

Arizona Auditor General

We have issued the fiscal year (FY) 2023 [school district Annual Financial Report \(AFR\) package](#) in conjunction with the Arizona Department of Education (ADE). Specific instructions for completing the forms are provided within each file, and significant changes are identified in the forms and any related instructions with yellow highlighting.

Significant changes

Pages 5 and 6—Added new lines to separately report fund details for funds that were previously combined on one line. Beginning fund balances and budgeted expenditure amounts must be manually entered for these new lines.

Page 7—Added a table to report certified staff salaries and FTE, including details for classroom teachers with fewer than 3 years of experience and more than 3 years of experience. The table mirrors changes to the certified salary expenditure object code range (6100 to 6149) added to the FY 2024 USFR Chart of Accounts that will be required starting in FY 2025. Salary amounts must be manually entered in this table until FY 2025, when the new codes are required.

Page 10—Added this page to collect additional information for National Public Education Financial Survey (NPEFS) reporting of COVID-19 federal relief projects as separate COVID-19 reporting is no longer required.

Fund Balance Reserve—As described in the Finding 3 followup in our [special report on Arizona school districts' and charter schools' COVID-19 federal relief spending](#), we added this page to report information on the amount and planned use of districts' fund balance reserves to increase transparency and provide decision-makers, other stakeholders, and the public more complete financial information. The page also requires reporting on information about policies or guidelines districts used to establish targeted fund balance reserve amounts.

School-level reporting (SLR) AFR

We will notify all districts when the required SLR AFR is issued.

Formula corrections

We have posted a FY 2023 AFR Formula Corrections file along with the AFR package because required formula corrections are occasionally necessary due to the complex formulas included within the AFR files. If we become aware of any required formula corrections, we will describe the change in the formula corrections file and post an updated AFR package. Districts will generally have the option of correcting their current file or

downloading a new file. **Districts must review the corrections file and make any corrections as directed before finalizing and submitting AFR files.**

ADE's School Finance Budget System is not currently open for file submission. ADE will issue a Hot Topic and notify all districts when the system is open.

If you have any questions, please contact Tijana Djordjic or Chris Votroubek at asd@azauditor.gov or (602) 977-2796, or ADE's School Finance Budget Team at SFBudgetTeam@azed.gov or (602) 542-5695.

Other school district reports and resources we issue are available on our website: <http://www.azauditor.gov>.

Sincerely,
Arizona Auditor General



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