School District Financial Statements Reporting Guidelines–2015

The Office of the Auditor General created these reporting guidelines following the Governmental Accounting Standards Board's, the Office of Management and Budget's, and the American Institute of Certified Public Accountants' authoritative literature. They include illustrative examples of financial statements, disclosures, and schedules, as well as the auditors' report. The examples are neither authoritative nor required to be followed. Instead, they provide sample displays and disclosures to help ensure consistent and accurate presentation.

When district management uses these guidelines, management agrees to take responsibility for preparing and fairly presenting the District's basic financial statements, related note disclosures, and all accompanying information, including required supplementary information (RSI), supplementary information other than RSI, and other required disclosures. District management should ensure that its reports follow applicable authoritative guidance.

Note: This font signifies an instruction or explanation that should not appear on the output copy.

_____County, Arizona
_____ School District No. _____
Financial Statements
June 30, 2015

_____ School District No. _____
Financial Statements
June 30, 2015

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[1] When the discretely presented component unit's financial statements are presented on a separate page, appropriately label each financial statement to distinguish between the District's and the component unit's financial statements.

Independent Auditors' Report

The Governing Board of
_____ School District No. __

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, aggregate discretely presented component units, each major fund, and aggregate remaining fund information[1] of _____ School District No. __ as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. (We did not audit the financial statements of the [***identify component unit, fund, organization, function, or activity***], which represent ___ percent, ___ percent, and ___ percent, respectively, of the assets, [net position or fund balance], and revenues of the [***identify opinion unit(s)***].[2] Those financial statements were audited by other auditors whose report(s) has (have) been furnished to us, and our opinion(s), insofar as it (they) relate(s) to the amounts included for [***identify component unit, fund, organization, function, or activity***], is (are) based solely on the report(s) of the other auditors.) We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. ***Add the following sentence when a portion of the District was not audited in accordance with Government Auditing Standards.*** The financial

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[1] The introductory and opinion paragraphs should list only the opinion units presented in the basic financial statements. Normally, the aggregate discretely presented component units and the aggregate remaining fund information are treated as separate opinion units. If either of these two opinion units are not quantitatively or qualitatively material to the primary government and the auditor has chosen to combine the two into a single opinion unit, this sentence would change to the following: "governmental activities, business-type activities, each major fund, and aggregate discretely presented component unit(s) and remaining fund information."

[2] Appropriate changes to this sentence should be made when an entire opinion unit is audited by another auditor. For example, "We did not audit the financial statements of the _____ Fund, which is both a major fund and _____ percent, _____ percent, and _____ percent, respectively, of the assets, net position, and revenues of the _____ activities." However, the report still should indicate in the "Auditors' Responsibility" section the group auditors' responsibility for auditing that opinion unit. The group auditor should also express or disclaim an opinion in the "Opinion" section of the report. For further discussion and guidance see the AICPA *Codification of Statements on Auditing Standards*, AU-C §600, *Special Considerations-Audits of Group Financial Statements (Including the Work of Component Auditors).*

statements of the ***(name of the portion of the entity, such as the name of the component unit or fund, and if it is not evident from the financial statements, the opinion unit to which the component unit or fund relates)*** were not audited by the other auditors in accordance with *Government Auditing Standards*.

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

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

Opinions

In our opinion, (based on our audit and the report(s) of the other auditors), the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, aggregate discretely presented component units, each major fund, and aggregate remaining fund information of _____ School District No. __ as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of Matter

(Add an emphasis of matter paragraph for consistency here if the District implemented new GASB accounting standards during fiscal year 2015 and the implementation of the new standard(s) had a material effect on the District's financial statements/disclosures (i.e., GASB Statement No. 68, Accounting and Financial Reporting for Pensions, as amended by GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date; and GASB Statement No. 69, Government Combinations and Disposals of Governmental Operations.)

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the Management's Discussion and Analysis on pages ___ through ___, Budgetary Comparison Schedules on pages ___ through ___, Schedule of the District's Proportionate Share of the Net Pension Liability on page ___, and Schedule of District Pension Contributions on page ___ be presented to supplement the basic financial statements.

Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We (and the other auditors)[1] have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, 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.

Add the following two paragraphs if the District includes a Schedule of Expenditures of Federal Awards with its financial statements.

Supplementary Information—Schedule of Expenditures of Federal Awards

Our audit was conducted for the purpose of forming our opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Expenditures of Federal Awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards 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 U.S. generally accepted auditing standards (by us and the other auditors). In our opinion, (based on our audit, the procedures performed as described above, and the report(s) of the other auditors,)[2] the Schedule of Expenditures of Federal Awards is fairly stated in all material respects, in relation to the basic financial statements as a whole.

[1] Reference to the other auditors is only appropriate when the other auditors' report discusses applicable RSI, SI, or both. See the American Institute of Certified Public Accountants (AICPA) Audit and Accounting Guide, *State and Local Governments*, as of March 1, 2015, Chapter 15, Appendix A, Footnote 46. Omit the parenthetical phrase if not referring to other auditors.

[2] Ibid.

Independent Auditors' Report

Add the following three paragraphs if the District issues a Comprehensive Annual Financial Report (CAFR).

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund statements and schedules and the introductory and statistical sections listed in the table of contents are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards (by us and the other auditors). In our opinion, (based on our audit, the procedures performed as described above, and the report(s) of the other auditors,)[1] the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated [*date of report*] on our consideration of the District'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 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 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 the District's internal control over financial reporting and compliance.

OR

In accordance with *Government Auditing Standards*, we will issue our report on our consideration of the District'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 at a future date. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an

[1] Ibid.

audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

_____

Date of Auditors' report

Illustrative auditors' reports, other than the preceding unmodified opinion on basic financial statements, are included in the AICPA Audit and Accounting Guide,* State and Local Governments*, as of March 1, 2015, Chapter 15, Appendix A.

Management's Discussion and Analysis (MD&A)

This should be printed on the District's letterhead or otherwise clearly noted that it is the District's document. The District's MD&A must comply with the provisions of GASB Statement No. 34, but cannot go beyond those provisions. Refer to GASB Statement No. 34, paragraphs 8-11 and GASB Statement No. 37, paragraph 4.

Our discussion and analysis of the District's financial performance provides an overview of the District's financial activities for the year ended June 30, 2015. Please read it in conjunction with the transmittal letter on page ___ and the District's basic financial statements, which begin on page ___. ***Modify as needed.***

_____School District No. _____ in 2015

Using This Annual Report—

Explain the reporting model—including how the statements relate to one another and the significant differences between them. Describe how the information in the fund financial statements reinforces the information in the government-wide statements, or at least provides additional information.

Overall Analysis—

Discuss the District's current-year results in comparison with the prior year, emphasizing the current year. Explain the District's overall financial position from the Statement of Net Position and results of operations from the Statement of Activities in a way that helps users assess whether conditions are better or worse than the previous year and why. The focus of the analysis should be on the primary government, addressing both governmental and business-type activities, as applicable. If a component unit must be discussed, be sure the readers know that the discussion's focus has shifted. Also, when appropriate, the District's MD&A should refer readers to the component unit's separately issued financial statements.

The analysis must provide the reasons for significant changes rather than simply the amounts or percentages of changes. The analysis should also take into account any important economic factors that significantly affected the District's operating results during the year. Use graphics where appropriate. Also, where appropriate, incorporate the required elements listed in the next section. Further, explain any restrictions, commitments, or other limitations that significantly affect the future use of resources.

Required elements—

The District should present the information needed to support the preceding analysis. Accordingly, MD&A must include condensed financial information derived from the government-wide financial statements comparing the current year to the prior year and must include the following elements:

- ***Total assets, distinguishing between capital and other assets***
- ***Total deferred outflows of resources***

- ***Total liabilities, distinguishing between long-term liabilities and other liabilities***
- ***Total deferred inflows of resources***
- ***Total net position, distinguishing among net investment in capital assets, restricted amounts, and unrestricted amounts***
- ***Program revenues, by major source***
- ***General revenues, by major source***
- ***Total revenues***
- ***Program expenses, at a minimum by function***
- ***Total expenses***
- ***Excess (deficiency) before contributions to term and permanent endowments or permanent fund principal, special and extraordinary items, and transfers***
- ***Contributions***
- ***Special and extraordinary items***
- ***Transfers***
- ***Change in net position***
- ***Ending net position***

Fund Analysis—

Discuss individual funds' balances and transactions. Explain the reasons for any significant changes in fund balances or fund net position. Also, explain any restrictions, commitments, or other limitations that significantly affect the future use of fund resources.

Budget Variations Analysis—

If appropriate, and <u>for the General Fund only</u>, discuss significant variations between the original and final budget, and between the final budget and the actual amounts. Make a particular point of addressing any variations that could have a significant effect on future services or liquidity.

Capital Asset and Debt Administration—

Describe significant capital asset and long-term debt activity, including commitments for capital expenditures. Also, discuss any changes in the District's credit ratings and debt limitations that may affect its ability to finance its plans.

Other Significant Matters—

Comment on any facts, decisions, or conditions known by the end of the auditors' fieldwork that could significantly impact the District's financial position or results of operations. Examples of these types of situations include acceptance or termination of major grant awards, claims adjudicated, natural disasters, significant changes in tax rates, pollution remediation obligations, etc. These matters should include situations that occurred during the year and up through the auditors' opinion date and include only known facts, decisions, and conditions.

_____ School District No. _____

Statement of Net Position—Primary Government[1]

June 30, 2015

	Primary Government			
	Governmental Activities	**Business-Type Activities**	**Total**	**Component Units**
Assets				
Cash and cash equivalents				
Investments				
Cash and investments held by trustee(s)				
Receivables (net of allowances for uncollectibles):				
Property taxes				
Accounts				
Accrued interest				
Other				
Internal balances				
Due from other governments				
Cash and investments held by trustee(s)—restricted				
Inventories				
Prepaid items				
Capital assets, not being depreciated				
Capital assets, being depreciated, net				
Total assets				
Deferred Outflows of Resources				
Deferred outflows related to pensions				
Deferred charge on debt refunding				
List other deferred outflows				
Total deferred outflows of resources				
Liabilities				
Accounts payable				
Accrued payroll and employee benefits				
Contracts payable				
Accrued interest				
Due to other governments				
Unearned revenue				
Noncurrent liabilities				
Due within 1 year				
Due in more than 1 year				
Total liabilities				
Deferred Inflows of Resources				
Deferred inflows related to pensions				
Deferred credit on debt refunding				
List other deferred inflows				
Total deferred inflows of resources				

See accompanying notes to financial statements.

_____ School District No. _____

Statement of Net Position—Primary Government[1]

June 30, 2015

Net Position				
Net Investment in capital assets				
Restricted for:				
Debt service				
Capital projects				
Other purposes ***Use this line for the accumulation of immaterial restricted amounts.***				
Unrestricted (deficit)				
Total net position				

[1] Label as "Primary Government" if a discretely presented component unit's counterpart financial statement is presented on a separate page.

See accompanying notes to financial statements.

_____ School District No. _____

Statement of Financial Position—Component Unit[1]

June 30, 2015

(Name of
Component Unit)

[1] When it is impractical to reformat a nongovernmental discretely presented component unit's financial statements into a display that is comparable with the District's financial statements, the individual financial statements of the component unit should be presented on the page directly following the District's counterpart financial statement (GASB Comprehensive Implementation Guide—2013-2014, question 4.33.1).

See accompanying notes to financial statements.

_____ School District No. _____

Statement of Activities—Primary Government[1]

Year Ended June 30, 2015

		Program Revenues			Net (Expense) Revenue and Changes in Net Position			
					Primary Government			
Functions/Programs	**Expenses[2]**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-Type Activities**	**Total**	**Component Units**
Primary government:								
Governmental activities:								
Instruction								
Support services:								
Students								
Instruction								
General administration								
School administration								
Central and other support services								
Operation and maintenance of plant								
Student transportation								
Operation of noninstructional services								
Interest on long-term debt								
Total governmental activities								
Business-type activities:								
List any separately identifiable activities								
Total business-type activities								
Total primary government								
Component units:								
List any component units								
Total component units								
General revenues:								
Taxes:								
Property taxes, levied for general purposes								
Property taxes, levied for debt service								
Shared revenue—state sales taxes								
Intergovernmental revenues not restricted:								
Federal								
State								
_____ County								
Investment earnings								
Gain on disposal of capital assets								
Miscellaneous								
Special item(s):								
Describe nature of event or transaction								
Extraordinary item(s):								
Describe nature of event or transaction								
Transfers								
Total general revenues, special and extraordinary items, and transfers								
Change in net position								
Net position as restated, July 1, 2014								
Net position, June 30, 2015								

[1] Label as "Primary Government" if a discretely presented component unit's counterpart financial statement is presented on a separate page.

[2] Some functions, such as general government, include expenses that are, in essence, indirect expenses of other functions. Districts are not required to allocate those indirect expenses to other functions. However, some Districts may prefer to allocate some indirect expenses or use a full-cost allocation approach among functions. If indirect expenses are allocated, direct and indirect expenses should be presented in separate columns to enhance comparability between governments that allocate expenses and those that do not (GASB 34, paragraph 42).

See accompanying notes to financial statements.

_____ School District No. _____

Statement of Activities—Component Unit[1]

June 30, 2015

(Name of Component Unit)

[1] When it is impractical to reformat a nongovernmental discretely presented component unit's financial statements into a display that is comparable with the District's financial statements, the individual financial statements of the component unit should be presented on the page directly following the District's counterpart financial statement (GASB Comprehensive Implementation Guide—2013-2014, question 4.33.1).

See accompanying notes to financial statements.

_____ School District No. _____
Balance Sheet
Governmental Funds
June 30, 2015

	General Fund	*Major Fund*	*Major Fund*	*Major Fund*	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents						
Investments						
Cash and investments held by trustee(s)						
Receivables (net of allowances for uncollectibles):						
Property taxes						
Accounts						
Accrued interest						
Other						
Due from other funds						
Due from other governments						
Cash and investments held by trustee(s)—restricted						
Inventories						
Prepaid items						
Total assets						
Liabilities:						
Accounts payable						
Accrued payroll and employee benefits						
Contracts payable						
Accrued interest						
Due to other funds						
Due to other governments						
Bonds payable						
Bond interest payable						
Unearned revenue						
Total liabilities						
Deferred Inflows of Resources						
Unavailable revenue:						
Property taxes						
Intergovernmental						
List other deferred inflows						
Total deferred inflows of resources						
Fund balances:						
Nonspendable						
Restricted						
Committed						
Assigned						
Unassigned						
Total fund balances						

See accompanying notes to financial statements.

_____ School District No. _____
Balance Sheet
Governmental Funds
June 30, 2015

Total liabilities, deferred inflows of resources, and fund balances					

See accompanying notes to financial statements.

_____ School District No. _____
Reconciliation of the Governmental Funds Balance Sheet
to the Government-wide Statement of Net Position
June 30, 2015

Fund balances—total governmental funds

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.

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

Long-term liabilities, including net pension liability and bonds payable, are not due and payable in the current period and, therefore, are not reported as a liability in the funds.

Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refundings are applicable to future reporting periods and, therefore, are not reported in the funds.

Internal service funds are used by management to charge the costs of certain activities, such as insurance, equipment maintenance, and telecommunications, to individual funds. ***Modify as appropriate.*** The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in governmental activities in the Statement of Net Position. ***Modify as appropriate.***

Net position of governmental activities

See accompanying notes to financial statements.

_____ School District No. _____
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2015

	General Fund	*Major Fund*	*Major Fund*	*Major Fund*	Other Governmental Funds	Total Governmental Funds
Revenues:						
Property taxes						
Intergovernmental grants and aid:						
Federal						
State						
_____ County						
Tuition						
Investment earnings						
Other						
Total revenues						
Expenditures:						
Current:						
Instruction						
Support services:						
Students						
Instruction						
General administration						
School administration						
Central and other support services						
Operation and maintenance of plant						
Student transportation						
Operation of noninstructional services						
Debt service:						
Principal						
Interest and other charges						
Bond issuance costs						
Capital outlay						
Total expenditures						
Excess (deficiency) of revenues over expenditures						
Other financing sources (uses):						
General obligation bonds issued						
Premium/Discount on general obligation bonds						
Tax anticipation notes issued						
Capital lease agreement(s)						
Sale of capital assets						
Transfers in						
Transfers out						
Total other financing sources and uses						
Special item(s):						
Describe nature of event or transaction.						
Extraordinary item(s):						
Describe nature of event or transaction.						
Net change in fund balances						
Fund balances, July 1, 2014						
Changes in nonspendable resources:						
Increase (decrease) in inventories						
Increase (decrease) in prepaid items						
Fund balances, June 30, 2015						

See accompanying notes to financial statements.

_____ School District No. _____
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-wide Statement of Activities
Year Ended June 30, 2015

Net change in fund balances—total governmental funds

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay
Depreciation expense _____

In the Statement of Activities, only the gain/loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the book value of capital assets sold.

District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

District pension contributions
Pension expense _____

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. ***OR*** Collections of revenues in the governmental funds exceeded revenues reported in the Statement of Activities.

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is issued, whereas these amounts are amortized in the Statement of Activities.

Debt issued or incurred
Principal repaid
Amortization of bond discount/premium
Amortization of deferred charge/credit on bond refunding _____

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available resources. In the Statement of Activities, however, which is presented on the accrual basis of accounting, expenses are reported regardless of when the financial resources are available.

(Increase **or** Decrease) in compensated absences
(Increase **or** Decrease) in claims and judgments _____

Some cash outlays, such as purchases of inventories, are reported as expenditures in the governmental funds when purchased. In the Statement of Activities, however, they are reported as expenses when consumed.

(Increase **or** Decrease) in inventories
(Increase **or** Decrease) in prepaids _____

See accompanying notes to financial statements.

Internal service funds are used by management to charge the costs of certain activities, such as insurance, equipment maintenance, and telecommunications to individual funds. ***Modify as appropriate.*** The net revenue (expense) of certain internal service funds is reported with governmental activities in the Statement of Activities. ***Modify as appropriate.***	
Change in net position of governmental activities	

_____ School District No. _____
Statement of Net Position
Proprietary Funds
June 30, 2015

	Business-Type Activities—Enterprise Funds				Governmental Activities—Internal Service Funds
	Major Fund	*Major* Fund	Other Enterprise Funds	Totals	
Assets					
Current assets:					
Cash and cash equivalents					
Investments					
Receivables (net of allowances for uncollectibles)					
Accounts					
Accrued interest					
Other					
Due from other funds					
Due from other governments					
Inventories					
Prepaid items					
Total current assets					
Noncurrent assets:					
Restricted assets:					
Cash and cash equivalents					
Investments					
Capital assets, net of accumulated depreciation, where applicable:					
Land					
Buildings, net					
Equipment, net					
Intangibles, net					
Construction in progress					
Total capital assets, net					
Total noncurrent assets					
Total assets					
Deferred Outflows of Resources					
Deferred outflows related to pensions					
Deferred charge on debt refunding					
List other deferred outflows					
Total deferred outflows of resources					
Liabilities					
Current liabilities:					
Accounts payable					
Accrued payroll and employee benefits					
Contracts payable					
Due to other funds					
Due to other governments					
Unearned revenue					
Compensated absences payable, current portion					
Claims and judgments payable, current portion					
Revenue bonds payable, current portion					
Notes payable, current portion					
Capital leases payable, current portion					
Total current liabilities					

See accompanying notes to financial statements.

_____ School District No. _____
Statement of Net Position
Proprietary Funds
June 30, 2015

	Business-Type Activities—Enterprise Funds				Governmental Activities—Internal Service Funds
	***Major* Fund**	***Major* Fund**	**Other Enterprise Funds**	**Totals**	
Noncurrent liabilities:					
Compensated absences payable					
Claims and judgments payable					
Revenue bonds payable					
Notes payable					
Capital leases payable					
Net pension liability					
Total noncurrent liabilities					
Total liabilities					
Deferred Inflows of Resources					
Deferred inflows related to pensions					
Deferred credit on debt refunding					
List other deferred inflows					
Total deferred inflows of resources					
Net Position					
Net investment in capital assets					
Restricted for:					
Debt service					
List and describe purpose of other restrictions.					
Unrestricted (deficit)					
Total net position					

See accompanying notes to financial statements.

_____ School District No. _____
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Year Ended June 30, 2015

	Business-Type Activities—Enterprise Funds				Governmental Activities— Internal Service Funds
	***Major* Fund**	***Major* Fund**	**Other Enterprise Funds**	**Totals**	
Operating revenues:					
Charges for services					
Insurance premiums					
Miscellaneous					
Total operating revenues					
Operating expenses:					
Personal services					
Professional services					
Supplies					
Utilities					
Repairs and maintenance					
Insurance claims and services					
Depreciation					
Other					
Total operating expenses					
Operating income (loss)					
Nonoperating revenues (expenses):					
Noncapital grants					
Investment earnings					
Miscellaneous revenue					
Interest expense					
Miscellaneous expense					
Gain (Loss) on disposal of capital assets					
Total nonoperating revenues (expenses)					
Income (loss) before contributions, gains, losses, and transfers					
Capital contributions					
Special item(s):					
Describe nature of event or transaction					
Extraordinary item(s):					
Describe nature of event or transaction					
Transfers in					
Transfers out					
Increase (Decrease) in net position					
Net position as restated, July 1, 2014					
Total net position, June 30, 2015					

See accompanying notes to financial statements.

_____ School District No. _____
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2015

	Business-Type Activities—Enterprise Funds				Governmental Activities— Internal Service Funds
	***Major* Fund**	***Major* Fund**	**Other Enterprise Funds**	**Totals**	
Cash flows from operating activities:					
Receipts from customers					
Receipts from other funds for goods and services provided					
Other receipts ***Describe if necessary*.**					
Payments to suppliers and providers of goods and services					
Payments for employee wages and benefits					
Payments to other funds for goods and services					
Other payments ***Describe if necessary*.**					
Net cash provided by (used for) operating activities					
Cash flows from noncapital financing activities:					
Noncapital grant receipts					
Cash transfers from other funds					
Cash transfers to other funds					
Net cash provided by (used for) noncapital financing activities					
Cash flows from capital and related financing activities:					
Proceeds from sale of revenue bonds					
Cash contributions for capital purposes					
Proceeds from sale of capital assets					
Purchases of capital assets					
Payments made to contractors					
Principal paid on revenue bond maturities					
Interest paid on revenue bonds					
Net cash provided by (used for) capital and related financing activities					
Cash flows from investing activities:					
Proceeds from sales and maturities of investments					
Interest received on investments					
Purchases of investments					
Net cash provided by (used for) investing activities					
Net increase (decrease) in cash and cash equivalents					
Cash and cash equivalents, July 1, 2014					
Cash and cash equivalents, June 30, 2015					

See accompanying notes to financial statements.

_____ School District No. _____
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2015

	Business-Type Activities—Enterprise Funds				Governmental Activities—Internal Service Funds
	***Major* Fund**	***Major* Fund**	**Other Enterprise Funds**	**Totals**	
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:					
Operating income (loss)					
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation					
Amortization					
Pension expense ***Add***					
Employer pension contributions ***Subtract***					
Provision for uncollectible accounts					
Expenses incurred but not reported					
Changes in assets and liabilities:					
Increase in:					
List appropriate assets and liabilities.					
Decrease in:					
List appropriate assets and liabilities.					
Net cash provided by (used for) operating activities					

If statement of net position line items are other than cash and cash equivalents, provide a reconciliation.

Noncash investing, capital, and noncapital financing activities: ***Information about all investing, capital, and noncapital financing activities of a governmental enterprise during a period that affects recognized assets or liabilities but does not result in cash receipts or cash payments in the period should be reported. This information should be presented in a separate schedule, which may be in either a narrative or a tabular format, and it should clearly describe the cash and noncash aspects of transactions involving similar items. The schedule may be presented, if space permits, on the same page as the statement of cash flows.***

See accompanying notes to financial statements.

_____ School District No. _____
Statement of Fiduciary Net Position
Fiduciary Fund(s)
June 30, 2015

	Agency Fund(s)
Assets	
Cash and cash equivalents	
Interest and dividends receivable	
Investments, at fair value	
Total assets	
Liabilities	
Due to students	
Total liabilities	

See accompanying notes to financial statements.

Note to preparers: In GASB Statement No. 38, the GASB emphasized that disclosure of immaterial information can be misleading and cited the following guidance in paragraph 6 of NCGA Interpretation 6:

> ***The notes to financial statements should not be cluttered with unnecessary and immaterial disclosures. Attendant circumstances and materiality must be considered in assessing the propriety of the notes to the financial statements disclosures.***

The 2012 GAAFR also emphasizes the importance of including only material disclosures and discourages negative disclosures such as "there are no subsequent events to report." See GAAFR, p. 346, for more information.

Note 1 Summary of Significant Accounting Policies

_____ School District No. _____'s accounting policies conform to generally accepted accounting principles applicable to governmental units adopted by the Governmental Accounting Standards Board (GASB).

Add and adapt the following paragraph if implementing GASB Statement Nos. 68, 69, or 71 had a material effect on the District's financial statements.

For the year ended June 30, 2015, the District implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions,* as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, and GASB Statement No. 69, *Government Combinations and Disposals of Governmental Operations*. GASB Statement Nos. 68 and 71 establish standards for measuring and recognizing net pension liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures related to pension benefits provided through defined benefit pension plans. In addition, Statement No. 68 requires disclosure of information related to pension benefits. GASB Statement No. 69 establishes accounting and financial reporting standards related to government combinations and disposals of government operations. ***Modify as necessary.***

A. Reporting Entity

The District is a special-purpose government that is governed by a separately elected governing body. It is legally separate from and fiscally independent of other state and local governments. Furthermore, there are no component units combined with the District for financial statement presentation purposes, and it is not included in any other governmental reporting entity. Consequently, the District's financial statements present only the activities of those organizational entities for which its elected governing board is financially accountable. ***If the District's reporting entity includes a charter school or discretely presented component unit, modify as appropriate.***

See GASB Statement Nos. 14, 34, 39, and 61 for additional required disclosures concerning component units, related organizations, joint ventures, and jointly governed organizations.

B. Basis of Presentation

The basic financial statements include both government-wide statements and fund financial statements. The government-wide statements focus on the District as a whole, while the fund financial statements focus on major funds. Each presentation provides valuable information that can be analyzed and compared between years and between governments to enhance the information's usefulness.

Government-wide statements—Provide information about the primary government (the District) (and its component units). The statements include a statement of net position and a statement of activities. These statements report the overall government's financial activities, except for fiduciary activities. They also distinguish between the District's governmental and business-type activities (and between the District and its discretely presented component units). Governmental activities generally are financed through taxes and intergovernmental revenues. Business-type activities are financed in whole or in part by fees charged to external parties. ***Modify as appropriate for business-type activities.***

A statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities and segment of its business-type activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The District does not allocate indirect expenses to programs or functions. ***Modify as appropriate***. Program revenues include:

- charges to customers for goods, services, or privileges provided;
- operating grants and contributions; and
- capital grants and contributions.

Revenues that are not classified as program revenues, including internally dedicated resources and all taxes, are reported as general revenues.

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements to minimize the double-counting of internal activities. However, charges for interfund services provided and used are not eliminated if the prices approximate their external exchange values.

Fund financial statements—Provide information about the District's funds, including fiduciary funds and blended component units. Separate statements are presented for the governmental, proprietary, and fiduciary fund categories. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Fiduciary funds are aggregated and reported by fund type.

Proprietary fund revenues and expenses are classified as either operating or nonoperating. Operating revenues and expenses generally result from transactions associated with the fund's principal activity. Accordingly, revenues, such as charges for services, ***modify as appropriate and describe any other examples of significant operating revenues of the proprietary funds*** in which each party

receives and gives up essentially equal values are operating revenues. Other revenues result from transactions in which the parties do not exchange equal values and are considered nonoperating revenues along with investment earnings and revenues ancillary activities generate. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. Other expenses, such as interest expense, are considered nonoperating expenses. ***Modify as appropriate in accordance with GASB Statement No. 34, paragraph 102.***

The District reports the following major governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources used for maintenance and operation, except those required to be accounted for and reported in another fund.

The _____ *Fund* accounts for ***explain fund's purpose. Also, for each major special revenue fund, identify the significant revenues and other financing sources of the fund as GASB Statement No. 54, paragraph 32, requires. Repeat for each major governmental fund.***

The District reports the following major enterprise funds:

The _____ *Fund* accounts for ***explain fund's purpose. Repeat for each major enterprise fund.***

The District reports the following fund types:

The *internal service funds* account for multi-government agreements and insurance ***modify as appropriate and describe any other goods or services applicable to the District's internal service funds*** provided within the District or to other governments on a cost-reimbursement basis.

The *agency funds* account for assets the District holds as an agent for the students. It consists of only the Student Activities Fund, which accounts for monies the District holds but that students raise to finance student clubs and organizations.

C. Basis of Accounting

The government-wide and proprietary fund financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. The agency funds are custodial in nature and do not have a measurement focus but utilize the accrual basis of accounting for reporting its assets and liabilities. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Property taxes are recognized as revenue in the year for which they are levied. Grants and donations are recognized as revenue as soon as all eligibility requirements the provider imposed have been met.

Under the terms of grant agreements, the District funds certain programs by a combination of grants and general revenues. Therefore, when program expenses are incurred, there are both restricted and unrestricted resources available to finance the program. The District applies grant resources to such programs before using general revenues. ***Modify if the District's policy is to apply unrestricted revenues first.***

This policy should be consistent with the flow assumption used for single audit purposes.

Governmental funds in the fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they become both measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year-end. The District's major revenue sources that are susceptible to accrual are property taxes, tuition, intergovernmental grants and aids, and investment earnings. ***Add or delete major revenue sources that are susceptible to accrual from this list, as necessary.*** Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, compensated absences, and pollution remediation obligations, which are recognized as expenditures to the extent they are due and payable. General capital asset acquisitions are reported as expenditures in governmental funds. Issuances of general long-term debt and acquisitions under capital lease agreements are reported as other financing sources.

D. Cash and Investments

Add the following paragraph to define cash and cash equivalents of the proprietary funds.

For the statement of cash flows, the District's cash and cash equivalents are considered to be cash on hand, demand deposits, cash and investments held by the County Treasurer, investments in the State Treasurer's Local Government Investment Pool, and only those highly liquid investments with a maturity of 3 months or less when purchased. ***Modify as appropriate.***

Nonparticipating, interest-earning investment contracts are stated at cost. Money market investments and participating interest-earning investment contracts with a remaining maturity of 1 year or less at the time of purchase are stated at amortized cost. All (other) investments are stated at fair value. ***Modify the disclosure as necessary to describe the District's policy for valuing investments. Also, describe the methods and significant assumptions used to estimate fair value if it is based on other than quoted market prices.***

If investments are negotiable or transferable, causing changes in the market or interest rates to affect their value, the District should report those investments at fair value. However, if investments are not negotiable or transferable, and therefore not affected by changes in the market or interest rates, the District should report those investments at amortized cost. Further, if those same investments are money market investments or interest-earning contracts that were purchased within 1 year of their maturity, the District may report them at amortized cost.

E. Inventories

Inventories in the government-wide and proprietary funds' financial statements are recorded as assets when purchased and expensed when consumed. These

inventories are stated at cost using the ***describe method of valuation*** and ***describe method of valuation***, respectively***.***

The District accounts for its inventories in the governmental funds using the purchase method. Inventories of the governmental funds consist of expendable supplies held for consumption and are recorded as expenditures at the time of purchase. Amounts on hand at year-end are shown on the balance sheet as an asset for informational purposes only and as nonspendable fund balance to indicate that they do not constitute "available spendable resources." These inventories are stated at cost using the ***describe method of valuation. When the consumption method is used to account for inventories of the governmental funds, modify the above paragraph accordingly.***

F. 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.

A lien assessed against real and personal property attaches on the first day of January preceding assessment and levy.

G. Capital Assets

Capital assets are reported at actual cost (or estimated historical cost if historical records are not available). Donated assets are reported at estimated fair value at the time received.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets are as follows:

	Capitalization Threshold
Land	

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Land improvements			
Buildings			
Equipment			
Intangibles *(may list by major category)*			

H. Deferred Outflows and Inflows of Resources

The statement of net position and balance sheet include separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods that will be recognized as an expense or expenditure in future periods. Deferred inflows of resources represent an acquisition of net position or fund balance that applies to future periods and will be recognized as a revenue in future periods. ***Modify as applicable.***

I. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

J. Fund Balance Classifications

The governmental funds' fund balances are reported separately within classifications based on a hierarchy of the constraints placed on those resources' use. 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.

The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form, such as inventories, or are legally or contractually required to be maintained intact. Restricted fund balances are those that have externally imposed restrictions on their usage by creditors (such as through debt covenants), grantors, contributors, or laws and regulations.

The unrestricted fund balance category is composed of committed, assigned, and unassigned resources. Committed fund balances are self-imposed limitations the District's Governing Board approved, which is the highest level of decision-making authority within the District. Only the Governing Board can remove or change the constraints placed on committed fund balances. ***Modify as necessary to describe the formal action needed to establish, modify, or rescind the commitment.***

Assigned fund balances are resources constrained by the District's intent to be used for specific purposes, but that are neither restricted nor committed. The Governing Board has authorized the superintendent, _____, and _____ to assign resources for a specific purpose. ***Modify as necessary to describe the officials authorized to make assignments and the policy pursuant to which authorization is given.***

The unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not reported in the other classifications. Also, deficits in fund balances of the other governmental funds are reported as unassigned.

When an expenditure is incurred that can be paid from either restricted or unrestricted fund balances, it is the District's policy to use (the District will use) restricted fund balance first. It is the District's policy to use (the District will use) committed amounts first when disbursing unrestricted fund balances, followed by assigned amounts, and lastly unassigned amounts. ***Modify as necessary to describe the District's hierarchy for use of its fund balances. If the District does not have a formal policy for its use of unrestricted fund balance amounts, it should consider that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.***

K. Investment Earnings

Investment earnings is composed of interest, dividends, and net changes in the fair value of applicable investments.

L. Compensated Absences *Modify as appropriate.*

Compensated absences payable consists of vacation leave employees earned based on services already rendered.

Employees may accumulate up to ___ hours of vacation depending on years of service, but they forfeit any unused vacation hours in excess of the maximum amount at (fiscal/calendar) year-end. Upon terminating employment, the District pays all unused and unforfeited vacation benefits to employees. Accordingly, vacation benefits are accrued as a liability in the government-wide and proprietary funds' financial statements. A liability for these amounts is reported in the governmental funds' financial statements only if they have matured, for example, as a result of employee resignations and retirements by fiscal year-end. ***Modify as necessary.***

Employees may accumulate an unlimited number of sick leave hours. Generally, sick leave benefits provide for ordinary sick pay and are cumulative, but employees forfeit them upon terminating employment. Because sick leave benefits do not vest with employees, a liability for sick leave benefits is not accrued in the financial statements.

Note _ - Change in Accounting Principle

Net position as of July 1, 2014, has been restated as follows for the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date.*

	Governmental Activities	Business-type Activities	*Major* Enterprise Fund	Nonmajor Enterprise Fund(s)	Internal Service Fund(s)
Net Position as previously reported at June 30, 2014	$	$	$	$	$
Prior period adjustment–implementation of GASB 68:					
Net pension liability (measurement date as of June 30, 2013)					
Deferred outflows—district contributions made during fiscal year 2014					
Total prior period adjustment					
Net position as restated, July 1, 2014	$	$	$	$	$

Note _ - Reconciliations of Certain Information in Governmental Fund Statements to Information in Government-wide Statements

If aggregated information presented in the reconciliations of the government-wide financial statements to the fund financial statements obscures the nature of the individual elements of a particular reconciling item, provide details about those reconciling items here. See GASB Statement No. 34, paragraph 77.

Note _ - Stewardship, Compliance, and Accountability

Violations of finance-*related legal and contractual provisions—Disclose any significant violations of finance-related legal and contractual provisions, for example, violations of A.R.S. requirements governing district budgeting including actual expenditures exceeding budgeted expenditures and violations of bond covenants. See GASB Cod. §1200 for additional guidance. Also, disclose actions taken to address such violations as GASB Statement No. 38, paragraph 9, requires.*

Disclose deficit fund balance or net position of individual nonmajor funds since it cannot be seen in the aggregated nonmajor funds column. See GASB Cod. §2300.106.

Deficit fund balances or net position—At June 30, 2015, the following nonmajor funds reported deficits in fund balance or net position:

Fund	Deficit
Governmental funds:	
List individual funds	
Proprietary funds:	
List individual funds	

Note _ - Deposits and Investments

The required GASB risk disclosures for deposits and investments should be made for the primary government, including its blended component units. Risk disclosures should also be made for the governmental and business-type activities, individual major funds, nonmajor funds in the aggregate, or fiduciary fund types when the risk exposures are significantly greater than the deposit and investment risks of the primary government. For example, a primary government's total investments may not be exposed to concentration of credit risk. However, if the District has all of its investments in one issuer for an opinion unit, disclosure should be made for the opinion unit's exposure to a concentration of credit risk.

Arizona Revised Statutes 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 in the Bond Building and Debt Service Funds, which may be invested separately. As statute requires, interest earned by the Bond Building Fund in the amount of $_____ was recorded in the Debt Service Fund. ***Delete preceding sentence if the voters authorized or federal laws or rules required such interest earnings to be recorded in the Bond Building Fund. Voter authorization must have been given in a separate question at the bond election.***

Statute authorizes the District to separately invest monies of the Bond Building and Debt Service Funds in the State Treasurer's investment pool, obligations issued or 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. The District may also invest these monies. 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.

Statutes require collateral for deposits at 102 percent of all deposits not covered by federal depository insurance. Statute does not include any requirements for credit risk, concentration of credit risk, interest rate risk, or foreign currency risk.

Deposits—At June 30, 2015, the carrying amount of the District's deposits was $_____, and the bank balance was $_____. ***Describe the District's formal policy with respect to custodial credit risk or indicate that the District does not have a policy. If the District has any category 3 deposits at June 30, 2015, add the following recap and modify as necessary.***

At June 30, 2015, $_____of the District's bank balance was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	$
Uninsured with collateral held by the pledging financial institution	
Uninsured with collateral held by the pledging financial institution's trust department or agent but not in the District's name	
	$

According to the GASB Comprehensive Implementation Guide—2013-2014, question 1.39.1, nonnegotiable CDs are time deposits that should be treated as deposits, and negotiable CDs are securities that should be treated as investments for purposes of GASB Statement Nos. 3 and 40 disclosures.

Investments—The District's investments at June 30, 2015, were as follows:

Investments with significantly different risk profiles should not be aggregated into a single investment type for all investment disclosures, as applicable. See question 1.3.2 in the GASB Comprehensive Implementation Guide—2013-2014.

Investment Type	Amount
County Treasurer's investment pool	$
State Treasurer's investment pools	
U.S. Treasury securities	
U.S. agency securities	
Local government bonds	
	$

The State Board of Investment provides oversight for the State Treasurer's pools. The fair value of a participant's position in the pool approximates the value of that participant's pool shares, and the participant's shares are not identified with specific investments. No comparable oversight is provided for the County Treasurer's investment pool, and that pool's structure does not provide for shares.

Credit Risk—Briefly describe the District's formal investment policy with respect to credit risk or indicate that it does not have one. At June 30, 2015, credit risk for the District's investments was as follows: ***Modify as necessary.***

Investment Type	Rating	Rating Agency	Amount
U.S. agency securities			$
Local government bonds			
State Treasurer's investment pool 5	AAAf/S1+	Standard and Poor's	
State Treasurer's investment pool 7	Unrated	Not applicable	
County Treasurer's investment pool	Unrated	Not applicable	
			$

Disclose the credit quality ratings of investments in debt securities as described by nationally recognized statistical rating agencies as of June 30, 2015, by aggregating investment amounts by investment type and rating categories. When multiple ratings exist and the District is aware of the different ratings, present the rating with the greatest degree of risk. U.S. government obligations and obligations the U.S. government explicitly guarantees do not require disclosure of credit risk. However, obligations of government-sponsored enterprises that the U.S. government implicitly guarantees are subject to credit risk disclosures. See question 1.9.7 in the GASB Comprehensive Implementation Guide—2013-2014 for more information. If credit risk disclosure is required and the investment is unrated, the disclosure should indicate that fact. See Illustrations 1–4 in GASB Statement No. 40 for additional examples of required disclosures.

Custodial credit risk—For an investment, custodial credit risk is the risk that, in the event of the counterparty's failure, the District will not be able to recover the value of its investments or collateral securities that are in an outside party's possession. ***Briefly describe the District's formal investment policy with respect to custodial credit risk or indicate that it does not have one. If the District had any category 3 investments at June 30, 2015, add the following and modify as necessary:*** At June 30, 2015, the District had $_____ of ***name of investment type*** that was uninsured, not registered in the District's name, and held by the counterparty, and $_____ of ***name of investment type*** that was uninsured, not registered in the District's name, and held by the counterparty's trust department or agent but not in the District's name. ***Disclose amounts by investment type and how the investments were held. See Illustration 1 in GASB Statement No. 40 for an example of required disclosure. Investments in external investment pools and in open-end mutual funds are not exposed to custodial credit risk. (GASB Statement No. 40, paragraph 9)***

Normally, the line item investments held by trustees is category 3 (See questions 1.16.4 and 1.16.5 of the GASB Comprehensive Implementation Guide—2013-2014).

Concentration of credit risk—If the District's investments held at year-end were exposed to concentration of credit risk, briefly describe the District's formal investment policy with respect to concentration of credit risk or indicate that it does not have one. The District had investments at June 30, 2015, of 5 percent or more in _____ and _____. These investments were ___ percent and ___ percent, respectively, of the District's total investments. ***Modify as necessary depending on the number of investments in any one issuer of 5 percent or more. See Illustration 2 in GASB Statement No. 40 for an example of required disclosure. Investments the U.S. government issues or explicitly guarantees and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement. (GASB Statement No. 40, paragraph 12)***

Interest rate risk—Briefly describe the District's formal investment policy with respect to interest rate risk or indicate that it does not have one. See

Illustrations 1–5 in GASB Statement No. 40 for examples of required disclosure. List investments by investment type and amount using one of the following interest rate risk methods: segmented time distribution, specific identification, weighted average maturity, duration, or simulation model. Districts are encouraged to select the disclosure method that is most consistent with the method they use to identify and manage interest rate risk.

The interest rate risk disclosure for a government's investments in mutual funds, external investment pools, or other pooled investments should be limited to investments in debt mutual funds, external debt investment pools, or other pooled debt investments that do not meet the requirements to be reported as a 2a7-like pool. (GASB Statement No. 59, paragraph 6)

At June 30, 2015, the District had the following investments in debt securities:

Segmented Time Distribution Example

		Investment Maturities			
Investment Type	Amount	Less than 1 year	1-5 years	6-10 years	More than 10 years
State Treasurer's investment pools	$	$	$	$	$
County Treasurer's investment pool					
U.S. Treasury securities					
U.S. agency securities					
Local government bonds					
	$	$	$	$	$

OR

Specific Identification Example

Investment	**Maturity**	**Amount**
State Treasurer's investment pool 5		$
State Treasurer's investment pool 7		
County Treasurer's investment pool		
U.S. Treasury bills ***(list each investment separately)***		
		$

OR

Weighted Average Maturity Example

Investment Type	Amount	Weighted Average Maturity (Years) or (Months)
State Treasurer's investment pool 5	$	
State Treasurer's investment pool 7		
County Treasurer's investment pool		
U.S. Treasury securities		
U.S. agency securities		
Local government bonds		
	$	

See Illustration 3 in GASB Statement No. 40 for an example of how to calculate weighted average maturity.

OR

Duration—See Illustration 4 in GASB Statement No. 40.

OR

Simulation Model—See Illustration 5 in GASB Statement No. 40.

The District must also disclose the terms of investments with fair values that are highly sensitive to changes in interest rates. See Illustration 7 in GASB Statement No. 40 for an example of this required disclosure. Further, if a method requires an assumption regarding timing of cash flows (for example, whether an investment is or is not assumed to be called), interest rate changes, or other factors that affect interest rate information, the District should disclose that assumption.

Foreign currency risk—If the District's deposits or investments held at year-end were exposed to foreign currency risk, disclose the following: briefly describe the District's formal investment policy with respect to foreign currency risk or indicate that it does not have one. Also, the District should disclose the U.S. dollar balances of deposits or investments exposed to foreign currency risk organized by currency denomination and investment type. See Illustration 8 in GASB Statement No. 40 for an example of required disclosure.

A reconciliation of cash, deposits, and investments to amounts shown on the Statements of Net Position follows:

Cash, deposits, and investments:	
Cash on hand	$
Amount of deposits	
Amount of investments	
Total	$

Statement of Net Position:	Governmental Activities	Business-Type Activities	Agency Funds	Total
Cash and cash equivalents	$	$	$	$
Investments				
Cash and investments held by trustee(s)				
Total	$	$	$	$

Note _ - Receivables

If the District had significant individual receivable accounts whose nature is obscured by aggregation, provide details about those accounts here. Also, describe any receivable balance not expected to be collected within 1 year. See GASB Statement No. 38, paragraph 13.

Note _ - Capital Assets

Capital asset activity for the year ended June 30, 2015, was as follows:

	Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015
Governmental activities:				
Capital assets not being depreciated:				
Land				
Construction in progress				
Total capital assets not being depreciated				
Capital assets being depreciated:				
Land improvements				
Buildings				
Equipment				
Intangibles ***(may list by major categories)***				
Total				
Less accumulated depreciation for:				
Land improvements				
Buildings				
Equipment				
Intangibles ***(may list by major categories)***				
Total				
Total capital assets being depreciated, net				
Governmental activities capital assets, net				
Business-type activities:				
Capital assets not being depreciated:				
Land				
Construction in progress				
Total capital assets not being depreciated				
Capital assets being depreciated:				

	Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015
Land improvements				
Buildings				
Equipment				
Intangibles ***(may list by major categories)***				
Total				
Less accumulated depreciation for:				
Land improvements				
Buildings				
Equipment				
Intangibles ***(may list by major categories)***				
Total				
Total capital assets being depreciated, net				
Business-type activities capital assets, net				

If the District has any collections (such as art or historical treasures) that are not capitalized, describe the collection and disclose why the assets are not capitalized. See GASB Statement No. 34, paragraph 118.

Depreciation expense was charged to functions as follows:

Governmental activities:	
Instruction	
Support services:	
Students	
Instruction	
General administration	
School administration	
Central and other support services	
Operation and maintenance of plant	
Student transportation	
Operation of noninstructional services	
Internal service funds	
Total governmental activities depreciation expense	
Business-type activities:	
List activities	
Total business-type activities depreciation expense	

Note _ - Construction and Other Commitments

The District had major contractual commitments related to various capital projects at June 30, 2015, for the construction of ***(list projects)***. At June 30, 2015, the District had spent $_____ on these projects and had remaining contractual commitments with contractors of $_____. These projects are being financed ***(describe source of payment/financing and terms of the commitment).***

If the District had other significant commitments, provide a description of the commitment, dollar amounts, and basic terms of the commitment (including amounts spent to date and amounts remaining under the commitment), and source of payment.

Note _ - Restricted Assets

If restricted assets' nature and purpose are obscured by aggregation or otherwise not sufficiently explained in the financial statements, provide that information here.

Note _ - Derivatives

Common types of derivative instruments governments use include interest rate and commodity swaps, interest rate locks, options (caps, floors, and collars), swaptions, forward contracts, and futures contracts. GASB Statement No. 53 specifies the disclosure requirements for derivative instruments. The disclosure should include a summary of the District's derivative instrument activity during the fiscal year and balances at year-end, paragraph 69. Additional disclosures are required for hedging derivative instruments, paragraphs 70-75; investment derivative instruments, paragraph 76; contingency features, paragraph 77; hybrid instruments, paragraph 78; and synthetic guaranteed investment contracts, paragraph 79. Place disclosure in the assets, deferred outflows of resources, liabilities, or deferred inflows of resources, sections, as appropriate.

Note _ - Short-Term Liabilities

Payables—*If the District had significant individual payable accounts whose nature is obscured by aggregation, provide details about those accounts here. See GASB Statement No. 38, paragraph 13.*

Short-term debt—*If the District had short-term debt (e.g., anticipation notes and lines of credit) activity during the year, even if no short-term debt is outstanding at year-end, the District should explain why the debt was issued and present a schedule of changes that discloses beginning and ending balances as well as increases and decreases. See GASB Statement No. 38, paragraph 12.*

Note _ - Financial Guarantees

If the District has extended nonexchange financial guarantees of another entity's obligations or issued obligations another entity guaranteed as part of a nonexchange transaction, it should disclose the information required by GASB Statement No. 70, paragraphs 14-17, as applicable.

Note _ - Long-Term Liabilities

The following schedule details the District's long-term liability and obligation activity for the year ended June 30, 2015:

	Balance July 1, 2014	Additions	Reductions	Balance June 30, 2015	Due within 1 year
Governmental activities					
General obligation bonds payable					
Discounts/premiums					
Total bonds payable					
Capital leases payable					
Net pension liability					
Insurance claims payable					
Compensated absences payable					
Claims and judgments payable					
Add other line items as needed					
Total governmental activities long-term liabilities					
Business-type activities					
Revenue bonds payable					
Discounts/premiums					
Total bonds payable					
Notes payable					
Capital leases payable					
Net pension liability					
Compensated absences payable					
Claims and judgments payable					
Add other line items as needed					
Total business-type activities long-term liabilities					

Bonds—The District's bonded debt consists of various issues of general obligation bonds that are generally callable (noncallable) with interest payable semiannually (annually). Bond proceeds primarily pay for acquiring or constructing capital facilities. Bonds have also been issued to advance-refund previously issued bonds. The District repays general obligation bonds from voter-approved property taxes. During the year, the District issued general obligation bonds totaling $_____ to ***describe the purpose***.

Of the total amount(s) originally authorized, $ _____ remains unissued. ***If all the authorized bonds were issued, delete the preceding sentence.*** The following bonds were outstanding at June 30, 2015:

Description	Original Amount Issued	Maturity Ranges	Interest Rates	Outstanding Principal
General obligation bonds	$			$
General obligation bonds—refunding				
List any other type of bonds				
				$

If issuing a CAFR for the GFOA certificate program, it is recommended that the District disclose the information above for each debt issuance. The District should also describe the legal debt limit/margin and the applicability of federal arbitrage regulations.

If the terms of any bond indentures require sinking or maintenance fund contributions, disclose the requirements.

The following schedule details debt service requirements to maturity for the District's bonds payable at June 30, 2015:

	Governmental Activities		**Business-Type Activities**	
	General Obligation Bonds		*Use separate columns as needed*	
Year ending June 30	**Principal**	**Interest**	**Principal**	**Interest**
2016				
2017				
2018				
2019				
2020				
2021-25				
2026-30				
2031-35				
2036-40				
2041-45				
Total				

If the District has variable-rate debt, disclose interest requirements based on the rate effective at the end of the reporting year. In addition, the District should add a paragraph following the table that discloses the terms under which interest rates may change. See GASB Statement No. 38, paragraph 10.

Pledged revenues are those specific revenues that have been formally committed to directly collateralize or secure debt (e.g., bonds, certificates of participation, etc.) of a pledging government, or directly or indirectly collateralize or secure debt of a component unit. For each period in which secured debt remains outstanding, the District must disclose the following:

a. Identification of the specific revenue pledged and the approximate pledge amount,
b. Identification of, and general purpose for, the debt the pledged revenue secures,
c. Commitment term,
d. Relationship of the pledged amount to the total for that specific revenue stream (i.e., percent of the specific revenue stream that has been pledged),
e. Comparison of the pledged revenues recognized during the period to the principal and interest requirements for the debt those revenues directly or indirectly collateralize.

See GASB Statement No. 48, paragraph 21, for more information regarding the disclosure requirements for pledged revenues. Also, see Appendix D, Examples 1-3, in GASB Statement No. 48 for examples of required disclosures. For more

complex situations, the District may want to present tables with the required disclosures.

During the year ended June 30, 2015, the District issued general obligation bonds with an average interest rate of ___ percent to advance-refund older, higher-rate issues with an average interest rate of ___ percent. The District realized net proceeds of $ _____ after payment of $ _____ in underwriting fees, insurance, and other issuance costs, plus $ _____ of _____ sinking fund monies. The District used these proceeds to purchase securities that it placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. The refunded debt is considered defeased, and related liabilities are not included in the District's financial statements. Details of the refunding transactions are as follows:

	Bond Category
Amount of refunding bonds issued	
Amount of bonds refunded	
Reduction in debt service payments	
Economic gain(loss)	

Complete the above schedule and applicable portions of the preceding paragraph for the fiscal year in which a bond refunding occurs. For all periods following an advance refunding that end with refunded bonds still outstanding, complete the next paragraph.

In prior years, the District defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for these defeased bonds are not included in the District's financial statements. At June 30, 2015, the following outstanding bonds were considered defeased:

Description	**Amount** ***(Principal balance of defeased bonds outstanding at June 30, 2015.)***
List types of bonds	

If the refunded (old) debt is variable-rate debt, it cannot be considered defeased because of the uncertainty of the future debt service requirements. It is possible to defease old fixed-rate debt with new variable-rate debt, but additional disclosures should be made. See footnote 4 of GASB Statement No. 7 for additional details.

Capital leases—The District has acquired ***describe assets by major classes*** under the provisions of various long-term lease agreements classified as capital leases for accounting purposes because they provide for a bargain purchase option or a transfer of ownership by the end of the lease term. ***Modify accordingly.***

The following assets were acquired through capital leases:

	Governmental Activities	Business-Type Activities
List major class of assets		
Less: accumulated depreciation	_____	_____
Carrying value	_____	_____

The following schedule details debt service requirements to maturity for the District's capital leases payable at June 30, 2015:

Year ending June 30	Governmental Activities	Business-Type Activities
2016		
2017		
2018		
2019		
2020		
2021-25		
2026-30	_____	_____
Total minimum lease payments		
Less amount representing executory costs		
Less amount representing interest	_____	_____
Present value of net minimum lease payments	_____	_____

Insurance claims—The ***name of the self-insurance fund*** (an Internal Service Fund) accounts for the financing of the uninsured risk of loss for certain health benefits (comprehensive, major medical, dental) to eligible employees and their dependents. Under this program, the fund provides coverage for up to a maximum of $_____ for each claim, not to exceed an annual aggregate of $_____. The fund purchases commercial insurance for claims in excess of this coverage. Settled claims did not exceed this commercial insurance coverage in any of the past 3 fiscal years. ***Modify as appropriate***.

The fund's insurance claims payable liability totaling $_____ at June 30, 2015, is the estimated ultimate cost of settling claims that have been reported but not settled and claims that have been incurred but not reported. This estimate is based on actuarial estimates ***or describe methodology.*** Changes in the Fund's claims payable for the years ended June 30, 2014 and 2015, were as follows:

	2014	2015
Claims payable, beginning of year		
Current-year claims and changes in estimates		
Claim payments	_____	_____
Claims payable, end of year	_____	_____

Compensated absences and claims and judgments—Compensated absences are paid from various funds in the same proportion that those funds pay payroll costs. Claims and judgments are generally paid from the fund that accounts for the activity that gave rise to the claim. During fiscal year 2015, the District paid for compensated

absences as follows: ___ percent from the General Fund, ___ percent from major funds, and ___ percent from other funds. The District paid for claims and judgments as follows: ___ percent from the General Fund and ___ percent from the _____ Fund. ***Modify as appropriate.***

Note _ - Termination Benefits

If the District reports employee termination benefits in its financial statements, it should disclose in the notes a description of the termination benefit arrangements, the cost of the termination benefits, and significant methods and assumptions used to determine termination benefit liabilities as GASB Statement No. 47, paragraphs 18-21, require.

Note _ - Fund Balance Classifications of the Governmental Funds

The fund balance classifications of the governmental funds as of June 30, 2015, were as follows:

	General Fund	***Major Fund***	**Other Governmental Funds**	**Total**
Fund balances:				
Nonspendable:				
Inventories				
Prepaid items				
List other nonspendable resources	_____	_____	_____	_____
Total nonspendable	_____	_____	_____	_____

	General Fund	*Major Fund*	Other Governmental Funds	Total
Restricted for:				
Instruction				
Support services:				
Students				
Instruction				
Operation of noninstructional services				
Debt service				
Capital outlay				
List other purposes	_____	_____	_____	_____
Total restricted	_____	_____	_____	_____
Committed to:				
List specific purposes	_____	_____	_____	_____
Total committed	_____	_____	_____	_____
Assigned to:				
List specific purposes	_____	_____	_____	_____
Total assigned	_____	_____	_____	_____
Unassigned	_____	_____	_____	_____
Total fund balances	_____	_____	_____	_____

Minimum Fund Balance Policies—When the District has formally adopted a minimum fund balance policy, it should disclose its policy setting forth the minimum amount. (GASB Statement No. 54, paragraph 27)

Note _ - 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 carries commercial insurance for all such risks of loss, including workers' compensation and employees' health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past 3 fiscal years. ***Modify as appropriate.***

Note _ - Operating Leases

The District leases ***describe assets by major classes*** under the provisions of various long-term lease agreements classified as operating leases for accounting purposes. Rental expenditures under the terms of the operating leases were $_____ for the year ended June 30, 2015. The operating leases have remaining noncancelable terms of ___ years (from __ to __ years) and provide renewal options. The following future minimum payments were required under the operating leases at June 30, 2015:

Year ending June 30	Governmental Activities	Business-Type Activities
2016		
2017		

2018		
2019		
2020		
2021-25		
2026-30		
Total minimum lease payments		

Note _ - Pensions and Other Postemployment Benefits

With the implementation of GASB Statement No. 68, there are differences between the disclosures required for pensions and OPEB. Accordingly, the disclosures below include some information for pensions that is not included for OPEB and vice versa.

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. The 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 its Web site at www.azasrs.gov.

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 consecutive months of last 120 months	Highest 60 consecutive 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

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

Contributions—In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2015, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.6 percent (11.48 percent for retirement and 0.12 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 11.6 percent (10.89 percent for retirement, 0.59 percent for health insurance premium benefit, and 0.12 percent for long-term disability) of the active members' annual covered payroll. ***If the District also made alternative contributions for retired members who returned to work, add the following sentence:*** In addition, the District was required by statute to contribute at the actuarially determined rate of 9.57 percent (9.51 percent for retirement and 0.06 percent for long-term disability) of annual covered payroll of retired members who worked for the District in positions that would typically be filled by an employee who contributes to the ASRS. The District's contributions to the pension plan for the year ended June 30, 2015, were $_____. The District's contributions for the current and 2 preceding years for OPEB, all of which were equal to the required contributions, were as follows:

Year ended June 30	Health Benefit Supplement Fund	Long-Term Disability Fund
2015	$	$
2014		
2013		

During fiscal year 2015, the District paid for pension and OPEB contributions as follows: ___ percent from the General Fund, ___ percent from major funds, and ___ percent from other funds.

Pension liability—At June 30, 2015, the District reported a liability of $_____ for its proportionate share of the ASRS' net pension liability. The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2013, to the measurement date of June 30, 2014. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2014. The District's proportion

measured as of June 30, 2014, was _____ percent, which was an (increase/decrease) of _____ from its proportion measured as of June 30, 2013.

If changes expected to have a significant effect on the measurement of the District's proportionate share of the collective net pension liability occurred between the measurement date and the reporting date, the District should provide a brief description of the nature of the changes and the amount of the expected resultant change in the District's proportionate share of the collective net pension liability, if known.

Pension expense and deferred outflows/inflows of resources—For the year ended June 30, 2015, the District recognized pension expense for ASRS of $_____. At June 30, 2015, 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	$	$
Net difference between projected and actual earnings on pension plan investments		
Changes in proportion and differences between district contributions and proportionate share of contributions		
District contributions subsequent to the measurement date		
Total	$	$

The $_____ reported as deferred outflows of resources related to ASRS pensions resulting from district contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions will be recognized in pension expense as follows:

Year ending June 30	
2016	$
2017	
2018	
2019	

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

Actuarial valuation date	June 30, 2013

Actuarial roll forward date	June 20, 2014
Actuarial cost method	Entry age normal
Investment rate of return	8%
Projected salary increases	3–6.75%
Inflation	3%
Permanent benefit increase	Included
Mortality rates	1994 GAM Scale BB

Actuarial assumptions used in the June 30, 2013, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2012.

The long-term expected rate of return on ASRS pension plan investments was determined to be 8.79 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan 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 and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	63%	7.03%
Fixed income	25%	3.20%
Real estate	8%	4.75%
Commodities	4%	4.50%
Total	100%	

Discount rate—The discount rate used to measure the ASRS total pension liability was 8 percent, which is less than the long-term expected rate of return of 8.79 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 pension 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 pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's proportionate share of the ASRS net pension liability to changes in the discount rate—The following table presents the District's proportionate share of the net pension liability calculated using the discount rate of 8 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7 percent) or 1 percentage point higher (9 percent) than the current rate:

	1% Decrease (7%)	Current Discount Rate (8%)	1% Increase (9%)
District's proportionate share of the net pension liability	$	$	$

Pension Plan Fiduciary Net Position—Detailed information about the pension plan's fiduciary net position is available in the separately issued ASRS financial report.

Pension contributions payable—The District's accrued payroll and employee benefits included $_____ of outstanding pension contribution amounts payable to ASRS for the year ended June 30, 2015. ***Pension contributions payable should not include contributions to the ASRS health benefit supplement fund and long-term disability fund. If the District reported other payables to ASRS for pensions as of June 30, 2015, the District should disclose the payable amount, significant terms related to the payable, and a description of what gave rise to the payable.***

Note: If the District participates in other OPEB plans or provides its own OPEB, such as allowing its retirees to participate in its employees' healthcare plans (i.e., implicit rate subsidy), the District should follow the accounting and disclosure requirements of GASB Statement Nos. 43 or 45.

GASB Statement No. 43—Include the following disclosures for OPEB plans that are formal trusts.

GASB defines formal trusts as OPEB plans through which assets are accumulated and benefits are paid as they come due in accordance with an agreement between the district and plan members and their beneficiaries, and in which:

- ***employer contributions to the plan are irrevocable,***
- ***plan assets are dedicated to providing benefits to retirees and their beneficiaries in accordance with the terms of the plan, and***
- ***plan assets are legally protected from creditors of the district or the plan administrator.***

OPEB plans can be either defined benefit or defined contribution plans.

- ***For defined benefit OPEB plans:***

  a. ***If a stand-alone financial report for the plan is not issued, the District should present a schedule of funding progress and schedule of employer contributions as required supplementary information. See GASB Statement No. 43 for more information on the required schedules and note disclosures.***

  b. ***If a stand-alone financial report for the plan is issued, the District may limit its plan disclosures to:***
     - ***identifying the plan as a single-employer, agent multiple-employer, or cost-sharing multiple-employer plan,***

- *the number of participating employers and other contributing entities,*
- *the basis of accounting,*
- *a description of how fair value of investments is determined,*
- *a brief description of the terms of any long-term contracts for contributions to the plan and the amounts outstanding as of June 30, 2015, and*
- *information about how to obtain the stand-alone plan financial report.*

- *For defined contribution plans:*

  a. *If a stand-alone financial report for the plan is not issued, see GASB Statement No. 43 for more information on required note disclosures.*

  b. *If a stand-alone financial report for the plan is issued, the District may limit its plan disclosures to:*
     - *identifying the plan as a defined contribution plan,*
     - *the number of participating employers and other contributing entities,*
     - *the basis of accounting,*
     - *the fair value of plan assets (unless plan assets are reported at fair value),*
     - *a brief description of how the fair value is determined,*
     - *identification of investments (other than those issued or guaranteed by the U.S. government) in any one organization that represent 5 percent or more of plan net position, and*
     - *information about how to obtain the stand-alone plan financial report.*

Include a statement of plan net position and statement of changes in plan net position in the District's financial statements for OPEB plans that are formal trusts. See GASB Statement No. 43 for more information on these required statements.

GASB Statement No. 45—Include the following disclosures for OPEB plans that are not formal trusts:

- *Plan description;*
- *Funding policy;*
- *Annual OPEB cost and the dollar amount of contributions made;*
- *For the current year and each of the two preceding years, annual OPEB cost, percentage of annual OPEB cost contributed during that year, and net OPEB obligation at the end of the year;*
- *Information about the plan's funded status as of the most recent actuarial valuation date; and*
- *Disclosure of information about actuarial methods and assumptions used in valuations on which reported information about the annual required*

contribution, annual OPEB cost, and the funded status and funding progress of OPEB plan(s) are based.

Also, the District will need to add a required supplementary information section for the most recent actuarial valuation and the two preceding valuations.

See GASB Statement No. 45, paragraphs 24-26, for a more complete explanation of the disclosure requirements. See GASB Statement No. 45, paragraphs 11-21, for an explanation of how to account for the implicit rate subsidy.

Note _ - Interfund Balances and Activity

Interfund receivables and payables—Interfund balances at June 30, 2015, were as follows:

	Payable to					
Payable from	**General Fund**	***Major Fund***	**Nonmajor Governmental Funds**	**Nonmajor Enterprise Funds**	**Internal Service Funds**	**Total**
List funds						
Total						

Describe the purpose for interfund balances and describe interfund balances that are not expected to be repaid within 1 year from the date of the financial statements. See Illustration 14 in GASB Statement No. 38 for an example of such disclosure.

Interfund transfers—Interfund transfers for the year ended June 30, 2015, were as follows:

	Transfer To					
Transfer from	**General Fund**	***Major Fund***	**Nonmajor Governmental Funds**	**Nonmajor Enterprise Funds**	**Internal Service Funds**	**Total**
List funds						
Total						

Describe the principal purposes of the District's interfund transfers.

Describe and give the amount of significant transfers not expected to occur on a routine basis.

Describe the intent for and amount of significant interfund transfers for which the transfer's purpose was not routine or was inconsistent with the activities of the fund making the transfer. See Illustration 16 in GASB Statement No. 38 for an example of such disclosure.

Note _ - Segment Information

For any activities that meet the definition of a segment, disclose the type of goods or services the segment provides and present a condensed statement of net position; statement of revenues, expenses, and changes in net position; and

statement of cash flows. See GASB Statement No. 34, paragraph 122 (as amended by GASB Statement No. 37, paragraph 17), for segment definition and disclosure requirements.

Note _ - Other Disclosures

If the District had related organizations** (GASB Cod. §2600, paragraph 128); **joint ventures or jointly governed organizations (GASB Cod. §J50); related-party transactions (GASB Cod. §§2250); commitments (GASB Cod. §§2300); significant contingencies (GASB Cod. §§1500 and C50); or significant subsequent events (GASB Cod. §§2250, 2300, and C50), disclose the details here.

Note _ - Discretely Presented Component Unit Disclosures

The District must include those disclosures of its discretely presented component units that are essential to the fair presentation of this opinion unit, which would include a summary of significant accounting policies. Determining which discretely presented component unit disclosures are essential to fair presentation is a matter of professional judgment and a consideration of the nature and significance of the component unit's relationship to the District. See GASB Statement No. 61, paragraph 11, for disclosure requirements.

The District should segregate discretely presented component unit disclosures from disclosures relating to the District. The District can accomplish this by presenting component unit information after the district information for each relevant disclosure or by presenting the component unit's disclosures after the District's disclosures. GASB Comprehensive Implementation Guide—2013-2014, question 4.39.6.

In addition, the District is required to display major discretely presented component unit financial statements separately in the District's financial statements. Determination that a component unit is "major" should be based on the nature and significance of its relationship to the primary government. (See GASB Statement No. 61, paragraph 7, and GASB Cod §2600.108) The reporting requirements may be satisfied by:

- ***presenting each major component unit in a separate column in the financial statements,***
- ***including combining statements of major component units in the basic financial statements after the fund financial statements***
- ***presenting condensed financial statements in the notes. If the District presents condensed financial statements, it must include all the requirements in GASB Statement No. 34, paragraph 127.***

Nonmajor component units should be aggregated in a single column. A combining statement for the nonmajor component units is not required, but may be presented as supplementary information. (GASB Statement No. 34, paragraph 126, Footnote 50)

Further, the notes to the financial statements should disclose, for each major component unit, the nature and amount of significant transactions with the primary government and other component units.

_____ School District No. ___
Required Supplementary Information
Budgetary Comparison Schedule
General Fund[1]
Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:[2]				
Property taxes				
Intergovernmental grants and aid:				
Federal				
State				
_____ County				
Tuition				
Investment earnings				
Other				
Total revenues				
Expenditures:				
Current:				
Instruction				
Support services:				
Students				
Instruction				
General administration				
School administration				
Central and other support services				
Operation and maintenance of plant				
Student transportation				
Operation of noninstructional services				
Capital outlay				
Total expenditures				
Excess (deficiency) of revenues over expenditures				
Other financing sources (uses):				
Tax anticipation notes issued				
Capital lease agreement(s)				
Transfers in				
Transfers out				
Total other financing sources and uses				
Special item(s):				
Describe nature of event or transaction				
Extraordinary item(s):				
Describe nature of event or transaction				
Net change in fund balances				
Fund balances, July 1, 2014				
Changes in nonspendable resources:				
Increase (decrease) in inventories				
Increase (decrease) in prepaid items				
Fund balances, June 30, 2015				

[1] Present additional schedules for each major special revenue fund that has a legally adopted annual budget.

[2] The District should include estimated revenues used in preparing the budget even though those revenue estimates are not "legally adopted."

See accompanying notes to budgetary comparison schedule.

_____ School District No. _____
Required Supplementary Information
Notes to Budgetary Comparison Schedules
Year Ended June 30, 2015

Note 1 - Budgeting and Budgetary Control

Districts participating in the Accounting Responsibility Program may delete references to the County School Superintendent, as appropriate.

The District adopts an annual operating budget for expenditures for all governmental fund types. The Governing Board presents a proposed budget to the Superintendent of Public Instruction and County School Superintendent on or by July 5. The Governing Board legally adopts the final budget by July 15, after a public hearing has been held. Once adopted, the budget can be increased or decreased only for specific reasons set forth in Arizona Revised Statutes. ***Disclose the reason for any significant budget increase or decrease here.***

Budgetary control over expenditures is exercised at the fund level. However, the General Fund is budgeted within three subsections titled regular education programs, special education programs, and pupil transportation, any of which may be overexpended with the Governing Board's prior approval at a public meeting, providing the expenditures for all subsections do not exceed the General Fund's total budget.

Address the statutory requirement to report M&O Fund expenditures by subsection by using the assigned program code in the Uniform System of Financial Records Chart of Accounts. However, total and report M&O Fund expenditures coded to programs 100, 600, 700, 800, and 900 as the regular education subsection.

Some districts may have up to five additional subsections titled desegregation, dropout prevention programs, special K-3 program override, joint career and technical education and vocational education center, and K-3 reading program. If applicable, add to the description above.

Note 2 - Budgetary Basis of Accounting

The District budget is prepared on a basis consistent with generally accepted accounting principles, 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.
- Net changes in the fair value of investments is not budgeted.
- Present value of net minimum capital lease payments is not budgeted at the inception of the agreement.
- USDA-donated commodities are not budgeted as an expenditure.

Modify as appropriate.

_____ School District No. _____
Required Supplementary Information
Notes to Budgetary Comparison Schedules
Year Ended June 30, 2015

The following schedule reconciles the excess (deficiency) of revenues over expenditures from the Statement of Revenues, Expenditures, and Changes in Fund Balances to the budgetary comparison schedules:

	General Fund	___ ***Major Special Revenue* Fund**	___ ***Major Special Revenue* Fund**
Excess (deficiency) of revenues over expenditures from the Statement of Revenues, Expenditures, and Changes in Fund Balances			
Activities budgeted in separate funds			
Current-year prepaid items			
Prior-year prepaid items			
Net increase (decrease) in fair value of investments			
Present value of net minimum capital lease payments			
USDA-donated commodities			
Excess (deficiency) of revenues over expenditures from the budgetary comparison schedules			

Note 3 - Expenditures in Excess of Appropriations

For the year ended June 30, 2015, expenditures exceeded final budget amounts at the legal level of budgetary control (subsections within the General Fund, or by fund) as follows:

Fund/Department	**Excess**
General Fund:	
List subsections	
_____ Fund	

Describe actions taken or planned to address such violations. Also, only those unfavorable variances attributable to the budgetary schedules presented as supplementary information here should be discussed in this note. However, any significant unfavorable budget variances for all funds should be disclosed in the Stewardship, Compliance, and Accountability note to the financial statements.

_____ School District No. _____
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
June 30, 2015

Covered-employee payroll amounts presented in the schedule below should be for the fiscal year ended on the measurement date of the net pension liability. For example, the covered-employee payroll reported in the fiscal year 2015 column (the District's fiscal year-end) should be the covered-employee payroll for fiscal year 2014 (the measurement date of the net pension liability). Covered-employee payroll means total compensation of employees that are provided with pensions through the pension plan. This may include compensation on which the District does not make contributions such as compensation amounts that exceed the maximum annual compensation limit the Internal Revenue Service sets.

Arizona State Retirement System	**Reporting Fiscal Year (Measurement Date)**	
	2015 (2014)	**2014 through 2006**
District's proportion of the net pension liability	%	Information
District's proportionate share of the net pension liability	$	not available
District's covered-employee payroll	$	
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	%	
Plan fiduciary net position as a percentage of the total pension liability	69.49%	

See accompanying notes to pension plan schedules.

_____ School District No. _____
Required Supplementary Information
Schedule of District Pension Contributions
June 30, 2015

If the District has the information required below for periods prior to fiscal year 2014, the District should modify the schedule below to provide information for as many years as such information is available.

Amounts presented in the schedule below should be for the District's fiscal year-end.

Arizona State Retirement System	**Reporting Fiscal Year**		
	2015	**2014**	**2013 through 2006**
Statutorily required contribution	$	$	Information not available
District's contributions in relation to the statutorily required contribution			
District's contribution deficiency (excess)	$	$	
District's covered-employee payroll	$	$	
District's contributions as a percentage of covered-employee payroll	%	%	

See accompanying notes to pension plan schedules.

_____ School District No. _____
Required Supplementary Information
Notes to Pension Plan Schedules
June 30, 2015

Note 1 – Factors That Affect Trends

Disclose information about the factors that significantly affect trends in the amounts reported in the schedules including, for example, changes in benefit provisions, changes in the size or composition of the population covered by the benefit terms, or the use of different assumptions.

_____ School District No. _____
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

The Schedule of Expenditures of Federal Awards should include the following at a minimum:

1. ***Individual programs by federal agency. For federal programs in a cluster of programs, list the individual federal programs within the cluster.***
2. ***Name of the pass-through grantor agency and the pass-through grantor's identifying number.***
3. ***Total federal awards expended for each individual federal program and the associated CFDA number or other identifying number.***
4. ***Total amount provided to subrecipients from each federal program. This information may be presented on the face of the schedule or in the notes.***
5. ***The value of federal awards expended in the form of noncash assistance, amount of insurance in effect during the year, and loans or loan guarantees outstanding at year-end. This information may be presented on the face of the schedule or in the notes.***

See paragraph 7.20 in the AICPA Audit Guide, **Government Auditing Standards and Single Audits,** ***dated February 1, 2015, for more information.***

American Recovery and Reinvestment Act (ARRA) monies—The District must separately identify expenditures of ARRA monies on both the Schedule of Expenditures of Federal Awards (SEFA) and on the Data Collection Form. For additional guidance, see OMB Compliance Supplement, June 2015, Appendix VII—Other OMB Circular A-133 Advisories.

Noncash assistance:

Include the value of such assistance in the schedule or disclose it as a note to the schedule. Although it is not required, Circular A-133 states that it is preferable to present this information in the schedule instead of the notes to the schedule. If the District presents noncash assistance in the notes, include such amounts in Part III of the Data Collection Form.

Do not include Medicaid reimbursements in the schedule.

_____ School District No. _____
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

Note 1 - Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards includes the _____ School District No. __'s federal grant activity and is presented on the modified accrual basis of accounting. ***Modify if all or certain expenditures are presented on another basis of accounting.*** The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Note 2 - Catalog of Federal Domestic Assistance (CFDA) Number

The program titles and CFDA numbers were obtained from the federal or pass-through grantor or the 2015 Catalog of Federal Domestic Assistance. When no CFDA number had been assigned to a program, the two-digit federal agency identifier and the federal contract number were used. When there was no federal contract number, the two-digit federal agency identifier and the word "unknown" were used.