
Catalina Foothills Unified School District No. 16

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2024



A 21ST CENTURY LEARNING COMMUNITY

Catalina Foothills Unified School District No. 16

Tucson, Arizona

**Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2024**

Issued by:
Business and Finance Department

Catalina Foothills Unified School District No. 16

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Introductory Section

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Catalina Foothills Unified School District #16
2101 E. River Road, Tucson, AZ 85718
(520) 209-7500 (520) 209-7570 FAX www.cfsd16.org

A 21st CENTURY LEARNING COMMUNITY

December 18, 2024

Citizens and Governing Board
Catalina Foothills Unified School District No. 16
2101 East River Road
Tucson, Arizona 85718-6597

State law mandates that school districts are required to undergo an annual single audit and publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States of America by a certified public accounting firm licensed in the State of Arizona. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the Catalina Foothills Unified School District No. 16 (District) for the fiscal year that ended June 30, 2024.

This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with accounting principles generally accepted in the United States of America. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free of material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The District's financial statements have been audited by Heinfeld, Meech & Co., P.C., a certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2024, were free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2024, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the District was part of a broader, federally mandated Single Audit as required by the provisions of the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the District's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in a separately issued Single Audit Report.

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

Profile of the District

The District is one of several public school districts located in Pima County, Arizona. It provides a high quality public education for its students in pre-kindergarten through grade twelve including academic and extracurricular programs, services such as student transportation and a school lunch program, and the construction and maintenance of District campuses/facilities. The District maintained an enrollment of 4,940 students in state funded K-12 programs for the 2023-24 school year. The District has an enrollment of 397 students for half-day kindergarten and preschool tuition-based programs. The average age of the District facilities/school buildings is 40 years. The District has nine campuses including one early learning center, four elementary schools, two middle schools and one high school. Murphey Administration Center, the District Office, is also considered a campus.

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

The membership of the Governing Board consists of five members elected by the public. Under existing statutes, the Governing Board's duties and powers include, but are not limited to, defining the strategic direction of the organization on behalf of its students' learning, establishing the full array of academic programs, acquiring and maintaining school property, determining the overall organizational or operational structure of its schools, and deciding how financial resources will be allocated within an appropriate accounting system, including budgetary controls. 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 to those organizational entities for which its elected governing board is financially accountable. The District's major operations include all academic programs, student transportation, construction and maintenance of District facilities, food services, and extracurricular activities.

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

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the District operates.

Local Economy. The District is located in the northern portion of the greater metropolitan Tucson area, running parallel to the Santa Catalina Mountains. It is primarily a residential community encompassing approximately twenty-five square miles. The quality of its schools and the natural desert-mountain environment make the community one of the most desirable in the area.

The District contains some of the highest median values for both residential and commercial property in the Tucson metropolitan area. The economy of the District is primarily based on tourism with world-class resorts located within its boundaries. The tourism economy is supplemented by a number of small to medium-sized shopping centers, restaurants, etc. A large, regional upscale shopping center exists in the central part of the District.

During 2023-24, the primary and secondary assessed valuation of the property in the District increased as a result of the economic improvement and increased real estate values.

Long-term Financial Planning. The District's average daily membership (ADM) decreased to 4,774 in 2023-24 from the previous year's 4,905 (2022-23). The District projects an ADM of approximately 4,912 in 2023-24. The District is one of the top choices in the Tucson area, with families open enrolling from approximately thirty (30) different zip codes outside of the attendance area. Some of the reasons the District is attractive to residents and non-residents are the following:

1. *Academic Performance*

In both 2022-23 and 2023-24, the Catalina Foothills Unified School District was labeled as an "A" district based on its Academic Achievement Profile or the A-F Letter Grade Accountability System of Arizona. In both 2022-23 and 2023-24, the AASA and AzSCI passing rates for the District were higher than the passing rates for K-12 unified school districts in the state. In 2022-23 and 2023-24, the ACT Aspire and ACT composite scores for the District were higher than the composite scores for high schools in the state.

Ninety percent (90%) of Catalina Foothills' students continue their formal education after high school graduation.

Ninety-four percent (94%) of students graduate from high school within four years.

2. *Maintenance & Operations Overrides*

District voters have reauthorized the District's maintenance and operations budget override for K-12 since the mid-1980s. The most recent reauthorization was 2022. These override dollars help maintain comprehensive academic K-12 programs for students.

3. *Capital Overrides*

Local voters reauthorized the capital override in November 2022, for an additional seven years. The \$2.0 million annual override pays for classroom technology, and curriculum related equipment, digital tools, software licenses, and library resources for all students, educators, and families.

Standard technology tools/equipment (laptops, iPads, Chromebooks, Diversiboards, projectors, document, cameras, and video cameras) and curriculum-related digital tools and subscriptions (e.g., electronic textbooks, GarageBand, iMovie, Microsoft Word, Excel, PowerPoint, Pages, Numbers, Keynote, Google Workspace, Destiny, Discover, Discovery Experience, Nearpod, Formative) are purchased, renewed, and/or updated to support student learning and proficiency in the academic and technology standards.

4. *Grants*

In 2023-24, the District was awarded \$2,108,655 in federal and state grants, received \$120,000 from the Catalina Foothills Unified School District Foundation, and received \$4,692,218 in revenues from Classroom Site Funds that primarily supported teacher salaries including performance pay. ESSER III funds were used to address "learning loss" through evidence-based interventions to support academic and social-emotional learning and to replace technology equipment used for instruction.

5. Bonds

In November 2022, District voters approved a \$38,500,000 bond expenditure that will underwrite approximately 120 District-wide renovations and improvements for safety, access, and program needs. The District sold the first bond issuance of \$15,200,507 in April 2023 and will sell their second issuance this upcoming April of 2024.

Awards and Acknowledgments

Awards. The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its annual comprehensive financial report for the fiscal year ended June 30, 2023. This was the thirty-sixth consecutive year the District has received this prestigious award. In addition, the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its annual comprehensive financial report for the fiscal year ended June 30, 2023. In order to be awarded these certificates, the District published an easily readable and efficiently organized annual comprehensive financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

These certificates are valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the programs' requirements and we are submitting it to ASBO and GFOA to determine its eligibility for the fiscal year ended June 30, 2024 certificates.

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

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

Respectfully submitted,



Denise Bartlett, Ed.D.
Superintendent



Lisa Taetle
Director of Finance



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

**Catalina Foothills Unified School District
No. 16**

**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2023.**

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



A handwritten signature in black ink, reading 'Ryan S. Stechschulte'.

Ryan S. Stechschulte
President

A handwritten signature in black ink, reading 'James M. Rowan'.

James M. Rowan, CAE, SFO
CEO/Executive Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Catalina Foothills Unified School District No. 16
Arizona**

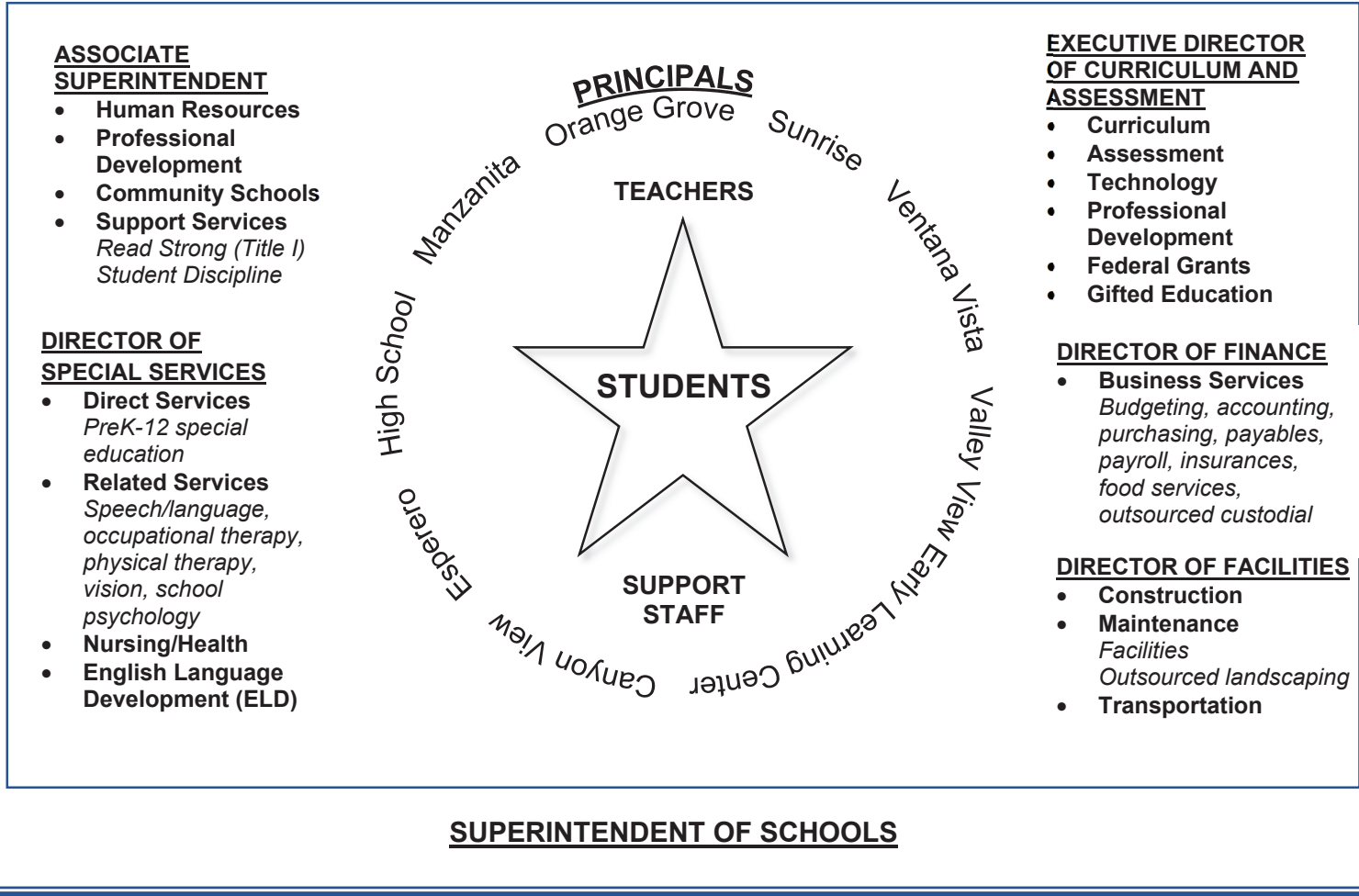
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

Catalina Foothills School District
 Tucson, Arizona
ORGANIZATIONAL CHART
 2023-2024



Catalina Foothills Unified School District No. 16

List of Principal Officials

Governing Board

Eileen Jackson, President

Amy Krauss, Vice President

Carole Siegler, Member

Doug Hadley, Member

Gina Mehmert, Member

Administrative Staff

Dr. Denise Bartlett, Superintendent

Mindy Westover, Associate Superintendent

Lisa Taetle, Director of Finance

Dr. Erin Matyjasik, Director of Special Services

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Financial Section

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Independent Auditor's Report

Governing Board
Catalina Foothills Unified School District No. 16

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 Catalina Foothills Unified School District No. 16 (District), as of and for the year ended June 30, 2024, 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 Catalina Foothills Unified School District No. 16, as of June 30, 2024, 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 Catalina Foothills Unified School District No. 16 and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Other Matters

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2024, on our consideration of Catalina Foothills Unified School District No. 16'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 Catalina Foothills Unified School District No. 16'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 Catalina Foothills Unified School District No. 16's internal control over financial reporting and compliance.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Tucson, Arizona
December 18, 2024

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

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Catalina Foothills Unified School District No. 16
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2024

As management of the Catalina Foothills Unified School District No. 16 (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, 2024. The management's discussion and analysis is presented as required supplementary information to supplement the basic financial statements. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The District's total net position of governmental activities increased \$5.2 million which represents an 11 percent increase from the prior fiscal year primarily due to an increase in unrestricted state aid associated with changes in the base level support.
- General revenues accounted for \$55.9 million in revenue, or 79 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$14.6 million or 21 percent of total current fiscal year revenues.
- The District had approximately \$65.4 million in expenses related to governmental activities, a decrease of one percent from the prior fiscal year.
- Among major funds, the General Fund had \$46.8 million current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$47.9 million in expenditures. The General Fund's fund balance decrease from \$22.5 million at the prior fiscal year end, to \$22.0 million at the end of the current fiscal year.
- The Bond Buildings Fund's fund balance decreased from \$13.7 million in the prior year to \$3.5 million at the end of the current fiscal year due primarily to the utilization of funding towards ongoing security upgrades for the District.

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.

Catalina Foothills Unified School District No. 16
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2024

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.

Catalina Foothills Unified School District No. 16
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2024

Overview of Financial Statements

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Other Special Revenue, Bond Building, and Other Capital Projects Funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and schedules.

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

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

Government-Wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$51.5 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.

**Catalina Foothills Unified School District No. 16
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2024**

Government-Wide Financial Analysis

The following table presents a summary of the District's net position for the fiscal years ended June 30, 2024 and June 30, 2023.

	As of June 30, 2024	As of June 30, 2023
Current and other assets	\$ 46,961,984	\$ 55,873,104
Capital assets, net	87,785,879	77,640,256
Total assets	134,747,863	133,513,360
 Deferred outflows	 4,600,574	 5,655,978
 Current liabilities	 5,291,605	 4,509,519
Long-term liabilities	77,966,012	84,068,309
Total liabilities	83,257,617	88,577,828
 Deferred inflows	 4,633,466	 4,324,641
 Net position:		
Net investment in capital assets	50,016,777	44,765,519
Restricted	16,536,435	16,450,164
Unrestricted	(15,095,858)	(14,948,814)
Total net position	\$ 51,457,354	\$ 46,266,869

At the end of the current fiscal year, the District reported a negative unrestricted net position of \$15.1 million as a result of an unfunded pension liability. Positive net position was reported in the other two categories. The same situation held true for the prior fiscal year.

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

- The principal retirement of \$3.3 million of bonds and \$317,704 of bond premium.
- The principal retirement of \$2.0 in financed purchases and leases.
- The decrease of \$822,579 in pension liabilities and the decrease of \$1.1 million in pension deferred outflows of resources.
- The addition of \$14.0 million in capital assets through school improvements and purchases of vehicles, furniture, and equipment of which \$369,250 was leased.
- The depreciation of \$3.7 million of capital assets.

**Catalina Foothills Unified School District No. 16
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2024**

Government-Wide Financial Analysis

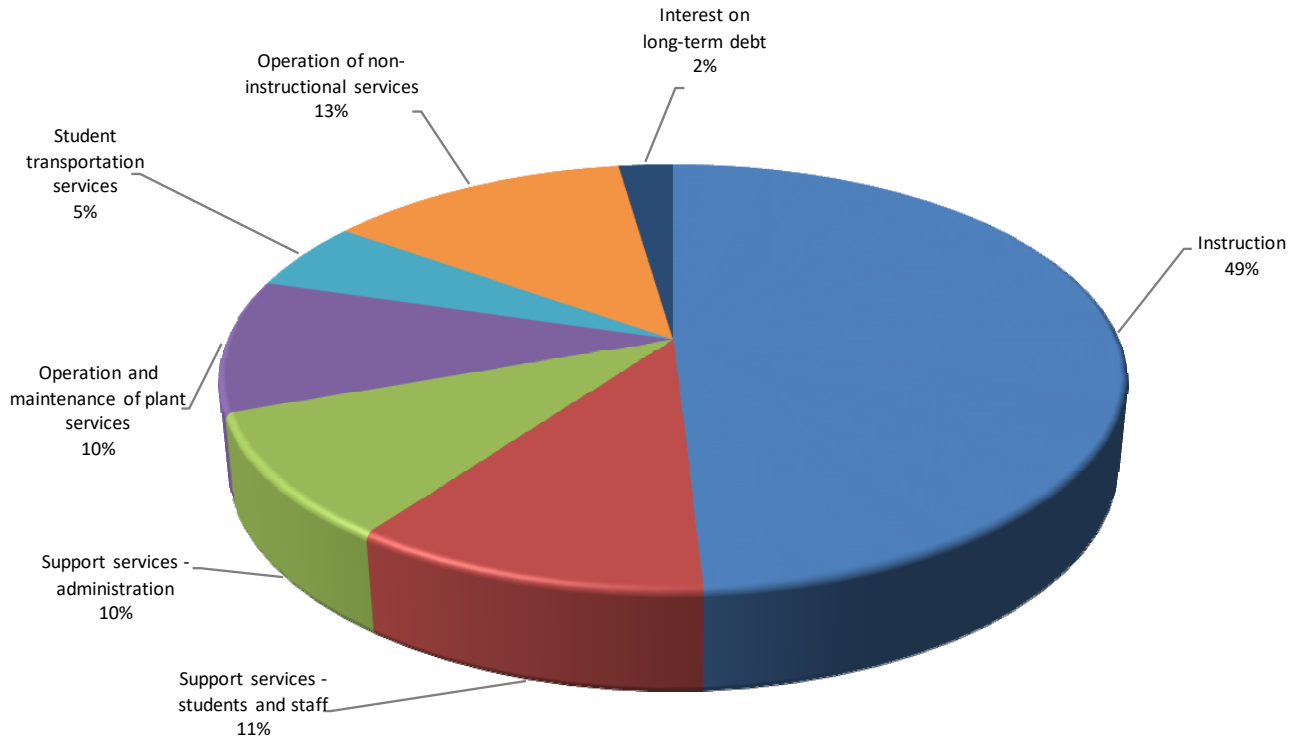
Changes in net position. The District's total revenues for the current fiscal year were \$70.5 million. The total cost of all programs and services was \$65.4 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2024 and June 30, 2023.

	<u>Fiscal Year Ended June 30, 2024</u>	<u>Fiscal Year Ended June 30, 2023</u>
Revenues:		
Program revenues:		
Charges for services	\$ 9,477,446	\$ 8,559,199
Operating grants and contributions	4,400,850	6,966,078
Capital grants and contributions	764,982	1,763,648
General revenues:		
Property taxes	29,001,334	29,115,623
Investment income	2,047,821	1,069,936
Unrestricted state aid	24,857,433	22,236,016
Total revenues	<u>70,549,866</u>	<u>69,710,500</u>
Expenses:		
Instruction	32,082,097	32,450,381
Support services - students and staff	7,133,021	6,762,687
Support services - administration	6,223,736	6,429,929
Operation and maintenance of plant services	6,614,507	7,364,960
Student transportation services	3,418,814	3,985,591
Operation of non-instructional services	8,390,569	7,875,666
Interest on long-term debt	1,496,637	894,120
Total expenses	<u>65,359,381</u>	<u>65,763,334</u>
Changes in net position	5,190,485	3,947,166
Net position, beginning	46,266,869	42,319,703
Net position, ending	<u>\$ 51,457,354</u>	<u>\$ 46,266,869</u>

**Catalina Foothills Unified School District No. 16
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2024**

Government-Wide Financial Analysis

Expenses - Fiscal Year 2024



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

- The decrease of \$2.6 million in operating grants and contributions was primarily due to a reduction in COVID grant fundings.
- The increase of \$2.6 million in unrestricted state aid was due to increases in the base level support.
- The increase of \$1.0 million in investment income due to favorable market conditions.

**Catalina Foothills Unified School District No. 16
Management’s Discussion and Analysis (MD&A)
Year Ended June 30, 2024**

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, 2024		Year Ended June 30, 2023	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
Instruction	\$ 32,082,097	\$ (28,135,154)	\$ 32,450,381	\$ (25,371,684)
Support services - students and staff	7,133,021	(4,549,874)	6,762,687	(5,157,688)
Support services - administration	6,223,736	(6,159,041)	6,429,929	(6,333,553)
Operation and maintenance of plant services	6,614,507	(5,599,213)	7,364,960	(5,884,957)
Student transportation services	3,418,814	(3,405,945)	3,985,591	(3,984,980)
Operation of non-instructional services	8,390,569	(1,370,239)	7,875,666	(847,427)
Interest on long-term debt	1,496,637	(1,496,637)	894,120	(894,120)
Total	\$ 65,359,381	\$ (50,716,103)	\$ 65,763,334	\$ (48,474,409)

- The cost of all governmental activities this year was \$65.4 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$14.6 million.
- Net cost of governmental activities of \$50.7 million was financed by general revenues, which are made up of primarily property taxes of \$29.0 million and state aid of \$24.9 million. Investment earnings accounted for \$2.0 million of funding.

Financial Analysis of the District’s Funds

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

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

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$37.6 million, a decrease of \$9.3 million due primarily to the utilization of funding towards ongoing security upgrades for the District.

Catalina Foothills Unified School District No. 16
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2024

Financial Analysis of the District's Funds

The General Fund comprises 59 percent of the total fund balance. Approximately \$18.6 million, or 84 percent of the General Fund's fund balance is unassigned.

The General Fund is the principal operating fund of the District.

The fund balance decreased \$441,754 in the General Fund to \$22.0 million as of fiscal year end. General Fund revenues increased \$6.6 million as a result of an increase in unrestricted state aid. General Fund expenditures increased \$8.7 million as a result of increases in employe salaries and related benefits.

The Other Special Revenue Fund's fund balance increased \$160,439 to \$5.1 million as of the current fiscal year. The Other Special Revenue Fund's revenues increased \$457,888 and expenditures increased \$1.2 million due to increased activity under community schools.

The Bond Building Fund's fund balance decreased \$10.1 million at fiscal year-end due to the utilization of funding towards ongoing security upgrades for the District as well as the construction of a new strings addition building located at Catalina Foothills High School. Bond Building Fund revenues increased \$406,750 and expenditures increased \$8.6 million.

The Other Capital Projects Fund's fund balance decreased \$265,364 to a deficit of \$332,761 as of the current fiscal year due to the timing of grant reimbursements. The Other Capital Projects Fund's revenues decrease \$286,103 due to the timing of grant reimbursements, and expenditures decreased \$88,818.

Budgetary Highlights

Over the course of the year, the District revised the General Fund annual expenditure budget. The difference between the original budget and the final amended budget was an \$1.0 million increase, or two percent.

Significant variances for the final amended budget and actual revenues resulted from the District not being required by the State of Arizona to prepare a revenue budget. A schedule showing the original and final budget amounts compared to the District's actual financial activity for the General Fund is provided in this report as required supplementary information. The significant favorable variance of \$2.4 million in instruction was a result of budgeting to the maximum general budget limit to provide capacity in future years.

**Catalina Foothills Unified School District No. 16
Management’s Discussion and Analysis (MD&A)
Year Ended June 30, 2024**

Capital Assets and Debt Administration

Capital Assets. At year end, the District had invested \$146.2 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 \$12.3 million from the prior fiscal year, primarily due to continued building improvement and District security upgrade projects. Total depreciation expense for the current fiscal year was \$3.7 million.

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2024 and June 30, 2023.

	As of June 30, 2024	As of June 30, 2023
Capital assets - non-depreciable	\$ 12,494,642	\$ 5,693,869
Capital assets - depreciable, net	75,291,237	71,946,387
Total	\$ 87,785,879	\$ 77,640,256

The estimated cost to complete current construction projects is \$48.0 million.

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

Debt Administration. At year end, the District had \$41.3 million in long-term debt outstanding, \$3.7 million due within one year. Long-term debt decreased by \$5.2 million.

The District’s general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds (up to 30 percent of the total net full cash assessed valuation) and the statutory debt limit on Class B bonds (the greater of 20 percent of the net full cash assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$253.1 million and the Class B debt limit is \$168.7 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 8 through 11.

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 2024-25 budget. Among them:

- Fiscal year 2023-24 budget balance carry forward (estimated \$1.3 million).
- District student population (estimated 4,742).

**Catalina Foothills Unified School District No. 16
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2024**

Economic Factors and Next Year's Budget and Rates

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

Budgeted expenditures in the General Fund increased two percent to \$42.2 million in fiscal year 2024-25. Increased payroll and employee benefit costs is the primary reason for the increase. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2024-25 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, Catalina Foothills Unified School District No. 16, 2101 East River Road, Tucson, Arizona 85718-6597.

Basic Financial Statements

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Government-Wide Financial Statements

Catalina Foothills Unified School District No. 16
Statement of Net Position
June 30, 2024

	Governmental Activities
Assets	
Current assets:	
Cash and investments	\$ 37,205,197
Property taxes receivable	341,453
Accounts receivable	73,409
Due from governmental entities	5,184,664
Prepaid items	722,585
Leases receivable	2,273,940
Total current assets	45,801,248
Noncurrent assets:	
Net other postemployment benefit plan assets	1,160,736
Capital assets not being depreciated	12,494,642
Capital assets, net accumulated depreciation	74,989,683
Right-to-use assets, net accumulated amortization	301,554
Total noncurrent assets	88,946,615
Total assets	134,747,863
 Deferred outflows of resources	
Deferred charge on refunding	23,679
Pension plan items	4,482,618
Other postemployment benefit plan items	94,277
Total deferred outflows of resources	4,600,574
 Liabilities	
Current liabilities:	
Accounts payable	2,330,211
Accrued payroll and employee benefits	2,961,394
Compensated absences payable	434,519
Financed purchases payable	485,691
Leases payable	67,491
Bonds payable	3,195,000
Total current liabilities	9,474,306
Noncurrent liabilities:	
Non-current portion of long-term obligations	73,783,311
Total noncurrent liabilities	73,783,311
Total liabilities	83,257,617
 Deferred inflows of resources	
Deferred charge on refunding	13,049
Pension plan items	1,958,450
Other postemployment benefit plan items	506,953
Leases	2,155,014
Total deferred inflows of resources	4,633,466
 Net position	
Net investment in capital assets	50,016,777
Restricted for:	
Instruction	5,830,351
Food service	1,256,523
Non-instructional purposes	3,662,003
Debt service	1,862,801
Capital outlay	2,764,021
Other postemployment benefit plan assets	1,160,736
Unrestricted	(15,095,858)
Total net position	\$ 51,457,354

Catalina Foothills Unified School District No. 16
Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenue			Net (Expense)
		Charges for	Operating Grants	Capital Grants	Revenue and
			Services	and	and
			Contributions	Contributions	Position
					Governmental
					Activities
Governmental activities					
Instruction	\$ 32,082,097	\$ 1,817,302	\$ 2,111,302	\$ 18,339	\$ (28,135,154)
Support services - students and staff	7,133,021	1,242,510	1,340,637		(4,549,874)
Support services - administration	6,223,736		64,695		(6,159,041)
Operation and maintenance of plant services	6,614,507	205,879	62,772	746,643	(5,599,213)
Student transportation services	3,418,814		12,869		(3,405,945)
Operation of non-instructional services	8,390,569	6,211,755	808,575		(1,370,239)
Interest on long-term debt	1,496,637				(1,496,637)
Total governmental activities	<u>\$ 65,359,381</u>	<u>\$ 9,477,446</u>	<u>\$ 4,400,850</u>	<u>\$ 764,982</u>	<u>(50,716,103)</u>
General revenues					
Property taxes					29,001,334
Investment income					2,047,821
Unrestricted state aid					<u>24,857,433</u>
Total general revenues					<u>55,906,588</u>
Changes in net position					5,190,485
Net position, beginning of year					<u>46,266,869</u>
Net position, end of year					<u>\$ 51,457,354</u>

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Fund Financial Statements

Catalina Foothills Unified School District No. 16
Balance Sheet
Governmental Funds
June 30, 2024

	<u>General</u>	<u>Other Special Revenue</u>	<u>Bond Building</u>	<u>Other Capital Projects</u>
Assets				
Cash and investments	\$ 20,580,343	\$ 5,237,414	\$ 4,107,197	\$ 1,949
Property taxes receivable	289,311			
Accounts receivable		73,409		
Due from governmental entities	3,644,682	197,208		625,404
Prepaid items	722,585			
Leases receivable	2,273,940			
Total assets	<u>\$ 27,510,861</u>	<u>\$ 5,508,031</u>	<u>\$ 4,107,197</u>	<u>\$ 627,353</u>
Liabilities				
Accounts payable	\$ 889,072	\$ 137,360	\$ 558,183	\$ 686,788
Accrued payroll and employee benefits	2,214,732	295,497		
Total liabilities	<u>3,103,804</u>	<u>432,857</u>	<u>558,183</u>	<u>686,788</u>
Deferred inflows of resources				
Unavailable revenues - property taxes	202,314			
Unavailable revenues - intergovernmental				273,326
Leases	2,155,014			
Total deferred inflows of resources	<u>2,357,328</u>			<u>273,326</u>
Fund balances				
Nonspendable	722,585			
Restricted	2,762,674	5,075,174	3,549,014	
Unassigned	18,564,470			(332,761)
Total fund balances	<u>22,049,729</u>	<u>5,075,174</u>	<u>3,549,014</u>	<u>(332,761)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 27,510,861</u>	<u>\$ 5,508,031</u>	<u>\$ 4,107,197</u>	<u>\$ 627,353</u>

Non-Major Governmental Funds	Total Governmental Funds
\$ 7,278,294	\$ 37,205,197
52,142	341,453
	73,409
717,370	5,184,664
	722,585
	<u>2,273,940</u>
<u>\$ 8,047,806</u>	<u>\$ 45,801,248</u>
\$ 58,808	\$ 2,330,211
451,165	2,961,394
<u>509,973</u>	<u>5,291,605</u>
33,495	235,809
273,187	546,513
	<u>2,155,014</u>
<u>306,682</u>	<u>2,937,336</u>
	722,585
7,231,151	18,618,013
	<u>18,231,709</u>
<u>7,231,151</u>	<u>37,572,307</u>
<u>\$ 8,047,806</u>	<u>\$ 45,801,248</u>

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Catalina Foothills Unified School District No. 16
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2024

Total fund balances - governmental funds **\$ 37,572,307**

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	146,204,466	
Less accumulated depreciation/amortization	<u>(58,418,587)</u>	
		87,785,879

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

Property taxes	235,809	
Intergovernmental	<u>546,513</u>	
		782,322

The net OPEB assets are not a current financial resource and, therefore, are not reported in the funds. 1,160,736

Deferred items related to the refunding of bonds are amortized over the life of the associated bond issue in the government-wide statements but not reported in the funds. 10,630

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	4,576,895	
Deferred inflows of resources related to pensions/OPEB	<u>(2,465,403)</u>	
		2,111,492

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

Compensated absences payable	(434,519)	
Financed purchases payable	(986,757)	
Leases payable	(315,861)	
Bonds payable	(40,026,128)	
Net pension liability	<u>(36,202,747)</u>	
		<u>(77,966,012)</u>

Net position of governmental activities **\$ 51,457,354**

Catalina Foothills Unified School District No. 16
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	<u>General</u>	<u>Federal and State Grants</u>	<u>Other Special Revenue</u>	<u>Bond Building</u>
Revenues				
Other local	\$ 2,265,062	\$	\$ 7,191,073	\$ 578,545
Property taxes	24,769,041			
State aid and grants	19,791,468		677	
Federal aid, grants and reimbursements				
Total revenues	<u>46,825,571</u>		<u>7,191,750</u>	<u>578,545</u>
Expenditures				
Current:				
Instruction	20,698,219		1,110,579	
Support services - students and staff	5,039,825		559,498	
Support services - administration	5,418,748		4,449	
Operation and maintenance of plant services	6,020,534		207,683	
Student transportation services	2,136,870		123,560	
Operation of non-instructional services	154,917		4,053,324	
Capital outlay	6,366,981		972,218	10,101,350
Debt service:				
Principal retirement	1,965,416			
Interest and fiscal charges	55,932			
Total expenditures	<u>47,857,442</u>		<u>7,031,311</u>	<u>10,101,350</u>
Excess (deficiency) of revenues over expenditures	<u>(1,031,871)</u>		<u>160,439</u>	<u>(9,522,805)</u>
Other financing sources (uses)				
Transfers in	17,695			
Transfers out				(578,544)
Lease agreements	369,250			
Insurance recoveries	203,172			
Total other financing sources (uses)	<u>590,117</u>			<u>(578,544)</u>
Changes in fund balances	<u>(441,754)</u>		<u>160,439</u>	<u>(10,101,349)</u>
Fund balances, beginning of year, previously reported	22,491,483	914,729		13,650,363
Adjustments to beginning fund balances		(914,729)	4,914,735	
Fund balances, beginning of year, as restated	<u>22,491,483</u>		<u>4,914,735</u>	<u>13,650,363</u>
Fund balances, end of year	<u>\$ 22,049,729</u>	<u>\$</u>	<u>\$ 5,075,174</u>	<u>\$ 3,549,014</u>

Other Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
\$ 27	\$ 1,855,065	\$ 11,889,772
	4,728,198	29,497,239
541,636	5,511,403	25,845,184
	<u>4,527,736</u>	<u>4,527,736</u>
<u>541,663</u>	<u>16,622,402</u>	<u>71,759,931</u>
	7,205,235	29,014,033
	1,438,556	7,037,879
	70,675	5,493,872
	77,151	6,305,368
	14,059	2,274,489
	1,939,677	6,147,918
807,027	20,618	18,268,194
	3,315,000	5,280,416
	<u>1,736,523</u>	<u>1,792,455</u>
<u>807,027</u>	<u>15,817,494</u>	<u>81,614,624</u>
<u>(265,364)</u>	<u>804,908</u>	<u>(9,854,693)</u>
	578,544	596,239
	(17,695)	(596,239)
		369,250
		<u>203,172</u>
	<u>560,849</u>	<u>572,422</u>
<u>(265,364)</u>	<u>1,365,757</u>	<u>(9,282,271)</u>
	9,798,003	46,854,578
<u>(67,397)</u>	<u>(3,932,609)</u>	
<u>(67,397)</u>	<u>5,865,394</u>	<u>46,854,578</u>
<u>\$ (332,761)</u>	<u>\$ 7,231,151</u>	<u>\$ 37,572,307</u>

Catalina Foothills Unified School District No. 16
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, 2024

Changes in fund balances - total governmental funds **\$ (9,282,271)**

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	\$ 14,028,344	
Less current year depreciation/amortization	<u>(3,707,601)</u>	
		10,320,743

Issuance of long-term debt provides current financial resources to governmental funds, but the issuance increases long-term liabilities in the Statement of Net Position.

Lease agreements	<u>(369,250)</u>	
		(369,250)

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

Property taxes	(495,905)	
Intergovernmental	<u>(917,332)</u>	
		(1,413,237)

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	1,893,368	
Lease principal retirement	72,048	
Bond principal retirement	<u>3,315,000</u>	
		5,280,416

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/OPEB expense in the Statement of Activities.

Current year pension/OPEB contributions	3,698,088	
Pension/OPEB expense	<u>(3,215,550)</u>	
		482,538

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Loss on disposal of assets	(175,120)	
Amortization of deferred bond items	295,818	
Compensated absences	<u>50,848</u>	
		<u>171,546</u>

Changes in net position in governmental activities **\$ 5,190,485**

Catalina Foothills Unified School District No. 16
Notes to Financial Statements
June 30, 2024

Note 1 – Summary of Significant Accounting Policies

The financial statements of the Catalina Foothills Unified School District No. 16 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

A. Reporting Entity

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

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

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

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

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.

Catalina Foothills Unified School District No. 16
Notes to Financial Statements
June 30, 2024

Note 1 – Summary of Significant Accounting Policies

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The District does not allocate indirect expenses to programs of functions. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, unrestricted 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 in interfund services provided and used between functions are reported as expenses and program revenues at amounts approximating their external exchange value.

Fund Financial Statements – Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Issuances of long-term debt and acquisitions under lease contracts and subscription-based information technology arrangements are reported as other financing sources.

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

Catalina Foothills Unified School District No. 16
Notes to Financial Statements
June 30, 2024

Note 1 – Summary of Significant Accounting Policies

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 the certain activities budgeted in separate funds in accordance with A.R.S. These funds are maintained as separate funds for budgetary purposes but do not meet the criteria for separate reporting in the financial statements.

Other Special Revenue – The Other Special Revenue Fund accounts for the revenues and expenditures of other special revenue activities, including the following: civic center, community school, extracurricular activities fees tax credit, gifts and donations, textbooks, litigation recovery, insurance refund, career technical education, and student activities.

Bond Building – The Bond Building Fund accounts for proceeds from District bond issues that are expended on the acquisition or lease of sites; construction or renovation of school buildings; supplying school buildings with furniture, equipment, and technology; improving school grounds; or purchasing pupil transportation vehicles.

Other Capital Projects - The Other Capital Projects Fund accounts for the revenues and expenditures of other capital projects activities, including the following: condemnation, energy and water savings, and building renewal grant.

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.

Catalina Foothills Unified School District No. 16
Notes to Financial Statements
June 30, 2024

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 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.

Catalina Foothills Unified School District No. 16
Notes to Financial Statements
June 30, 2024

Note 1 – Summary of Significant Accounting Policies

G. Property Tax Calendar

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

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

H. 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; construction in progress; and intangible right-to-use assets, are reported in the government-wide financial statements.

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

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

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 term or the underlying asset's useful life. The estimated useful lives and amortization periods are as follows:

Land improvements	5 – 20 years
Buildings and improvements	5 – 70 years
Vehicles, furniture and equipment	5 – 30 years
Intangible right-to use assets	2 – 4 years

Catalina Foothills Unified School District No. 16
Notes to Financial Statements
June 30, 2024

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 vested 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. Generally, resources from the General Fund are used to pay for compensated absences.

L. Leases

As lessor, the District recognizes lease receivables with an initial, individual value of \$5,000 or more. If there is no stated rate in the lease contract (or if the stated rate is not the rate the District charges the lessee) and the implicit rate cannot be determined, the District uses its own estimated incremental borrowing rate as the discount rate to measure lease receivables. The District's estimated incremental borrowing rate is calculated based on the applicable federal rate.

As lessee, the District recognizes lease liabilities with an initial, individual value of \$5,000 or more. The District uses its estimated incremental borrowing rate to measure lease liabilities unless it can readily determine the interest rate implicit in the lease. The District's estimated incremental borrowing rate is based on the applicable federal rate.

M. Pensions and Other Postemployment Benefits

For purposes of measuring the net pension and other postemployment benefit (OPEB) liabilities, related deferred outflows of resources and deferred inflows of resources, and related expenses, 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.

Catalina Foothills Unified School District No. 16
Notes to Financial Statements
June 30, 2024

Note 1 – Summary of Significant Accounting Policies

N. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Deferred amounts on refunding result from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

O. Interfund Activity

Flows of cash from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers between governmental funds are eliminated in the Statement of Activities. Interfund transfers in the fund financial statements are reported as other financing sources/uses in governmental funds.

P. Net Position Flow Assumption

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

Q. Estimates

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

Catalina Foothills Unified School District No. 16
Notes to Financial Statements
June 30, 2024

Note 2 – Fund Balance Classifications

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

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

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

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

Catalina Foothills Unified School District No. 16
Notes to Financial Statements
June 30, 2024

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	Other Special Revenue	Bond Building	Other Capital Projects	Non-Major Governmental Funds
Fund Balances:					
Nonspendable:					
Prepaid items	\$ 722,585	\$	\$	\$	\$
Restricted:					
Debt service					1,829,306
Capital projects	2,762,674				1,347
Bond building projects			3,549,014		
Voter approved initiatives					3,034,324
Federal and state projects					1,109,651
Food service					1,256,523
Civic center		255,010			
Community schools		3,400,629			
Extracurricular activities		587,727			
Gifts and donations		393,195			
Student activities		226,891			
Career Technical Education		156,297			
Other purposes		55,425			
Unassigned	<u>18,564,470</u>			<u>(332,761)</u>	
Total fund balances	<u>\$ 22,049,729</u>	<u>\$ 5,075,174</u>	<u>\$ 3,549,014</u>	<u>\$ (332,761)</u>	<u>\$ 7,231,151</u>

Note 3 – Stewardship, Compliance and Accountability

Individual Deficit Fund Balance – At year end, the Other Capital Projects Fund reported a deficit of \$332,761 in fund balance. The deficit arose because of operations during the year and because of pending grant reimbursements. Additional revenues received in fiscal year 2024-25 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.

Catalina Foothills Unified School District No. 16
Notes to Financial Statements
June 30, 2024

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 \$1.6 million, and the bank balance was \$2.0 million. At year end, \$1.2 million of the District’s deposits were covered by collateral held by the pledging financial institution’s trust department or agent but not in the District’s name.

Fair Value Measurements. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

- Level 1 inputs are quoted prices in active markets for identical assets
- Level 2 inputs are significant other observable inputs
- Level 3 inputs are significant unobservable inputs

The State Treasurer’s pools are external investment pools, the Local Government Investment Pool (Pool 5) and Local Government Investment Pool-Government (Pool 7), with no regulatory oversight. The pools as an investment company are not registered with the Securities and Exchange Commission. The activity and performance of the pools are reviewed monthly by the State Board of Investment. The fair value of each participant’s position in the State Treasurer investment pools approximates the value of the participant’s shares in the pool and the participants’ shares are not identified with specific investments. Participants in the pool are not required to categorize the value of shares in accordance with the fair value hierarchy.

The County Treasurer’s pool is an external investment pool with no regulatory oversight. The pool is not required to register (and is not registered) with the Securities and Exchange Commission. The fair value of each participant’s position in the County Treasurer investment pool approximates the value of the participant’s shares in the pool and the participants’ shares are not identified with specific investments. Participants in the pool are not required to categorize the value of shares in accordance with the fair value hierarchy.

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

	Average Maturities	Fair Value
County Treasurer’s investment pool	180 days	\$ 29,653,530
State Treasurer’s investment pool 7	29 days	5,925,865
Total		\$ 35,579,395

Catalina Foothills Unified School District No. 16
Notes to Financial Statements
June 30, 2024

Note 4 – Cash and Investments

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

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

Custodial Credit Risk – Investments. The District’s investment in the State and County Treasurer’s investment pools represents a proportionate interest in the pool’s portfolio; however, the District’s portion is not identified with specific investments and is not subject to custodial credit risk.

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	Other Special Revenue	Other Capital Projects	Non-Major Governmental Funds
Due from other governmental entities:				
Due from federal government	\$	\$	\$	\$ 544,317
Due from state government	3,644,682		625,404	173,053
Due from other districts		197,208		
Net due from governmental entities	<u>\$ 3,644,682</u>	<u>\$ 197,208</u>	<u>\$ 625,404</u>	<u>\$ 717,370</u>

Note 6 – Leases Receivable

The District leases land under the provisions of contracts classified as leases. The related receivables under the lease agreements have been recorded at the present value of their future minimum lease payments as of the inception date. Lease revenue of \$158,434 and related interest revenue of \$11,973 are recorded as other local revenue in the General Fund.

Catalina Foothills Unified School District No. 16
Notes to Financial Statements
June 30, 2024

Note 6 – Leases Receivable

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

Year Ending June 30:		
2025	\$	144,254
2026		145,472
2027		146,726
2028		148,017
2029		157,641
2030-34		881,758
2035-39		<u>741,305</u>
Total	\$	<u><u>2,365,173</u></u>

Note 7 – Capital Assets

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

	Beginning Balance	Increase	Decrease	Ending Balance
Governmental Activities				
Capital assets, not being depreciated/amortized:				
Land	\$ 3,236,013	\$	\$	\$ 3,236,013
Construction in progress	<u>2,457,856</u>	<u>10,688,517</u>	<u>3,887,744</u>	<u>9,258,629</u>
Total capital assets, not being depreciated/amortized	<u>5,693,869</u>	<u>10,688,517</u>	<u>3,887,744</u>	<u>12,494,642</u>
Capital assets, being depreciated/amortized:				
Land improvements	12,003,984	1,913,139	5,506	13,911,617
Buildings and improvements	107,672,188	2,101,496	9,032	109,764,652
Vehicles, furniture and equipment	8,138,689	2,843,686	1,329,365	9,653,010
Right-to-use leased vehicles, furniture and equipment	<u>353,211</u>	<u>369,250</u>	<u>341,916</u>	<u>380,545</u>
Total capital assets being depreciated/amortized	<u>128,168,072</u>	<u>7,227,571</u>	<u>1,685,819</u>	<u>133,709,824</u>
Less accumulated depreciation/amortization for:				
Land improvements	(8,299,400)	(442,267)	(5,506)	(8,736,161)
Buildings and improvements	(41,382,107)	(2,614,476)	(5,468)	(43,991,115)
Vehicles, furniture and equipment	(6,190,732)	(579,397)	(1,157,809)	(5,612,320)
Right-to-use leased vehicles, furniture and equipment	<u>(349,446)</u>	<u>(71,461)</u>	<u>(341,916)</u>	<u>(78,991)</u>
Total accumulated depreciation/amortization	<u>(56,221,685)</u>	<u>(3,707,601)</u>	<u>(1,510,699)</u>	<u>(58,418,587)</u>
Total capital assets, being depreciated/amortized, net	<u>71,946,387</u>	<u>3,519,970</u>	<u>175,120</u>	<u>75,291,237</u>
Governmental activities capital assets, net	<u>\$ 77,640,256</u>	<u>\$ 14,208,487</u>	<u>\$ 4,062,864</u>	<u>\$ 87,785,879</u>

Catalina Foothills Unified School District No. 16
Notes to Financial Statements
June 30, 2024

Note 7 – Capital Assets

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

Instruction	\$	1,212,126
Support services – students and staff		6,295
Support services – administration		17,832
Operation and maintenance of plant services		25,174
Student transportation services		342,626
Operation of non-instructional services		2,103,548
Total depreciation expense – governmental activities	\$	3,707,601

Construction Commitments – At year end, the District had contractual commitments related to various capital projects for the construction of building improvements. At year end, the District had spent \$9.3 million on the projects and had estimated remaining contractual commitments of \$48.0 million. These projects are being funded with the General and Bond Building Funds, as well as the Other Special Revenue and Other Capital Projects Funds.

Note 8 – Financed Purchases Payable

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

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

	Governmental Activities	
	Principal	Interest
Year ending June 30:		
2025	\$ 485,691	\$ 44,070
2026	501,066	28,695
Total	\$ 986,757	\$ 72,765

Catalina Foothills Unified School District No. 16
Notes to Financial Statements
June 30, 2024

Note 9 – Leases Payable

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

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

Year ending June 30:	Governmental Activities	
	Principal	Interest
2025	\$ 67,491	\$ 27,710
2026	72,571	21,000
2027	79,961	13,611
2028	88,103	5,468
2029	7,735	63
Total	\$ 315,861	\$ 67,852

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

	Governmental Activities
Asset:	
Vehicles, furniture and equipment	\$ 380,545
Less: Accumulated amortization	78,991
Total	\$ 301,554

Catalina Foothills Unified School District No. 16
Notes to Financial Statements
June 30, 2024

Note 10 – General Obligation Bonds Payable

Bonds payable at year end consisted of the following outstanding general obligation bonds. Of the total amount originally authorized, \$23.5 million remains unissued. The bonds are both callable and noncallable with interest payable semiannually. Property taxes from the Debt Service Fund, a non-major governmental fund, are used to pay bonded debt. The District’s legal debt limit is \$253.1 million and the available margin is \$213.4 million.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2024	Due Within One Year
Governmental activities:					
General obligation bonds:					
School Improvement Bond, Projects of 2009, Series C	\$ 6,075,000	3.0-4.0%	7/1/25-27	\$ 3,700,000	\$ 850,000
School Improvement Bond, Projects of 2015, Series A	7,500,000	2.0-4.0%	7/1/25-32	6,075,000	550,000
School Improvement Bond, Projects of 2015, Series B	9,185,000	2.75-5.00%	7/1/25-35	8,460,000	320,000
School Improvement Bond, Projects of 2015, Series C	4,395,000	2.51-4.00%	7/1/26-35	3,720,000	
Refunding Bonds, Series 2020	3,840,000	5.00%	7/1/2025	985,000	985,000
School Improvement Bond, Projects of 2022, Series A	13,450,000	4.00-5.00%	07/1/26-42	13,225,000	
Private placement bonds:					
Refunding Bonds, Series 2021	2,800,000	2.66%	07/1/25-26	1,105,000	490,000
Total				<u>\$ 37,270,000</u>	<u>\$ 3,195,000</u>

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

Year ending June 30:	Governmental Activities			
	General Obligation Bonds		Private Placement Bonds	
	Principal	Interest	Principal	Interest
2025	\$ 2,705,000	\$ 1,488,550	\$ 490,000	\$ 29,394
2026	2,470,000	1,390,000	615,000	8,180
2027	3,465,000	1,299,950		
2028	2,570,000	1,176,038		
2029	2,590,000	1,059,638		
2030-34	12,895,000	3,637,176		
2035-39	6,120,000	1,448,800		
2040-42	3,350,000	271,000		
Total	<u>\$ 36,165,000</u>	<u>\$ 11,771,152</u>	<u>\$ 1,105,000</u>	<u>\$ 37,574</u>

Catalina Foothills Unified School District No. 16
Notes to Financial Statements
June 30, 2024

Note 11 – Changes In Long-Term Liabilities

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 38,955,000	\$	\$ 2,790,000	\$ 36,165,000	\$ 2,705,000
Private placement bonds	1,630,000		525,000	1,105,000	490,000
Premium	3,073,832		317,704	2,756,128	
Total bonds payable	<u>43,658,832</u>		<u>3,632,704</u>	<u>40,026,128</u>	<u>3,195,000</u>
Financed purchases payable	2,880,125		1,893,368	986,757	485,691
Leases payable	18,659	369,250	72,048	315,861	67,491
Net pension liability	37,025,326		822,579	36,202,747	
Compensated absences payable	485,367	422,784	473,632	434,519	434,519
Total long-term liabilities	<u>\$ 84,068,309</u>	<u>\$ 792,034</u>	<u>\$ 6,894,331</u>	<u>\$ 77,966,012</u>	<u>\$ 4,182,701</u>

Note 12 – Interfund Receivables, Payables, and Transfers

At year end, interfund balances were as follows:

Interfund transfers – Transfers between funds were used to (1) move investment income earned of \$578,544 in the Bond Building Fund that is required by statute to be expended in the Debt Service Fund, a non-major governmental fund, and (2) to move federal grant funds of \$17,695 restricted for indirect costs.

Note 13 – Contingent Liabilities

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

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

Catalina Foothills Unified School District No. 16
Notes to Financial Statements
June 30, 2024

Note 13 – Contingent Liabilities

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

Note 14 – Restatements of Beginning Balances

Change within the Financial Reporting Entity – The Federal and State Grants Fund was previously reported as a major governmental fund as it met the criteria to be reported as a major fund. However, current year activity and/or balances for the Federal and State Grants Fund did not meet the criteria to be reported as a major fund. The Other Special Revenue Fund and the Other Capital Projects Fund were previously reported as non-major governmental funds as they did not meet the criteria to be reported as major funds. However, current year activity and/or balances for the Other Special Revenue Fund and the Other Capital Projects Fund met the criteria to be reported as major fund.

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

	June 30, 2023, As Previously Reported	Change within the Financial Reporting Entity	June 30, 2023, As Restated
Governmental Funds			
Major Funds:			
General Fund	\$ 22,491,483	\$	\$ 22,491,483
Federal and State Grants	914,729	(914,729)	
Other Special Revenue		4,914,735	4,914,735
Bond Building	13,650,363		13,650,363
Other Capital Projects		(67,397)	(67,397)
Non-major Funds	9,798,003	(3,932,609)	5,865,394
Total Governmental Funds	<u>\$ 46,854,578</u>	<u>\$</u>	<u>\$ 46,854,578</u>

Catalina Foothills Unified School District No. 16
Notes to Financial Statements
June 30, 2024

Note 15 – 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, accident, and vision 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.

The District joined the Arizona School Alliance for Workers' Compensation, Inc. (Alliance) together with other school districts in the state for risks of loss related to workers' compensation claims. The Alliance is a public entity risk pool currently operating as a common risk management and insurance program for school districts in the State. The District pays quarterly premiums to the Alliance for its employee workers' compensation coverage. The agreement provides that the Alliance will be self-sustaining through members' premiums and will reinsure through commercial companies for claims in excess of specified amounts for each insured event.

The District continues to carry commercial insurance for employee dental coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 16 – Pensions

Plan Description. District employees participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiple-employer defined benefit pension plan, a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan, and a cost-sharing multiple-employer defined benefit long-term disability (OPEB) plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. ASRS is a component unit of the State of Arizona. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on the ASRS website at www.azasrs.gov.

Catalina Foothills Unified School District No. 16
Notes to Financial Statements
June 30, 2024

Note 16 – Pensions

Aggregate Amounts. At June 30, 2024, the District reported the following aggregate amounts related to pensions and OPEB for all plans to which it contributes:

	Pension	OPEB	Total
Net assets	\$	\$ 1,160,736	\$ 1,160,736
Net liability	36,202,747		36,202,747
Deferred outflows of resources	4,482,618	94,277	4,576,895
Deferred inflows of resources	1,958,450	506,953	2,465,403
Expense	3,930,102	(714,552)	3,215,550
Contributions	3,664,580	33,508	3,698,088

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

Benefits Provided. The ASRS provides retirement, health insurance premium supplement, long-term disability, and survivor benefits. State statute establishes benefit terms. Retirement benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

	Retirement Initial Membership Date:	
	Before July 1, 2011	On or After July 1, 2011
Years of service and age required to receive benefit	Sum of years and age equals 80 10 years, age 62 5 years, age 50* Any years, age 65	30 years, age 55 25 years, age 60 10 years, age 62 5 years, age 50* Any years, age 65
Final average salary is based on	Highest 36 months of last 120 months	Highest 60 months of last 120 months
Benefit percent per year of service	2.1% to 2.3%	2.1% to 2.3%

*With actuarially reduced benefits

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment earnings. Members with a membership date on or after September 13, 2013, are not eligible for cost-of-living adjustments. Survivor benefits are payable upon a member's death. For retired members, the survivor benefit is determined by the retirement benefit option chosen. For all other members, the beneficiary is entitled to the member's account balance that includes the member's contributions and employer's contributions, plus interest earned.

Catalina Foothills Unified School District No. 16
Notes to Financial Statements
June 30, 2024

Note 16 – Pensions

Contributions. In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 12.29 percent (12.14 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 12.29 percent (12.03 percent for retirement, 0.11 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, 2024 were \$3.7 million.

Employers are also required to pay an Alternate Contribution Rate (ACR), for retired members who return to work in positions that would typically be filled by an employee who contributes to ASRS. The District was required by statute to contribute at the actuarially determined rate of 9.99 percent (9.94 percent for retirement and 0.05 percent for long-term disability). ACR contributions are included in employer contributions presented above.

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

Pension Liability. The net pension liability was measured as of June 30, 2023. 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, 2022, to the measurement date of June 30, 2023. 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, 2023.

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

Net Liability	District % Proportion	Increase (Decrease)
\$ 36,202,747	0.224	(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, 2024 was \$3.9 million.

Catalina Foothills Unified School District No. 16
Notes to Financial Statements
June 30, 2024

Note 16 – Pensions

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 818,038	\$
Net difference between projected and actual earnings on pension investments		1,280,885
Changes in proportion and differences between contributions and proportionate share of contributions		677,565
Contributions subsequent to the measurement date	3,664,580	
Total	\$ 4,482,618	\$ 1,958,450

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, 2025. 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:	
2025	\$ (721,215)
2026	(1,640,442)
2027	1,380,415
2028	(159,170)

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

Actuarial valuation date	June 30, 2022
Actuarial roll forward date	June 30, 2023
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

Catalina Foothills Unified School District No. 16
Notes to Financial Statements
June 30, 2024

Note 16 – Pensions

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2020. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2020, actuarial valuation.

The long-term expected rate of return on ASRS plan investments was determined to be 7.0 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, excluding any expected inflation.

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
Public equity	44%	3.50%
Credit	23	5.90
Interest rate sensitive	6	1.50
Private equity	10	6.70
Real estate	17	5.90
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.

Catalina Foothills Unified School District No. 16
Notes to Financial Statements
June 30, 2024

Note 16 – Pensions

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Rate	6.0%	7.0%	8.0%
Net liability	\$ 54,226,398	\$ 36,202,747	\$ 21,174,210

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

Catalina Foothills Unified School District No. 16
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General
For the Year Ended June 30, 2024

	Budget		Non-GAAP Actual	Variance with Final Budget
	Original	Final		
Revenues				
Other local	\$	\$	\$ 250,797	\$ 250,797
Property taxes			21,319,819	21,319,819
State aid and grants			17,434,309	17,434,309
Total revenues			<u>39,004,925</u>	<u>39,004,925</u>
Expenditures				
Current:				
Instruction	22,243,604	22,732,800	20,333,567	2,399,233
Support services - students and staff	4,742,555	4,774,360	4,482,301	292,059
Support services - administration	5,747,250	5,617,667	5,283,454	334,213
Operation and maintenance of plant services	5,188,945	5,790,473	6,483,804	(693,331)
Student transportation services	2,188,495	2,158,495	2,059,035	99,460
Operation of non-instructional services	25,000	62,653	70,483	(7,830)
Total expenditures	<u>40,135,849</u>	<u>41,136,448</u>	<u>38,712,644</u>	<u>2,423,804</u>
Changes in fund balances	<u>(40,135,849)</u>	<u>(41,136,448)</u>	<u>292,281</u>	<u>41,428,729</u>
Fund balances, beginning of year			<u>8,674,620</u>	<u>8,674,620</u>
Fund balances, end of year	<u>\$ (40,135,849)</u>	<u>\$ (41,136,448)</u>	<u>\$ 8,966,901</u>	<u>\$ 50,103,349</u>

Catalina Foothills Unified School District No. 16
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Other Special Revenue
For the Year Ended June 30, 2024

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other local	\$	\$	\$ 7,191,073	\$ 7,191,073
State aid and grants			677	677
Total revenues			<u>7,191,750</u>	<u>7,191,750</u>
Expenditures				
Current:				
Instruction	806,876	958,950	1,110,579	(151,629)
Support services - students and staff	406,495	483,109	559,498	(76,389)
Support services - administration	3,232	3,842	4,449	(607)
Operation and maintenance of plant services	150,889	179,328	207,683	(28,355)
Student transportation services	89,771	106,690	123,560	(16,870)
Operation of non-instructional services	2,944,884	3,499,918	4,053,324	(553,406)
Capital outlay	706,351	839,480	972,218	(132,738)
Total expenditures	<u>5,108,500</u>	<u>6,071,315</u>	<u>7,031,311</u>	<u>(959,996)</u>
Changes in fund balances	<u>(5,108,500)</u>	<u>(6,071,315)</u>	<u>160,439</u>	<u>6,231,754</u>
Fund balances, beginning of year			<u>4,914,735</u>	<u>4,914,735</u>
Fund balances, end of year	<u>\$ (5,108,500)</u>	<u>\$ (6,071,315)</u>	<u>\$ 5,075,174</u>	<u>\$ 11,146,489</u>

Catalina Foothills Unified School District No. 16
Schedule of the Proportionate Share of the Net Pension Liability
Arizona State Retirement System
Last Ten Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Measurement date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
District's proportion of the net pension (assets) liability	0.22%	0.23%	0.23%	0.24%
District's proportionate share of the net pension (assets) liability	\$ 36,202,747	\$ 37,025,326	\$ 30,793,863	\$ 41,521,273
District's covered payroll	\$ 28,949,430	\$ 26,598,410	\$ 25,653,562	\$ 25,891,441
District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	125.06%	139.20%	120.04%	160.37%
Plan fiduciary net position as a percentage of the total pension liability	75.47%	74.26%	78.58%	69.33%

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Actuarially determined contribution	\$ 3,664,580	\$ 3,450,772	\$ 3,194,469	\$ 2,988,640
Contributions in relation to the actuarially determined contribution	<u>3,664,580</u>	<u>3,450,772</u>	<u>3,194,469</u>	<u>2,988,640</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 30,462,012	\$ 28,949,430	\$ 26,598,410	\$ 25,653,562
Contributions as a percentage of covered payroll	12.03%	11.92%	12.01%	11.65%

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
0.24%	0.24%	0.23%	0.23%	0.24%	0.24%
\$ 35,413,167	\$ 33,555,233	\$ 35,855,999	\$ 37,200,173	\$ 36,700,116	\$ 34,326,151
\$ 25,272,862	\$ 23,648,431	\$ 21,777,403	\$ 21,404,498	\$ 21,673,838	\$ 20,890,131
140.12%	141.89%	164.65%	173.80%	169.33%	164.32%
73.24%	73.40%	69.92%	67.06%	68.35%	69.49%

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 2,964,570	\$ 2,825,506	\$ 2,577,679	\$ 2,347,604	\$ 2,322,388	\$ 2,360,281
<u>2,964,570</u>	<u>2,825,506</u>	<u>2,577,679</u>	<u>2,347,604</u>	<u>2,322,388</u>	<u>2,360,281</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 25,891,441	\$ 25,272,862	\$ 23,648,431	\$ 21,777,403	\$ 21,404,498	\$ 21,673,838
11.45%	11.18%	10.90%	10.78%	10.85%	10.89%

Catalina Foothills Unified School District No. 16
Notes to Required Supplementary Information
June 30, 2024

Note 1 – Budgetary Basis of Accounting

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

- Certain activities reported in the General Fund are budgeted in separate funds in accordance with Arizona Revised Statutes.
- Prepaid items are budgeted in the year prepaid.
- Employee insurance expenditures are budgeted in the year the employee insurance account is funded.

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

	Total Expenditures	Fund Balances End of Year
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 47,857,442	\$ 22,049,729
Activity budgeted as other fund types	(9,684,329)	(11,346,236)
Current-year prepaid items	722,585	(722,585)
Employee insurance account	<u>(183,054)</u>	<u>(1,014,007)</u>
Schedule of Revenue, Expenditures and Changes in Fund Balances – Budget and Actual - General Fund	<u>\$ 38,712,644</u>	<u>\$ 8,966,901</u>

Note 2 – Pension Plan Schedules

Actuarial Assumptions for Valuations Performed. The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated, which is the most recent actuarial valuation. The actuarial assumptions used are disclosed in the notes to the financial statements.

Factors that Affect Trends. The actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2020. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2020, actuarial valuation.

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

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Governmental Funds

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Non-Major Governmental Funds

Special Revenue Funds

Classroom Site – to account for the financial activity for the portion of state sales tax collections and permanent state school fund earnings.

Instructional Improvement – to account for the activity of monies received from gaming revenue.

Federal and State Grants – to account for financial assistance received for federal and state grants and projects.

Food Service – to account for the financial activity of school activities that have as their purpose the preparation and serving of regular and incidental meals and snacks in connection with school functions.

Debt Service Fund

Debt Service – to account for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs.

Capital Projects Funds

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

Bond Building – to account for proceeds from District bond issues that are expended on the acquisition or lease of sites; construction or renovation of school buildings; supplying school buildings with furniture, equipment, and technology; improving school grounds; or purchasing pupil transportation vehicles.

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

Catalina Foothills Unified School District No. 16
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2024

Special Revenue Funds

	<u>Special Revenue Funds</u>			
	<u>Classroom Site</u>	<u>Instructional Improvement</u>	<u>Federal and State Grants</u>	<u>Food Service</u>
Assets				
Cash and investments	\$ 2,693,886	\$ 460,916	\$ 1,051,593	\$ 1,259,893
Property taxes receivable				
Due from governmental entities		173,053	519,593	24,724
Total assets	<u>\$ 2,693,886</u>	<u>\$ 633,969</u>	<u>\$ 1,571,186</u>	<u>\$ 1,284,617</u>
Liabilities				
Accounts payable	\$	\$	\$ 30,714	\$ 28,094
Accrued payroll and employee benefits	276,846	16,685	157,634	
Total liabilities	<u>276,846</u>	<u>16,685</u>	<u>188,348</u>	<u>28,094</u>
Deferred inflows of resources				
Unavailable revenues - property taxes				
Unavailable revenues - intergovernmental			273,187	
Total deferred inflows of resources			<u>273,187</u>	
Fund balances				
Restricted	2,417,040	617,284	1,109,651	1,256,523
Total fund balances	<u>2,417,040</u>	<u>617,284</u>	<u>1,109,651</u>	<u>1,256,523</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,693,886</u>	<u>\$ 633,969</u>	<u>\$ 1,571,186</u>	<u>\$ 1,284,617</u>

<u>Debt Service Fund</u>	<u>Capital Projects Funds</u>	<u>Total Non-Major Governmental Funds</u>
<u>Debt Service</u>	<u>Adjacent Ways</u>	<u>Funds</u>
\$ 1,810,659	\$ 1,347	\$ 7,278,294
52,142		52,142
		717,370
<u>\$ 1,862,801</u>	<u>\$ 1,347</u>	<u>\$ 8,047,806</u>
		\$ 58,808
		451,165
		<u>509,973</u>
33,495		33,495
		273,187
<u>33,495</u>		<u>306,682</u>
<u>1,829,306</u>	<u>1,347</u>	<u>7,231,151</u>
<u>1,829,306</u>	<u>1,347</u>	<u>7,231,151</u>
<u>\$ 1,862,801</u>	<u>\$ 1,347</u>	<u>\$ 8,047,806</u>

Catalina Foothills Unified School District No. 16
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds			
	Classroom Site	Instructional Improvement	Federal and State Grants	Food Service
Revenues				
Other local	\$ 420,214	\$ 17,605	\$ 54,376	\$ 1,253,603
Property taxes				
State aid and grants	4,692,218	373,747	445,438	
Federal aid, grants and reimbursements			3,719,161	808,575
Total revenues	<u>5,112,432</u>	<u>391,352</u>	<u>4,218,975</u>	<u>2,062,178</u>
Expenditures				
Current:				
Instruction	4,384,081	135,979	2,685,175	
Support services - students and staff	278,275	5,123	1,155,158	
Support services - administration			70,675	
Operation and maintenance of plant services			62,952	14,199
Student transportation services			14,059	
Operation of non-instructional services				1,939,677
Capital outlay			18,339	2,279
Debt service:				
Principal retirement				
Interest and fiscal charges				
Total expenditures	<u>4,662,356</u>	<u>141,102</u>	<u>4,006,358</u>	<u>1,956,155</u>
Excess (deficiency) of revenues over expenditures	<u>450,076</u>	<u>250,250</u>	<u>212,617</u>	<u>106,023</u>
Other financing sources (uses)				
Transfers in				
Transfers out			(17,695)	
Total other financing sources (uses)			<u>(17,695)</u>	
Changes in fund balances	<u>450,076</u>	<u>250,250</u>	<u>194,922</u>	<u>106,023</u>
Fund balances, beginning of year, previously reported	1,966,964	367,034		1,150,500
Adjustments to beginning fund balances			914,729	
Fund balances, beginning of year, as restated	<u>1,966,964</u>	<u>367,034</u>	<u>914,729</u>	<u>1,150,500</u>
Fund balances, end of year	<u>\$ 2,417,040</u>	<u>\$ 617,284</u>	<u>\$ 1,109,651</u>	<u>\$ 1,256,523</u>

	Debt Service Fund	Capital Projects Funds		Total Non-Major Governmental Funds
Other Special Revenues	Debt Service	Adjacent Ways	Other Capital Projects	
\$	\$ 109,229	\$ 38	\$	\$ 1,855,065
	4,728,198			4,728,198
				5,511,403
				4,527,736
	<u>4,837,427</u>	<u>38</u>		<u>16,622,402</u>
				7,205,235
				1,438,556
				70,675
				77,151
				14,059
				1,939,677
				20,618
	3,315,000			3,315,000
	<u>1,736,523</u>			<u>1,736,523</u>
	<u>5,051,523</u>			<u>15,817,494</u>
	(214,096)	38		804,908
	578,544			578,544
				(17,695)
	<u>578,544</u>			<u>560,849</u>
	364,448	38		1,365,757
4,914,735	1,464,858	1,309	(67,397)	9,798,003
<u>(4,914,735)</u>			<u>67,397</u>	<u>(3,932,609)</u>
	<u>1,464,858</u>	<u>1,309</u>		<u>5,865,394</u>
<u>\$</u>	<u>\$ 1,829,306</u>	<u>\$ 1,347</u>	<u>\$</u>	<u>\$ 7,231,151</u>

Catalina Foothills Unified School District No. 16
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Classroom Site
For the Year Ended June 30, 2024

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other local	\$	\$	\$ 420,214	\$ 420,214
State aid and grants			4,692,218	4,692,218
Total revenues			<u>5,112,432</u>	<u>5,112,432</u>
Expenditures				
Current:				
Instruction	6,406,659	6,544,127	4,384,081	2,160,046
Support services - students and staff	435,610	444,956	278,275	166,681
Total expenditures	<u>6,842,269</u>	<u>6,989,083</u>	<u>4,662,356</u>	<u>2,326,727</u>
Changes in fund balances	<u>(6,842,269)</u>	<u>(6,989,083)</u>	<u>450,076</u>	<u>7,439,159</u>
Fund balances, beginning of year			<u>1,966,964</u>	<u>1,966,964</u>
Fund balances, end of year	<u>\$ (6,842,269)</u>	<u>\$ (6,989,083)</u>	<u>\$ 2,417,040</u>	<u>\$ 9,406,123</u>

Catalina Foothills Unified School District No. 16
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Instructional Improvement
For the Year Ended June 30, 2024

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other local	\$	\$	\$ 17,605	\$ 17,605
State aid and grants			373,747	373,747
Total revenues			<u>391,352</u>	<u>391,352</u>
Expenditures				
Current:				
Instruction	260,271	215,841	135,979	79,862
Support services - students and staff	9,806	8,132	5,123	3,009
Total expenditures	<u>270,077</u>	<u>223,973</u>	<u>141,102</u>	<u>82,871</u>
Changes in fund balances	<u>(270,077)</u>	<u>(223,973)</u>	<u>250,250</u>	<u>474,223</u>
Fund balances, beginning of year			<u>367,034</u>	<u>367,034</u>
Fund balances, end of year	<u>\$ (270,077)</u>	<u>\$ (223,973)</u>	<u>\$ 617,284</u>	<u>\$ 841,257</u>

Catalina Foothills Unified School District No. 16
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Federal and State Grants
For the Year Ended June 30, 2024

	Budget		Non-GAAP Actual	Variance with Final Budget
	Original	Final		
Revenues				
Other local	\$	\$	\$ 54,376	\$ 54,376
State aid and grants			445,438	445,438
Federal aid, grants and reimbursements			3,719,161	3,719,161
Total revenues			<u>4,218,975</u>	<u>4,218,975</u>
Expenditures				
Current:				
Instruction	2,333,029	2,057,763	1,973,260	84,503
Support services - students and staff	1,365,768	1,204,627	1,155,158	49,469
Support services - administration	83,561	73,702	70,675	3,027
Operation and maintenance of plant services	74,430	65,648	62,952	2,696
Student transportation services	16,622	14,661	14,059	602
Capital outlay	21,683	19,124	18,339	785
Total expenditures	<u>3,895,091</u>	<u>3,435,525</u>	<u>3,294,443</u>	<u>141,082</u>
Excess (deficiency) of revenues over expenditures	<u>(3,895,091)</u>	<u>(3,435,525)</u>	<u>924,532</u>	<u>4,360,057</u>
Other financing sources (uses)				
Transfers out			(17,695)	(17,695)
Total other financing sources (uses)			<u>(17,695)</u>	<u>(17,695)</u>
Changes in fund balances	<u>(3,895,091)</u>	<u>(3,435,525)</u>	<u>906,837</u>	<u>4,342,362</u>
Fund balances, beginning of year			<u>202,814</u>	<u>202,814</u>
Fund balances, end of year	<u>\$ (3,895,091)</u>	<u>\$ (3,435,525)</u>	<u>\$ 1,109,651</u>	<u>\$ 4,545,176</u>

Catalina Foothills Unified School District No. 16
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Food Service
For the Year Ended June 30, 2024

	<u>Budget</u>		Variance with Final Budget
	<u>Original and Final</u>	<u>Actual</u>	
Revenues			
Other local	\$	\$ 1,253,603	\$ 1,253,603
Federal aid, grants and reimbursements		808,575	808,575
Total revenues		<u>2,062,178</u>	<u>2,062,178</u>
Expenditures			
Current:			
Operation and maintenance of plant services	11,977	14,199	(2,222)
Operation of non-instructional services	1,636,101	1,939,677	(303,576)
Capital outlay	1,922	2,279	(357)
Total expenditures	<u>1,650,000</u>	<u>1,956,155</u>	<u>(306,155)</u>
Changes in fund balances	<u>(1,650,000)</u>	<u>106,023</u>	<u>1,756,023</u>
Fund balances, beginning of year		<u>1,150,500</u>	<u>1,150,500</u>
Fund balances, end of year	<u>\$ (1,650,000)</u>	<u>\$ 1,256,523</u>	<u>\$ 2,906,523</u>

Catalina Foothills Unified School District No. 16
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Debt Service
For the Year Ended June 30, 2024

	<u>Budget</u>		Variance with Final Budget
	<u>Original and Final</u>	<u>Actual</u>	
Revenues			
Other local	\$	\$ 109,229	\$ 109,229
Property taxes		<u>4,728,198</u>	<u>4,728,198</u>
Total revenues		<u>4,837,427</u>	<u>4,837,427</u>
Expenditures			
Debt service:			
Principal retirement	3,315,000	3,315,000	
Interest and fiscal charges	<u>1,734,883</u>	<u>1,736,523</u>	<u>(1,640)</u>
Total expenditures	<u>5,049,883</u>	<u>5,051,523</u>	<u>(1,640)</u>
Excess (deficiency) of revenues over expenditures	<u>(5,049,883)</u>	<u>(214,096)</u>	<u>4,835,787</u>
Other financing sources (uses)			
Transfers in		<u>578,544</u>	<u>578,544</u>
Total other financing sources (uses)		<u>578,544</u>	<u>578,544</u>
Changes in fund balances	<u>(5,049,883)</u>	<u>364,448</u>	<u>5,414,331</u>
Fund balances, beginning of year		<u>1,464,858</u>	<u>1,464,858</u>
Fund balances, end of year	<u>\$ (5,049,883)</u>	<u>\$ 1,829,306</u>	<u>\$ 6,879,189</u>

Catalina Foothills Unified School District No. 16
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Adjacent Ways
For the Year Ended June 30, 2024

	<u>Budget</u>		Variance with Final Budget
	<u>Original and Final</u>	<u>Actual</u>	
Revenues			
Other local	\$ _____	\$ _____ 38	\$ _____ 38
Total revenues	_____	_____ 38	_____ 38
Changes in fund balances	_____	_____ 38	_____ 38
Fund balances, beginning of year	_____	_____ 1,309	_____ 1,309
Fund balances, end of year	<u>\$ _____</u>	<u>\$ _____ 1,347</u>	<u>\$ _____ 1,347</u>

Catalina Foothills Unified School District No. 16
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Bond Building
For the Year Ended June 30, 2024

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other local	\$	\$	578,545	\$ 578,545
Total revenues			<u>578,545</u>	<u>578,545</u>
Expenditures				
Capital outlay	13,542,700	13,695,768	10,101,350	3,594,418
Total expenditures	<u>13,542,700</u>	<u>13,695,768</u>	<u>10,101,350</u>	<u>3,594,418</u>
Excess (deficiency) of revenues over expenditures	<u>(13,542,700)</u>	<u>(13,695,768)</u>	<u>(9,522,805)</u>	<u>4,172,963</u>
Other financing sources (uses)				
Transfers out			(578,544)	(578,544)
Total other financing sources (uses)			<u>(578,544)</u>	<u>(578,544)</u>
Changes in fund balances	<u>(13,542,700)</u>	<u>(13,695,768)</u>	<u>(10,101,349)</u>	<u>3,594,419</u>
Fund balances, beginning of year			<u>13,650,363</u>	<u>13,650,363</u>
Fund balances, end of year	<u>\$ (13,542,700)</u>	<u>\$ (13,695,768)</u>	<u>\$ 3,549,014</u>	<u>\$ 17,244,782</u>

Catalina Foothills Unified School District No. 16
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Other Capital Projects
For the Year Ended June 30, 2024

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other local	\$	\$	\$ 27	\$ 27
State aid and grants			541,636	541,636
Total revenues			<u>541,663</u>	<u>541,663</u>
Expenditures				
Capital outlay		625,000	807,027	(182,027)
Total expenditures		<u>625,000</u>	<u>807,027</u>	<u>(182,027)</u>
Changes in fund balances		(625,000)	(265,364)	359,636
Fund balances, beginning of year			(67,397)	(67,397)
Fund balances, end of year	\$	\$ (625,000)	\$ (332,761)	\$ 292,239

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Statistical Section

The statistical section presents financial statement trends as well as detailed financial and operational information not available elsewhere in the report. The statistical section is intended to enhance the reader's understanding of the information presented in the financial statements, notes to the financial statements, and other supplementary information presented in this report. The statistical section is comprised of the five categories of statistical information presented below.

Financial Trends

These schedules contain information on financial trends to help the reader understand how the District's financial position and financial activities have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the District's ability to generate revenue.

Debt Capacity

These schedules present information to help the reader evaluate the District's current levels of outstanding debt as well as assess the District's ability to make debt payments and/or issue additional debt in the future.

Demographic and Economic Information

These schedules present various demographic and economic indicators to help the reader understand the environment in which the District's financial activities take place and to help make comparisons with other school districts.

Operating Information

These schedules contain information about the District's operations and various resources to help the reader draw conclusions as to how the District's financial information relates to the services provided by the District.

Note: For locally assessed property (i.e., excluding mines, utilities, etc.) Proposition 117, approved by voters in 2012, amended the Arizona Constitution to require that all property taxes after fiscal year 2014-15 be based upon property values limited to 5 percent in annual growth. The aggregate assessed value of all taxable properties within a taxing jurisdiction (i.e., after applying assessment ratios based on the use of a property), including property values with a growth limit, is currently referred to as net limited assessed value and formerly as primary assessed value. In accordance with Proposition 117, this value is used for all taxing purposes beginning fiscal year 2015-16. Aggregate assessed value without a growth limit is currently referred to as net full cash assessed value and formerly as secondary assessed value. This remains the value utilized for determining debt capacity limits.

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Catalina Foothills Unified School District No. 16
Net Position by Component
Last Ten Fiscal Years
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Net Position:					
Net investment in capital assets	\$ 50,016,777	\$ 44,765,519	\$ 45,975,540	\$ 45,076,637	\$ 45,103,807
Restricted	16,536,435	16,450,164	18,101,580	15,676,919	14,072,235
Unrestricted	<u>(15,095,858)</u>	<u>(14,948,814)</u>	<u>(21,757,417)</u>	<u>(25,110,084)</u>	<u>(24,740,631)</u>
Total net position	<u>\$ 51,457,354</u>	<u>\$ 46,266,869</u>	<u>\$ 42,319,703</u>	<u>\$ 35,643,472</u>	<u>\$ 34,435,411</u>
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Net Position:					
Net investment in capital assets	\$ 42,923,747	\$ 44,049,130	\$ 43,907,650	\$ 40,217,126	\$ 42,828,165
Restricted	14,669,630	13,830,242	12,790,848	14,208,596	14,422,369
Unrestricted	<u>(24,663,730)</u>	<u>(27,643,030)</u>	<u>(35,011,585)</u>	<u>(38,122,345)</u>	<u>(35,593,736)</u>
Total net position	<u>\$ 32,929,647</u>	<u>\$ 30,236,342</u>	<u>\$ 21,686,913</u>	<u>\$ 16,303,377</u>	<u>\$ 21,656,798</u>

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

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

Catalina Foothills Unified School District No. 16
Expenses, Program Revenues, and Net (Expense)/Revenue
Last Ten Fiscal Years
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Expenses					
Instruction	\$ 32,082,097	\$ 32,450,381	\$ 28,347,223	\$ 28,431,299	\$ 26,370,783
Support services - students and staff	7,133,021	6,762,687	5,451,256	5,351,967	6,211,089
Support services - administration	6,223,736	6,429,929	5,034,112	5,757,680	5,631,434
Operation and maintenance of plant services	6,614,507	7,364,960	5,735,422	6,380,374	5,854,957
Student transportation services	3,418,814	3,985,591	3,011,627	1,482,261	1,744,651
Operation of non-instructional services	8,390,569	7,875,666	7,286,104	4,510,934	6,919,856
Interest on long-term debt	1,496,637	894,120	981,884	1,109,207	1,158,717
Total expenses	<u>65,359,381</u>	<u>65,763,334</u>	<u>55,847,628</u>	<u>53,023,722</u>	<u>53,891,487</u>
Program Revenues					
Charges for services:					
Instruction	1,817,302	2,312,757	1,880,320	875,598	1,353,125
Operation of non-instructional services	6,211,755	5,832,067	4,537,117	2,543,066	3,995,844
Other activities	1,448,389	414,375	307,233	243,226	809,901
Operating grants and contributions	4,400,850	6,966,078	6,434,769	5,929,720	3,716,977
Capital grants and contributions	764,982	1,763,648	1,187,202	224,759	85,151
Total program revenues	<u>14,643,278</u>	<u>17,288,925</u>	<u>14,346,641</u>	<u>9,816,369</u>	<u>9,960,998</u>
Net (Expense)/Revenue	<u>\$ (50,716,103)</u>	<u>\$ (48,474,409)</u>	<u>\$ (41,500,987)</u>	<u>\$ (43,207,353)</u>	<u>\$ (43,930,489)</u>

(Continued)

Catalina Foothills Unified School District No. 16
Expenses, Program Revenues, and Net (Expense)/Revenue
Last Ten Fiscal Years
(Accrual basis of accounting)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Expenses					
Instruction	\$ 25,203,094	\$ 21,491,831	\$ 21,927,938	\$ 25,637,978	\$ 21,163,312
Support services - students and staff	5,636,336	4,782,289	5,106,814	5,285,127	4,799,037
Support services - administration	5,439,361	4,416,534	4,772,574	4,932,269	4,544,420
Operation and maintenance of plant services	5,245,151	4,737,093	4,701,355	4,689,680	4,611,702
Student transportation services	2,687,879	2,145,328	1,861,775	1,869,972	1,734,626
Operation of non-instructional services	6,381,273	5,746,203	5,202,421	4,623,477	4,339,557
Interest on long-term debt	1,384,250	1,078,097	1,143,968	1,184,554	1,276,782
Total expenses	<u>51,977,344</u>	<u>44,397,375</u>	<u>44,716,845</u>	<u>48,223,057</u>	<u>42,469,436</u>
Program Revenues					
Charges for services:					
Instruction	2,326,410	740,484	4,532,575	3,681,911	3,634,111
Operation of non-instructional services	4,948,311	4,744,055	1,839,152	1,863,125	1,626,390
Other activities	951,967	1,283,976	170,829	114,066	111,487
Operating grants and contributions	3,339,373	3,748,238	2,434,196	2,593,115	2,425,393
Capital grants and contributions	837,618	352,975	30,047	94,534	37,046
Total program revenues	<u>12,403,679</u>	<u>10,869,728</u>	<u>9,006,799</u>	<u>8,346,751</u>	<u>7,834,427</u>
Net (Expense)/Revenue	<u>\$ (39,573,665)</u>	<u>\$ (33,527,647)</u>	<u>\$ (35,710,046)</u>	<u>\$ (39,876,306)</u>	<u>\$ (34,635,009)</u>

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

(Concluded)

Catalina Foothills Unified School District No. 16
General Revenues and Total Changes in Net Position
Last Ten Fiscal Years
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Net (Expense)/Revenue	\$ (50,716,103)	\$ (48,474,409)	\$ (41,500,987)	\$ (43,207,353)	\$ (43,930,489)
General Revenues:					
Property taxes	29,001,334	29,115,623	29,726,700	29,334,733	28,065,889
Investment income	2,047,821	1,069,936	93,623	158,240	422,322
Unrestricted county aid			628,019	565,002	552,059
Unrestricted state aid	24,857,433	22,236,016	17,728,876	14,357,439	15,078,716
Total general revenues	<u>55,906,588</u>	<u>52,421,575</u>	<u>48,177,218</u>	<u>44,415,414</u>	<u>44,118,986</u>
Changes in Net Position	<u>\$ 5,190,485</u>	<u>\$ 3,947,166</u>	<u>\$ 6,676,231</u>	<u>\$ 1,208,061</u>	<u>\$ 188,497</u>

(Continued)

Catalina Foothills Unified School District No. 16
General Revenues and Total Changes in Net Position
Last Ten Fiscal Years
(Accrual basis of accounting)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Net (Expense)/Revenue	\$ (39,573,665)	\$ (33,527,647)	\$ (35,710,046)	\$ (39,876,306)	\$ (34,635,009)
General Revenues:					
Property taxes	27,837,493	28,692,767	30,010,431	23,932,927	21,732,046
Investment income	519,343	263,957	141,050	174,944	70,532
Unrestricted county aid	446,883	411,165	346,465	325,033	365,064
Unrestricted state aid	13,463,251	11,735,761	10,595,636	10,089,981	9,337,926
Unrestricted federal aid					15,288
Total general revenues	<u>42,266,970</u>	<u>41,103,650</u>	<u>41,093,582</u>	<u>34,522,885</u>	<u>31,520,856</u>
Changes in Net Position	<u>\$ 2,693,305</u>	<u>\$ 7,576,003</u>	<u>\$ 5,383,536</u>	<u>\$ (5,353,421)</u>	<u>\$ (3,114,153)</u>

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

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

(Concluded)

Catalina Foothills Unified School District No. 16
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
General Fund:					
Nonspendable	\$ 722,585	\$	\$ 647,608	\$	\$ 27,477
Restricted	2,762,674	4,200,000			
Unassigned	18,564,470	18,291,483	11,047,875	9,867,669	9,579,783
Total General Fund	\$ 22,049,729	\$ 22,491,483	\$ 11,695,483	\$ 9,867,669	\$ 9,607,260
All Other Governmental Funds:					
Nonspendable	\$	\$ 711,915	\$ 102,922	\$	\$ 28,237
Restricted	15,855,339	23,718,577	17,902,772	16,598,597	17,132,721
Unassigned	(332,761)	(67,397)	(1,235,903)	(1,876)	(14,534)
Total all other governmental funds	\$ 15,522,578	\$ 24,363,095	\$ 16,769,791	\$ 16,596,721	\$ 17,146,424

(Continued)

Catalina Foothills Unified School District No. 16
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Fund:					
Nonspendable	\$	\$ 473,759	\$ 468,136	\$ 421,759	\$ 2,299,132
Unassigned	<u>7,165,221</u>	<u>5,850,789</u>	<u>2,274,537</u>	<u>(1,845,258)</u>	<u>(219,008)</u>
Total General Fund	<u><u>\$ 7,165,221</u></u>	<u><u>\$ 6,324,548</u></u>	<u><u>\$ 2,742,673</u></u>	<u><u>\$ (1,423,499)</u></u>	<u><u>\$ 2,080,124</u></u>
All Other Governmental Funds:					
Restricted	\$ 17,461,903	\$ 22,393,191	\$ 16,023,595	\$ 20,936,511	\$ 19,819,749
Unassigned	<u>(2,081)</u>	<u>(92,747)</u>	<u>(43,206)</u>		
Total all other governmental funds	<u><u>\$ 17,459,822</u></u>	<u><u>\$ 22,300,444</u></u>	<u><u>\$ 15,980,389</u></u>	<u><u>\$ 20,936,511</u></u>	<u><u>\$ 19,819,749</u></u>

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

(Concluded)

Catalina Foothills Unified School District No. 16
Governmental Funds Revenues
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Federal sources:					
Federal grants	\$ 3,719,161	\$ 5,647,860	\$ 2,391,439	\$ 3,591,844	\$ 1,336,598
National School Lunch Program	808,575	793,665	2,740,517	939,062	451,582
Total federal sources	<u>4,527,736</u>	<u>6,441,525</u>	<u>5,131,956</u>	<u>4,530,906</u>	<u>1,788,180</u>
State sources:					
State equalization assistance	19,791,468	17,500,863	12,959,125	11,458,821	11,903,856
State grants	445,438	694,828	814,051	896,290	1,411,706
School Facilities Oversight Board	541,636	827,526		185,431	
Other revenues	5,066,642	4,749,733	4,769,751	2,898,618	3,174,860
Total state sources	<u>25,845,184</u>	<u>23,772,950</u>	<u>18,542,927</u>	<u>15,439,160</u>	<u>16,490,422</u>
Local sources:					
Property taxes	29,497,239	29,095,434	29,716,676	29,271,966	27,991,656
County aid			628,019	565,002	552,059
Food service sales	1,199,380	1,111,268	190,659	70,628	816,429
Investment income	2,047,821	1,069,936	93,623	158,240	422,322
Other revenues	8,642,571	7,911,359	6,942,267	4,137,159	5,861,530
Total local sources	<u>41,387,011</u>	<u>39,187,997</u>	<u>37,571,244</u>	<u>34,202,995</u>	<u>35,643,996</u>
Total revenues	<u><u>\$ 71,759,931</u></u>	<u><u>\$ 69,402,472</u></u>	<u><u>\$ 61,246,127</u></u>	<u><u>\$ 54,173,061</u></u>	<u><u>\$ 53,922,598</u></u>

(Continued)

Catalina Foothills Unified School District No. 16
Governmental Funds Revenues
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Federal sources:					
Federal grants	\$ 1,337,842	\$ 1,525,523	\$ 1,323,118	\$ 1,355,382	\$ 1,295,836
National School Lunch Program	383,152	339,559	368,617	428,583	337,873
Total federal sources	<u>1,720,994</u>	<u>1,865,082</u>	<u>1,691,735</u>	<u>1,783,965</u>	<u>1,633,709</u>
State sources:					
State equalization assistance	10,399,308	9,189,755	8,425,060	7,708,855	7,211,829
State grants	1,035,932	1,101,360	85,645	106,931	92,994
School Facilities Oversight Board	803,902	341,088	11,602	60,943	208,565
Other revenues	<u>3,063,943</u>	<u>2,564,566</u>	<u>2,170,576</u>	<u>2,381,126</u>	<u>1,917,532</u>
Total state sources	<u>15,303,085</u>	<u>13,196,769</u>	<u>10,692,883</u>	<u>10,257,855</u>	<u>9,430,920</u>
Local sources:					
Property taxes	27,805,615	28,614,530	29,840,255	23,955,426	21,968,537
County aid	446,883	411,165	346,465	325,033	365,064
Food service sales	956,474	875,572	894,984	757,111	822,683
Investment income	519,343	263,957	141,050	174,944	70,532
Other revenues	<u>7,914,550</u>	<u>6,611,033</u>	<u>6,322,833</u>	<u>5,594,640</u>	<u>5,300,329</u>
Total local sources	<u>37,642,865</u>	<u>36,776,257</u>	<u>37,545,587</u>	<u>30,807,154</u>	<u>28,527,145</u>
Total revenues	<u>\$ 54,666,944</u>	<u>\$ 51,838,108</u>	<u>\$ 49,930,205</u>	<u>\$ 42,848,974</u>	<u>\$ 39,591,774</u>

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

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

(Concluded)

Catalina Foothills Unified School District No. 16
Governmental Funds Expenditures and Debt Service Ratio
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Expenditures:					
Current -					
Instruction	\$ 29,014,033	\$ 27,696,515	\$ 26,125,430	\$ 24,905,824	\$ 23,055,958
Support services - students and staff	7,037,879	6,481,312	5,439,555	4,968,016	5,986,632
Support services - administration	5,493,872	5,168,593	4,648,290	5,098,784	5,034,795
Operation and maintenance of plant services	6,305,368	6,844,083	6,096,871	6,151,501	5,641,622
Student transportation services	2,274,489	2,339,857	2,094,011	702,590	1,046,579
Operation of non-instructional services	6,147,918	5,466,192	5,210,955	2,700,224	5,494,576
Capital outlay	18,268,194	10,742,335	5,222,169	4,928,639	6,696,870
Debt service -					
Principal retirement	5,280,416	3,032,854	4,010,844	3,698,578	1,295,373
Interest and fiscal charges	1,792,455	1,097,806	1,210,684	1,323,063	3,743,812
Bond issuance costs		244,107		50,855	202,482
Total expenditures	<u>\$ 81,614,624</u>	<u>\$ 69,113,654</u>	<u>\$ 60,058,809</u>	<u>\$ 54,528,074</u>	<u>\$ 58,198,699</u>
Expenditures for capitalized assets	\$ 14,028,344	\$ 3,654,847	\$ 1,962,733	\$ 2,293,000	\$ 4,580,215
Debt service as a percentage of noncapital expenditures	10%	6%	9%	10%	9%

(Continued)

Catalina Foothills Unified School District No. 16
Governmental Funds Expenditures and Debt Service Ratio
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Expenditures:					
Current -					
Instruction	\$ 22,504,227	\$ 19,570,378	\$ 19,157,525	\$ 19,311,509	\$ 18,199,947
Support services - students and staff	5,677,634	4,843,130	4,870,465	4,745,055	4,471,270
Support services - administration	4,533,653	4,069,582	4,546,771	4,500,439	4,284,106
Operation and maintenance of plant services	4,491,062	4,558,954	4,519,129	4,476,971	4,394,740
Student transportation services	1,315,201	1,256,011	1,243,463	1,082,502	1,131,005
Operation of non-instructional services	5,384,679	4,985,190	4,409,677	4,004,967	3,720,883
Capital outlay	11,747,153	7,743,316	6,971,694	11,641,992	4,230,227
Debt service -					
Principal retirement	3,905,013	3,403,084	3,821,094	3,150,606	3,755,980
Interest and fiscal charges	1,505,461	1,194,093	1,226,714	1,267,301	1,314,402
Bond issuance costs		166,609		256,864	115,535
Total expenditures	<u>\$ 61,064,083</u>	<u>\$ 51,790,347</u>	<u>\$ 50,766,532</u>	<u>\$ 54,438,206</u>	<u>\$ 45,618,095</u>
Expenditures for capitalized assets	\$ 6,084,178	\$ 4,624,341	\$ 3,635,230	\$ 6,487,415	\$ 1,091,582
Debt service as a percentage of noncapital expenditures	10%	10%	11%	9%	11%

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

(Concluded)

Catalina Foothills Unified School District No. 16
Other Financing Sources and Uses and Net Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Excess (deficiency) of revenues over expenditures	\$ (9,854,693)	\$ 288,818	\$ 1,187,318	\$ (355,013)	\$ (4,276,101)
Other financing sources (uses):					
Issuance of school improvement bonds		13,450,000			4,395,000
Issuance of refunding bonds				2,800,000	3,840,000
Premium on sale of bonds		1,750,507		130,736	926,705
Payment to refunded bond escrow agent				(2,856,000)	(4,187,063)
Financed purchase agreements		2,869,437			
Lease agreements	369,250			38,084	
Insurance recoveries	203,172	30,542	63,036	8,613	57,119
Transfers in	596,239	221,586	40,029	87,812	65,806
Transfers out	(596,239)	(221,586)	(40,029)	(87,812)	(65,806)
Total other financing sources (uses)	<u>572,422</u>	<u>18,100,486</u>	<u>63,036</u>	<u>121,433</u>	<u>5,031,761</u>
Changes in fund balances	<u>\$ (9,282,271)</u>	<u>\$ 18,389,304</u>	<u>\$ 1,250,354</u>	<u>\$ (233,580)</u>	<u>\$ 755,660</u>
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Excess (deficiency) of revenues over expenditures	\$ (6,397,139)	\$ 47,761	\$ (836,327)	\$ (11,589,232)	\$ (6,026,321)
Other financing sources (uses):					
Issuance of school improvement bonds		9,185,000		7,500,000	6,075,000
Issuance of refunding bonds				7,360,000	
Premium on sale of bonds		650,224		772,688	290,701
Payment to refunded bond escrow agent				(7,616,706)	
Financed purchase agreements				3,063,762	
Lease agreements	2,857,492				
Insurance recoveries	13,457	13,322			
Transfers in	182,375	102,056	71,292	280,539	233,032
Transfers out	(182,375)	(102,056)	(71,292)	(280,539)	(233,032)
Total other financing sources (uses)	<u>2,870,949</u>	<u>9,848,546</u>	<u>(71,292)</u>	<u>11,079,744</u>	<u>6,365,701</u>
Changes in fund balances	<u>\$ (3,526,190)</u>	<u>\$ 9,896,307</u>	<u>\$ (836,327)</u>	<u>\$ (509,488)</u>	<u>\$ 339,380</u>

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

Catalina Foothills Unified School District No. 16
Net Limited Assessed Value and Full Cash Value of Taxable Property by Class
Last Ten Fiscal Years

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Commercial, Industrial, Utilities and Mining	\$ 71,165,265	\$ 71,841,527	\$ 73,667,635	\$ 69,473,960	\$ 69,823,940
Agricultural and Vacant	13,806,943	13,522,493	13,778,261	13,913,895	14,031,759
Residential (Owner Occupied)	482,565,101	455,540,847	445,556,400	431,043,273	424,172,636
Residential (Rental)	146,025,940	144,190,646	143,104,993	137,451,151	123,791,848
Historical Property	<u>1,191,683</u>	<u>1,141,295</u>	<u>1,034,228</u>	<u>977,478</u>	<u>957,045</u>
Total	<u>\$ 714,754,932</u>	<u>\$ 686,236,808</u>	<u>\$ 677,141,517</u>	<u>\$ 652,859,757</u>	<u>\$ 632,777,228</u>
Gross Full Cash Value	\$ 8,214,402,306	\$ 6,974,352,824	\$ 6,812,364,025	\$ 6,608,453,355	\$ 6,315,357,174
Ratio of Net Limited Assessed Value to Gross Full Cash Value	9%	10%	10%	10%	10%
Total Direct Rate	4.93	5.06	5.20	5.59	4.99

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Commercial, Industrial, Utilities and Mining	\$ 68,520,723	\$ 69,004,115	\$ 69,043,427	\$ 65,364,064	\$ 67,574,587
Agricultural and Vacant	14,376,996	16,282,101	17,092,680	18,817,444	20,170,277
Residential (Owner Occupied)	407,611,942	394,398,509	385,303,207	372,022,934	362,355,188
Residential (Rental)	122,304,787	120,685,941	117,952,583	116,138,866	105,121,410
Historical Property	<u>809,194</u>	<u>587,850</u>	<u>479,914</u>	<u>475,805</u>	<u>456,764</u>
Total	<u>\$ 613,623,642</u>	<u>\$ 600,958,516</u>	<u>\$ 589,871,811</u>	<u>\$ 572,819,113</u>	<u>\$ 555,678,226</u>
Gross Full Cash Value	\$ 6,095,913,499	\$ 5,912,401,878	\$ 5,843,239,702	\$ 5,705,341,292	\$ 5,357,684,940
Ratio of Net Limited Assessed Value to Gross Full Cash Value	10%	10%	10%	10%	10%
Total Direct Rate	5.42	5.67	5.99	5.00	4.71

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

Note: On November 6, 2012, voters approved Proposition 117, an amendment to the Arizona Constitution. Beginning with Tax Year 2015 (Fiscal Year 2016), both primary and secondary taxes are levied against the net limited assessed value. Primary taxes are used for general District operations. Secondary taxes are used to service District bonded debt requirements and other voter-approved overrides.

Catalina Foothills Unified School District No. 16
Net Full Cash Assessed Value of Taxable Property by Class
Last Ten Fiscal Years

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Commercial, Industrial, Utilities and Mining	\$ 77,996,220	\$ 78,232,476	\$ 80,105,519	\$ 75,772,302	\$ 76,200,642
Agricultural and Vacant	16,659,978	15,119,910	15,371,271	14,977,902	14,925,350
Residential (Owner Occupied)	561,894,117	466,563,406	455,734,891	445,304,663	433,504,768
Residential (Rental)	185,653,401	160,316,645	155,434,368	148,491,842	130,698,731
Historical Property	<u>1,397,440</u>	<u>1,221,926</u>	<u>1,091,365</u>	<u>1,033,571</u>	<u>1,018,513</u>
Total	<u>\$ 843,601,156</u>	<u>\$ 721,454,363</u>	<u>\$ 707,737,414</u>	<u>\$ 685,580,280</u>	<u>\$ 656,348,004</u>
Gross Full Cash Value	\$ 8,214,402,306	\$ 6,974,352,824	\$ 6,812,364,025	\$ 6,608,453,355	\$ 6,315,357,174
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	10%	10%	10%	10%	10%
Estimated Net Full Cash Value	\$ 8,010,885,433	\$ 6,782,836,977	\$ 6,623,310,448	\$ 6,139,465,534	\$ 5,915,950,757
Total Direct Rate	4.93	5.06	5.20	5.59	4.99

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Commercial, Industrial, Utilities and Mining	\$ 72,391,528	\$ 69,926,380	\$ 70,290,001	\$ 65,902,707	\$ 68,278,351
Agricultural and Vacant	15,217,419	16,742,819	17,585,484	19,333,541	20,413,779
Residential (Owner Occupied)	413,867,479	400,357,880	396,475,854	385,365,305	363,273,388
Residential (Rental)	130,700,750	125,355,743	121,293,050	120,392,716	106,010,257
Historical Property	<u>841,624</u>	<u>626,491</u>	<u>511,036</u>	<u>489,487</u>	<u>457,581</u>
Total	<u>\$ 633,018,800</u>	<u>\$ 613,009,313</u>	<u>\$ 606,155,425</u>	<u>\$ 591,483,756</u>	<u>\$ 558,433,356</u>
Gross Full Cash Value	\$ 6,095,913,499	\$ 5,912,401,878	\$ 5,843,239,702	\$ 5,705,341,292	\$ 5,357,684,940
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	10%	10%	10%	10%	10%
Estimated Net Full Cash Value	\$ 5,910,187,933	\$ 5,710,262,864	\$ 5,634,582,615	\$ 5,462,348,868	\$ 5,102,360,953
Total Direct Rate	5.42	5.67	5.99	5.00	4.71

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

Note: On November 6, 2012, voters approved Proposition 117, an amendment to the Arizona Constitution. Beginning with Tax Year 2015 (Fiscal Year 2016), both primary and secondary taxes are levied against the net limited assessed value. The net full cash assessed value is used for determining the District's bonding capacity and as the ceiling for net limited assessed value.

Catalina Foothills Unified School District No. 16
Property Tax Assessment Ratios
Last Ten Fiscal Years

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Commercial, Industrial, Utilities and Mining	17 %	18 %	18 %	18 %	18 %
Agricultural and Vacant	15	15	15	15	15
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	14	15	15	15	15

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Commercial, Industrial, Utilities and Mining	18 %	18 %	18 %	19 %	19 %
Agricultural and Vacant	15	15	15	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	14	15	14	15	16

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

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

Catalina Foothills Unified School District No. 16
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Fiscal Year Ended June 30	Overlapping Rates							District Direct Rates		
	State Equalization	County	County Free Library	Flood Control District	Community College District	Fire District Assistance	Central Arizona Water	Primary	Secondary	Total
	2024	0.00	4.23	0.55	0.33	1.28	0.04	0.14	3.36	1.57
2023	0.00	4.20	0.55	0.32	1.29	0.04	0.14	3.47	1.59	5.06
2022	0.43	4.33	0.54	0.33	1.27	0.04	0.14	3.65	1.55	5.20
2021	0.44	4.44	0.54	0.33	1.34	0.04	0.14	3.71	1.87	5.59
2020	0.46	4.69	0.54	0.33	1.38	0.04	0.14	3.69	1.31	4.99
2019	0.47	4.76	0.52	0.33	1.40	0.04	0.14	3.98	1.44	5.42
2018	0.49	5.16	0.51	0.31	1.39	0.05	0.14	4.12	1.55	5.67
2017	0.50	4.99	0.52	0.33	1.37	0.05	0.14	4.44	1.55	5.99
2016	0.51	5.09	0.52	0.31	1.37	0.05	0.14	3.46	1.54	5.00
2015	0.51	4.28	0.44	0.30	1.33	0.05	0.14	3.13	1.58	4.71

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

**Catalina Foothills Unified School District No. 16
Principal Property Taxpayers
Current Fiscal Year and Fiscal Year Nine Years Prior**

Taxpayer	2024		2015	
	Net Limited Assessed Valuation	Percentage of District's Net Limited Assessed Valuation	Net Full Cash Assessed Valuation	Percentage of District's Net Full Cash Assessed Valuation
SGC Tucson Property LLC	\$ 7,915,095	1.11 %	\$ 10,865,426	1.95 %
Unisource Energy Corp.	7,149,501	1.00	4,830,175	0.86
LVC Hotel LLC	6,339,490	0.89		
Ft Lowell View Delaware LLC & La Encantada	5,141,414	0.72		
Southwest Gas Corporation	4,491,479	0.63	1,771,861	0.32
HSL Properties	3,591,713	0.50		
N A Legends-90 LP	3,026,699	0.42	2,120,980	0.38
Plaza Colonial LLC	2,494,154	0.35	2,311,265	0.41
Guest Ranch Resort II LLC	2,335,723	0.33		
Summit Tucson JV 155 LLC	1,850,292	0.26		
Ventana Canyon Hotel Associates			6,730,232	1.21
TWC II Tucson LLC			6,080,000	1.09
United Insurance Company of America			2,351,284	0.42
La Paloma Corporate Center			1,721,811	0.31
Century Link			1,504,304	0.27
Total	<u>\$ 44,335,560</u>	<u>6.20 %</u>	<u>\$ 40,287,338</u>	<u>7.21 %</u>

Source: The source of this information is the Pima County Assessor's records.

Note: On November 6, 2012, voters approved Proposition 117, an amendment to the Arizona Constitution. Beginning with Tax Year 2015 (Fiscal Year 2016), both primary and secondary taxes are levied against the net limited assessed value.

Catalina Foothills Unified School District No. 16
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Fiscal Years	Collected to the End of the Current Fiscal Year	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2024	\$ 29,380,189	\$ 29,052,383	98.88 %	\$	\$ 29,052,383	98.88 %
2023	28,871,941	28,196,004	97.66	672,761	28,868,765	99.99
2022	29,488,747	29,119,805	98.75	365,984	29,485,789	99.99
2021	29,092,386	28,726,854	98.74	365,520	29,092,374	100.00
2020	27,835,703	27,338,888	98.22	494,716	27,833,604	99.99
2019	27,598,098	27,231,638	98.67	366,449	27,598,087	100.00
2018	28,395,219	28,030,556	98.72	364,651	28,395,207	100.00
2017	29,951,685	29,553,552	98.67	398,119	29,951,671	100.00
2016	23,942,805	23,315,943	97.38	626,850	23,942,793	100.00
2015	21,837,884	21,321,988	97.64	515,884	21,837,872	100.00

Source: The source of this information is the Pima County Treasurer's records.

Notes: 1) Amounts collected are on a cash basis.

2) Unsecured personal property taxes are not included in this schedule because the dates of the monthly rolls vary each year. On the average, 90% of unsecured property taxes are collected within 90 days after the due date.

Catalina Foothills Unified School District No. 16
Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30	General Obligation Bonds						Total Outstanding Debt				
	General Obligation Bonds	Less: Amounts Restricted for Principal	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Financed Purchases and Leases	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Percentage of Personal Income	
2024	\$ 40,026,128	\$ 1,862,801	\$ 38,163,327	0.46 %	\$ 1,191	\$ 1,302,618	\$ 41,328,746	0.50 %	\$ 1,290	0.07 %	
2023	43,658,832	1,538,088	42,120,744	0.60	1,322	2,898,784	46,557,616	0.67	1,461	0.08	
2022	31,538,897	758,102	30,780,795	0.45	913	207,201	31,746,098	0.47	941	0.06	
2021	35,016,257	680,935	34,335,322	0.52	1,030	674,834	35,691,091	0.54	1,071	0.07	
2020	38,298,080	582,147	37,715,933	0.60	1,141	1,290,328	39,588,408	0.63	1,197	0.08	
2019	36,284,447	397,108	35,887,339	0.59	1,088	2,109,140	38,393,587	0.63	1,164	0.08	
2018	39,047,330	813,936	38,233,394	0.65	1,183	551,661	39,598,991	0.67	1,225	0.09	
2017	32,219,774	616,218	31,603,556	0.54	1,001	2,067,668	34,287,442	0.59	1,086	0.09	
2016	35,164,192	515,266	34,648,926	0.61	1,097	3,063,762	38,227,954	0.67	1,211	0.10	
2015	29,760,923	250,340	29,510,583	0.55	703	400,606	30,161,529	0.56	718	0.08	

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

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

Catalina Foothills Unified School District No. 16
Direct and Overlapping Governmental Activities Debt
June 30, 2024

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Overlapping:			
Pima County	\$ 64,805,000	6.77 %	\$ 4,387,299
Pima County Community College District	48,550,000	6.77	3,286,835
Hidden Valley Fire District	None	35.30	None
Northwest Fire District	28,440,000	0.05	14,220
City of Tucson	81,625,000	16.51	13,476,288
Subtotal, Overlapping Debt			<u>21,164,642</u>
Direct:			
Catalina Foothills Unified School District No. 16			<u>41,328,746</u>
Total Direct and Overlapping Governmental Activities Debt			<u><u>\$ 62,493,388</u></u>

Direct and Overlapping General Bonded Debt Ratios

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation		5.34 %
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 1,852	
As a Percentage of Net Limited Assessed Valuation		8.30 %
As a Percentage of Gross Full Cash Value		0.72 %

Source: The source of this information is the District's records and the State and County Abstract of the Assessment Roll, Arizona Department of Revenue and the applicable governmental unit.

- Notes:** 1) Estimated percentage of debt outstanding applicable to the District is calculated based on a portion of the District's net limited assessed valuation as a percentage of the net limited assessed valuation of the overlapping jurisdiction.
2) Outstanding debt as of June 30, 2023 is presented for the overlapping governments as this is the most recent available information.

Catalina Foothills Unified School District No. 16
Legal Debt Margin Information
Last Ten Fiscal Years

Class B Bond Legal Debt Margin Calculation for Fiscal Year 2024:

Net full cash assessed valuation	\$ 843,601,156
Debt limit (20% of assessed value)	168,720,231
Debt applicable to limit	<u>39,671,498</u>
Legal debt margin	<u>\$ 129,048,733</u>

Total Legal Debt Margin Calculation for Fiscal Year 2024:

Net full cash assessed valuation	\$ 843,601,156
Debt limit (30% of assessed value)	253,080,347
Debt applicable to limit	<u>39,671,498</u>
Legal debt margin	<u>\$ 213,408,849</u>

Fiscal Year Ended June 30

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Debt Limit	\$ 253,080,347	\$ 216,436,309	\$ 212,321,224	\$ 205,674,084	\$ 196,904,401
Total net debt applicable to limit	<u>\$ 39,671,498</u>	<u>\$ 43,093,340</u>	<u>\$ 31,026,959</u>	<u>\$ 34,305,917</u>	<u>\$ 37,374,954</u>
Legal debt margin	<u>\$ 213,408,849</u>	<u>\$ 173,342,969</u>	<u>\$ 181,294,265</u>	<u>\$ 171,368,167</u>	<u>\$ 159,529,447</u>
Total net debt applicable to the limit as a percentage of debt limit	16%	20%	15%	17%	19%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Debt Limit	\$ 189,905,640	\$ 183,902,794	\$ 181,846,628	\$ 177,445,127	\$ 167,530,007
Total net debt applicable to limit	<u>\$ 35,499,954</u>	<u>\$ 38,110,000</u>	<u>\$ 31,265,000</u>	<u>\$ 34,090,000</u>	<u>\$ 29,340,000</u>
Legal debt margin	<u>\$ 154,405,686</u>	<u>\$ 145,792,794</u>	<u>\$ 150,581,628</u>	<u>\$ 143,355,127</u>	<u>\$ 138,190,007</u>
Total net debt applicable to the limit as a percentage of debt limit	19%	21%	17%	19%	18%

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

- Notes:** 1) The District's general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds outstanding and the statutory debt limit on Class B bonds outstanding. The calculations of the debt margins are presented in detail for the current fiscal year only.
- 2) Prior to FY17, net bond premium was restricted by amount and not subject to the statutory debt limit. Beginning with FY17, any additional net premium used for capital projects, bond counsel, printing and preparation of offering documents, a financial advisor, paying agent costs or to pay down debt is counted against both debt limits with the exception of amounts of premium deposited into the Debt Service Fund or a refunding escrow to pay interest payments.

Catalina Foothills Unified School District No. 16
County-Wide Demographic and Economic Statistics
Last Ten Calendar Years

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands)</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>	<u>Estimated District Population</u>
2023	1,080,300	\$ 61,910,157	\$ 58,232	3.8 %	32,042
2022	1,072,298	57,601,036	54,464	3.8	31,873
2021	1,058,318	55,696,681	52,942	5.0	33,722
2020	1,052,375	51,331,920	48,373	7.4	33,330
2019	1,044,675	47,604,994	45,456	4.0	33,069
2018	1,034,201	45,748,033	44,028	4.5	32,979
2017	1,026,099	42,585,356	41,637	4.5	32,332
2016	1,013,103	38,922,402	38,536	4.9	31,574
2015	1,009,371	37,198,714	37,031	5.6	31,574
2014	1,007,162	36,935,363	37,063	6.2	42,000

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

**Catalina Foothills Unified School District No. 16
Principal Employers
Current Fiscal Year and Fiscal Year Nine Years Prior**

<u>Employer</u>	<u>2024</u>		<u>2015</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Raytheon Company	13,030	3.69 %	9,933	2.37 %
United States Department of the Air Force	12,360	3.50		
University of Arizona	9,140	2.59	11,047	2.63
Banner University Medical Center Tucson Campus	5,570	1.58	6,329	1.51
Walmart	4,590	1.30	5,200	1.24
Tucson Medical Center	4,530	1.28		
Amazon	3,620	1.03		
State of Arizona	3,580	1.01	9,439	2.25
Pima County	2,870	0.81	7,328	1.74
Southern Arizona Va Health Care System	2,800	0.79		
Davis Monthan AFB			8,281	1.97
Tucson Unified School District			6,525	1.55
Fort Huachuca			5,717	1.36
Freeport-McMoran Mining			5,600	1.33
Total	<u>62,090</u>	<u>17.58 %</u>	<u>75,399</u>	<u>17.95 %</u>
Total employment	<u>352,930</u>		<u>420,000</u>	

Source: The information was obtained from the Maricopa Association of Governments and the Arizona Daily Star.

Catalina Foothills Unified School District No. 16
Full-Time Equivalent District Employees by Type
Last Ten Fiscal Years

	Full-time Equivalent Employees as of June 30				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Supervisory					
Superintendents	1	1	1	1	1
Associate superintendents	1	1	1	1	1
Assistant superintendents		1	1	1	1
Consultants/supervisors of instruction	4	4	4	4	4
Principals	8	8	8	8	8
Assistant principals	8	7	8	7	7
Total supervisory	<u>22</u>	<u>22</u>	<u>23</u>	<u>22</u>	<u>22</u>
Instruction					
Teachers	312	308	308	305	306
Other professionals (instructional)	12	12	12	7	8
Aides	80	79	70	68	68
Total instruction	<u>404</u>	<u>399</u>	<u>390</u>	<u>380</u>	<u>382</u>
Student Services					
Nurses	4	4	4	4	4
Counselors/advisors/school psychologists	20	17	18	15	15
Technicians	22	20	20	20	20
Total student services	<u>46</u>	<u>41</u>	<u>42</u>	<u>39</u>	<u>39</u>
Support and Administration					
Service workers	67	67	67	67	68
Other classified	10	10	10	10	10
Total support and administration	<u>77</u>	<u>77</u>	<u>77</u>	<u>77</u>	<u>78</u>
Total	<u><u>549</u></u>	<u><u>539</u></u>	<u><u>532</u></u>	<u><u>518</u></u>	<u><u>521</u></u>

(Continued)

Catalina Foothills Unified School District No. 16
Full-Time Equivalent District Employees by Type
Last Ten Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Supervisory					
Superintendents	1	1	1	1	1
Associate superintendents	1	1	1	1	1
Assistant superintendents	1	1	1	1	1
Consultants/supervisors of instruction	4	10	10	10	9
Principals	8	8	8	7	7
Assistant principals	7	5	6	6	6
Total supervisory	<u>22</u>	<u>26</u>	<u>27</u>	<u>26</u>	<u>25</u>
Instruction					
Teachers	302	308	305	277	281
Other professionals (instructional)	8				
Aides	76	85	86	88	87
Total instruction	<u>386</u>	<u>393</u>	<u>391</u>	<u>365</u>	<u>368</u>
Student Services					
Nurses	5	5	5	5	5
Counselors/advisors/school psychologists	15	15	13	13	13
Technicians	21	35	30	31	30
Total student services	<u>41</u>	<u>55</u>	<u>48</u>	<u>49</u>	<u>48</u>
Support and Administration					
Service workers	68	24	29	48	51
Other classified	15	68	61	63	62
Total support and administration	<u>83</u>	<u>92</u>	<u>90</u>	<u>111</u>	<u>113</u>
Total	<u><u>532</u></u>	<u><u>566</u></u>	<u><u>556</u></u>	<u><u>551</u></u>	<u><u>554</u></u>

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

(Concluded)

Catalina Foothills Unified School District No. 16
Operating Statistics
Last Ten Fiscal Years

Fiscal Year Ended June 30	Average Daily Membership	Operating Expenditures	Cost per Pupil	Percentage Change	Expenses	Cost per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Free/Reduced Students
2024	4,774	\$ 56,273,559	\$ 11,786	7.07 %	\$ 65,359,381	\$ 13,689	2.10 %	404	11.8	16.2 %
2023	4,905	53,996,552	11,008	9.59	65,763,334	13,407	18.57	399	12.3	11.0
2022	4,939	49,615,112	10,046	9.96	55,847,628	11,307	3.94	390	12.7	11.5
2021	4,874	44,526,939	9,136	(0.39)	53,023,722	10,879	1.82	380	12.8	11.9
2020	5,044	46,260,162	9,171	4.61	53,891,487	10,684	2.94	382	13.2	11.9
2019	5,008	43,906,456	8,767	10.85	51,977,344	10,379	16.11	386	13.0	12.0
2018	4,967	39,283,245	7,909	(1.13)	44,397,375	8,938	(3.17)	393	12.6	12.0
2017	4,844	38,747,030	7,999	(0.42)	44,716,845	9,231	(9.15)	391	12.4	13.0
2016	4,746	38,121,443	8,032	6.23	48,223,057	10,161	14.55	365	13.0	12.6
2015	4,788	36,201,951	7,561	2.48	42,469,436	8,870	0.23	368	13.0	12.6

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

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

Catalina Foothills Unified School District No. 16
Capital Assets Information
Last Ten Fiscal Years

	Fiscal Year Ended June 30									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Schools										
Elementary										
Buildings	44	44	44	44	44	44	44	44	44	44
Square feet	259,687	259,687	259,687	259,687	259,687	259,687	259,687	259,687	259,687	259,687
Capacity	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,000	2,000
Enrollment	1,886	1,978	2,081	1,992	2,162	2,089	2,168	2,085	2,003	1,932
Middle										
Buildings	18	18	18	18	18	18	18	18	18	18
Square feet	171,287	171,287	171,287	171,287	171,287	171,287	171,287	171,287	171,287	171,287
Capacity	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
Enrollment	1,176	1,162	1,189	1,217	1,294	1,315	1,328	1,275	1,215	1,220
High										
Buildings	9	8	8	8	8	8	8	8	8	8
Square feet	357,692	349,971	349,971	349,971	349,971	349,971	349,971	349,971	349,971	349,971
Capacity	2,300	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
Enrollment	1,812	1,846	1,801	1,753	1,750	1,729	1,691	1,677	1,628	1,631
Other										
Buildings	1	1	1	1	1	1	1	1	1	1
Square feet	32,217	32,217	32,217	32,217	32,217	32,217	32,217	32,217	32,217	12,100
Capacity	270	270	270	270	270	270	270	270	270	80
Enrollment	241	250	248	8	8	8	8	8	7	6
Administrative										
Buildings	7	7	7	7	7	7	7	7	7	7
Square feet	15,902	15,902	15,902	15,902	15,902	15,902	15,902	15,902	15,902	15,902
Athletics										
Football fields	1	1	1	1	1	1	1	1	1	1
Soccer fields	3	3	3	3	3	3	3	3	3	3
Running tracks	3	3	3	3	3	3	3	3	3	3
Baseball	3	3	3	3	3	3	3	3	3	3
Softball	3	3	3	3	3	3	2	2	2	2
Playgrounds	10	10	10	10	10	10	10	10	10	10
Multi-purpose	4	4	4	4	4	4	4	4	4	4
Ropes field	1	1	1	1	1	1	1	1	1	1

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

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