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 Eloy Elementary School District No. 11, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Eloy Elementary School District No. 11's basic financial statements, and have issued our report thereon dated March 23, 2026. Our report included an emphasis of matter paragraph as to comparability because of the implementation of Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Eloy Elementary School District No. 11's internal control over financial reporting (internal control) as a basis for designing 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 Eloy Elementary School District No. 11's internal control. Accordingly, we do not express an opinion on the effectiveness of Eloy Elementary School District No. 11'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Eloy Elementary School District No. 11'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*.

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
March 23, 2026

**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
Eloy Elementary School District No. 11

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Eloy Elementary School District No. 11'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 Eloy Elementary School District No. 11's major federal programs for the year ended June 30, 2025. Eloy Elementary School District No. 11'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, Eloy Elementary School District No. 11 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, 2025.

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 (*Government Auditing Standards*); 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 Eloy Elementary School District No. 11 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 Eloy Elementary School District No. 11'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 Eloy Elementary School District No. 11'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 Eloy Elementary School District No. 11'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 Eloy Elementary School District No. 11'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 Eloy Elementary School District No. 11'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 Eloy Elementary School District No. 11'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 Eloy Elementary School District No. 11'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 Eloy Elementary School District No. 11 as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Eloy Elementary School District No. 11's basic financial statements. We issued our report thereon dated March 23, 2026, which contained unmodified opinions on those financial statements. Our audit was performed 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
March 23, 2026

Eloy Elementary School District No. 11
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Federal/Pass-Through/Agency	AL Number	Federal Award Number	Expenditures and Transfers	Total Expenditures and Transfers
U.S. Department of Agriculture				
Passed through Arizona Department of Education:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	7AZ300AZ3	$ 250,271	$
National School Lunch Program	10.555	7AZ300AZ3	527,070	
Summer Food Service Program for Children	10.559	7AZ300AZ3	44,179	
Total Child Nutrition Cluster				821,520
Child and Adult Care Food Program	10.558	7AZ300AZ3		23,648
Total U.S. Department of Agriculture				845,168
U.S. Department of Education				
Passed through Arizona Department of Education:				
Title I Grants to Local Educational Agencies	84.010	S010A240003		664,611
Special Education Cluster:				
Special Education Grants to States	84.027	H027A240007		221,761
Twenty-First Century Community Learning Centers	84.287	S287C240003		282,724
Rural Education	84.358B	S358B240003		45,297
English Language Acquisition State Grants	84.365A	S365A240003		16,374
Supporting Effective Instruction State Grants	84.367	S367A240049		60,007
Student Support and Academic Enrichment Program	84.424	S424A240003		28,174
COVID-19 Education Stabilization Fund	84.425W	S425W210003		2,106
Total U.S. Department of Education				1,321,054
Total Expenditures of Federal Awards				$ 2,166,222

See accompanying notes to schedule.

Eloy Elementary School District No. 11
Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Significant Accounting Policies Used in Preparing the SEFA

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of Eloy Elementary School District No. 11 under programs of the federal government for the year ended June 30, 2025. 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.

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.

Eloy Elementary School District No. 11
Schedule of Findings and Questioned Costs
Year Ended June 30, 2025

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: No

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:

Assistance Listing Numbers	Name of Federal Programs or Clusters
84.027	Special Education Cluster
10.553, 10.555, 10.559	Child Nutrition Cluster

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

Auditee qualified as low-risk auditee: No

Findings Related to Financial Statements Reported in Accordance with *Government Auditing Standards*: No

Findings and Questioned Costs Related to Federal Awards: No

Summary Schedule of Prior Audit Findings required to be reported: Yes

Eloy Elementary School District #11

1011 N Sunshine Blvd. Eloy, Arizona 85131
520/466-2100 ● Fax: 520/466-2101
Website: www.eloyesd.org

ADMINISTRATION:
Ruby James, Superintendent
Leticia Jimenez, Business Manager

BOARD OF GOVERNORS:
Maggie Whatley, President
Sonnette Federico, Board Clerk
Anna Ogle
Rosie Coyle
Fansy Calvin

March 23, 2026

To Whom It May Concern:

The accompanying Summary Schedule of Prior Audit Findings has been prepared as required by U.S. Office of Management and Budget Uniform Guidance. The status for each finding included in the prior year audit's Schedule of Findings and Questioned Costs has been provided.

Sincerely,

Leticia Jimenez
Business Manager

CURIEL SCHOOL
Abigal Tarango, Principal

INTERMEDIATE SCHOOL
Frank Jimenez, Principal

JUNIOR HIGH SCHOOL
Danny Rogers, Principal

Eloy Elementary School District No. 11
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2025

Status of Findings and Questioned Costs Related to Federal Awards

Finding Number: 2024-001
Program Name/Assistance Listing Title: Education Stabilization Fund
Assistance Listing Numbers: 84.425U
Status: Fully corrected.